

THE ADMINISTRATOR



12310735



**BEAUFORT
WEST
MUNICIPALITY**



DRAFT • ANNUAL REPORT 2022/23

KWALASIE	OPDRAG



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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY



CHAPTER 1

COMPONENT A: MAYOR'S FOREWORD



As the Executive Mayor of Beaufort West Municipality, it is my humble honour and pleasure to present the Annual Report covering the financial year 2022/23. I would like to thank the Council of this Municipality that has served its fiduciary responsibilities very well, guided by all applicable prescripts that is applicable on Local Government in the Republic of South Africa.

The Report is written at a time when Beaufort West Municipality has been placed under mandatory intervention in terms of Section 139 (5) of the Constitution of RSA.

This came amid financial difficulties experienced in the previous financial year when the Municipality could not meet its financial obligations and was not able to collect the revenue that was expected.

The basis for the intervention was the prolonged crisis in the financial affairs of the Municipality because of unsustained governance, institutional and financial management weakness.

The Financial Recovery Plan is thus used as an instrument to guide the Municipality through the financial crisis as well as to ensure the Municipality regains financial health within the shortest timeframe possible whilst ensuring that the underlying issues are comprehensively addressed.

This Annual Report intends to reflect on the Municipality's commitment to transformation, development and fostering good governance in the organisation and it is presented in observation of our legislative obligation to be an accountable and transparent institution of Governance.

I would like to remind all of us that while we should acknowledge all that we have achieved, we must remember that serving our communities is an ongoing responsibility. It is one that we have chosen and is committed for perusing.

Our core values as a Municipality are primarily shaped by the moral fibre of the Administrative and Political Leadership of our Municipality.

The content of this Report is linked to various material issues in the Municipality's IDP and other Sectoral Plans. These are issues that we intend to address as part of delivering our service mandate in the context of our strategic focus areas and long-term vision.

I would like to appeal and urge all of us to work diligently in ensuring that the Municipality ultimately achieve the set goal objectives of the Financial Recovery Plan and graduate out of its three (3) phases.

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY



I believe that the 2022/23 Annual Report provides you with a fair and accurate overview of the administrative, financial, operational, social and environmental performance for the twelve (12) months under review.

I would like to thank all Councillors, the Mayoral Committee, Speaker, MPAC and Audit Committee members for their effective oversight of the Municipality's operations.

I thank you.

Councillor EF Botha

EXECUTIVE MAYOR

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Component B: Executive Summary



It is with pleasure that I present the Annual Report for the Beaufort West Municipality for the 2022/23 reporting period. This Annual Report presents us with an opportunity to reflect on our achievements since the last reporting period and also to provide a detailed account of our performance as an institution against our strategic plans as well as Financial Recovery Plan.

In keeping with Section 121 of the Municipal Finance Management Act (Act 56 of 2003), Accounting Officers in Local Government are required to prepare the Annual Report in accordance with legislation.

This Annual Report provides an overview of the performance and progress made by the Beaufort West Municipality in fulfilling its strategic objectives and priorities as aligned with the Integrated Development Plan (IDP), Budget as well as Financial Recovery Plan.

Reflecting on the 2022/23 financial year, this Report captures the considerable efforts made by the Beaufort West Municipality in advancing the efficiency and effectiveness of the municipal operations. The Report is also a reflection of the many challenges that the Municipality still faces that transcends in the inability of the Municipality to move from the rescue phase of the Financial Recovery Plan to the stability phase. The instability in the Senior Management positions has not been helpful at all.

The financial health of the Municipality as reflected in the Financial Recovery Plan has seen deterioration during the financial year under review and this can be attributed to its high employee-related costs as well as inability of the Municipality to increase or improve collection rate/revenue. The Financial Recovery Plan was put in place to contain personnel cost and improve revenue. The Municipality is experiencing an ongoing concern crisis as highlighted in the audit report. The Municipality has also failed to develop and Audit Action Plan for the 2021/22 financial year. The fact that the Municipality obtained a qualified audit means that there is a lot that needs to be done in ensuring adherence to basic principles of accountability, strong internal control measures and good governance, financial management, a stable leadership structure and a well-functioning Council and Administration.

The successful implementation of the Financial Recovery Plan is a cornerstone for the improved financial health of the Municipality.

Despite all the challenges that the Municipality faced in the 2022/23 financial year, it is with great pleasure to report that the Municipality is functional and continues to develop the requisite capacity to fulfil its Constitutional obligation as enshrined in Section 152 of the Constitution.

This Annual Report is a true testimony of the difficulties and challenges that the Municipality faces. May we build on our strengths and collectively address all challenges that may face us on our journey ahead.

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I would like to thank the Executive Mayor, Deputy Executive Mayor, Speaker and the Mayoral Committee and all Councilors for the guidance, advice and continued support that we have enjoyed throughout the year.

I also must express my gratitude and appreciation to the Senior Management Team for the support and commitment to our staff. I would like to thank you sincerely for always showing a sense of urgency in dealing with issues that we're faced with. I am humbled to be at the forefront of such a dedicated team of professionals.

DE Welgemoed

ACTING MUNICIPAL MANAGER

CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY



1.1 Municipal overview

This report addresses the performance of Beaufort West Municipality (BWM) in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on program performance and the general state of affairs in their locality.

The Annual Report reflects on the performance of the Municipality for the period 1 July 2022 to 30 June 2023. The report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), of which the Municipality must prepare an annual report for each financial year.

1.1.1 Vision and mission

The Municipality committed itself to the following vision and mission:

Vision:

"Beaufort West in the Central Karoo, the economic gateway to the Western Cape, where people are developed and living together in harmony."

Mission:

To reflect the will of the South African people as reflected in the Constitution and by Parliament:

- Service Delivery: To provide excellent services to the residents of Beaufort West Municipality
- Growing the Economy: To implement infrastructure to grow the economy and create jobs
- Staff: To have an equipped, skilled and motivated staff establishment
- Well-run Administration: establish a sound, efficient and effective administration for the Municipality
- Financial Sustainability: Collecting all debtors and paying creditors in time
- Sport Centre: To become the sport and recreational mecca of the Karoo, creating harmony and unity
- Safe Place: To create a crime-free, safe and healthy environment
- Reduce Poverty: To reduce poverty and promote the empowerment of women, youth and people living with disabilities



Strategic Objectives:

- SO1: Provide, maintain and expand basic services to all people in the municipal area
- SO2: Sustainable, safe and healthy environment
- SO3: Promote broad-based growth and development
- SO4: Maintain an ethical, accountable and transparent administration
- SO5: Enabling a diverse and capacitated workforce
- SO6: Uphold sound financial management principles and practices

1.2 Municipal functions, population and environmental overview

1.2.1 Population

The table below illustrates the population in the municipal area as per census 2001 – 2011, and the Socio-economic profile 2017 and 2020:

Population	2001	2011	2018	2020
Number of people residing in the Beaufort West municipal area	43 284	49 586	53 168	51 074
Census 2001 and 2011			Socio-economic profile 2017	Socio-economic profile 2020

Table 1. Demographic information of the municipal area – Total population

1.2.2 Population by race

The table below reflects on the race classification of the population within the Beaufort West area:

Year	Black African	%	Coloured	%	Indian or Asian	%	White	%	Other	%	Total
2001	6 923	16	31 792	73.4	42	0.1	4 528	10.5	0	0	43 284
2011	8 103	16.3	36 433	73.5	241	0.5	4 539	9.2	270	0.5	49 586

Census 2001 and 2011

Table 2. Population by race

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1.2.3 Population by age

The table below includes data about the composition of the population per age category.

Year	0 – 18	19 – 30	31 – 40	41 – 50	51 – 65	66 – 120	Total
2001	17 938	7 848	6 048	4 896	4 321	2 233	43 284
2011	19 132	9 162	6 508	6 030	6 091	2 663	49 586

Census 2001 and 2011

Table 3. Population by age

1.2.4 Households

The number of households within the municipal area is 13 619. The size of a household is about 5 people (as per Census 2011).

The table below indicates the growth of households:

Households	2018/19	2019/20	2021/22	2022/23
Number of households	13 619	13 619	13 619	13 619

Table 4. Total number of households

1.2.5 Demographic Information

a) Municipal Geographical Information

Towering mountains and rolling plains welcome you to the Beaufort West region. Beaufort West, the oldest and largest town in the Central Karoo, lies in an ancient area which once was a swamp, now a semi-desert area named "thirst land", making it rich in history. This ancient area of the Karoo is considered one of the world's most interesting arid zones and holds intrigue for scientist, historians and eco-tourists which is fondly referred to as place of the pioneers. In February 1837, BWM became South Africa's first and therefore oldest municipality. It is the centre of an



agricultural district based mainly on sheep farming and meat production. Strategically positioned on the N1 National Road, which links Cape Town with the interior and northern parts of South Africa, BWM maintains a minimal but steady amount of growth due to the high volume of passing road traffic.

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The nearby Karoo National Park is a national asset which aims to reclaim the original flora of the Karoo and is one of the chief tourist attractions in the region, boasting a wide variety of endemic wildlife. The municipal area covers approximately 16 330 km² with the town situated 851 meters above sea level between the Gamka and Kuils Rivers. The town lies just south of a ridge of hills and north of the Nuweveld Mountains in the Central Karoo where rocks date back some 230 million years. Not only was the first reptile fossil discovered in the area, but Beaufort West has

been described as the world's richest collecting ground for fossils. The town's historic centre displays an electric mix of historical architecture that makes a stop-over here essential.

Summer rains normally begin with light showers around October. Rain is very sporadic and mostly occurs in the form of thunderstorms. Snowfalls can occur as late as September and the first snowfalls reached ground level in 2011. Temperatures increase dramatically during November and remain high until February, reaching highs of between 38 and 48 degrees. The mid-winter months of June and July are cold and dry with temperatures falling well below zero.

In the year 2000, the smaller rural towns of Merweville and Nelspoort were incorporated into the BWM, and since June 2011 the town of Murraysburg has also been a DMA of the Municipality.

b) Wards

The Municipality is structured into the following 7 wards:

Ward	Areas
1	Murraysburg and Murraysburg rural areas
2	Nelspoort, Nelspoort rural, Noord Einde, part of Hillside, central town, part of rural areas of Beaufort West and part of Hospital Hill
3	Part of Rustdene, Essopville and Nieuveveld Park
4	Part of Kwa Mandlenkosi, De Lande, part of central town and southern part of Hospital Hill
5	Part of Kwa Mandlenkosi, part of Rustdene, Paddavlei, Hooyvlakte, New Lands and New Town
6	Part of Rustdene and Prince Valley
7	Part of rural Beaufort West, part of Hillside I and II, Toekomsrus, Merweville and rural parts of Merweville

Table 5. Municipal wards

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Below is a map that indicates the municipal area and wards:



Figure 1.: Beaufort West municipal area and wards

Merweville

Merweville is a small town situated 160 km south-west of Beaufort West and 40 km from Prince Albert Road station. This Central Karoo town lies in a picturesque area of plains often linked to the Nevada Desert region of the United States. It was established around 1897 on the farm of Jacobus van der Bijl, a jack of many trades: farmer, shopkeeper, postmaster, magistrate and justice of the peace.

He built a church that was later used as a school. Merweville lies in the kouw, which means "caul fat", and was so named by early indigenous inhabitants who felt that the patches of golden veld grass, interspersed by dark brown soil, resembled the fat and blood vessels surrounding a sheep's liver. The reason for this name is quite apparent at the onset of winter when the veld is less lush and the gold and brown patches become evident. Merweville maintains a great deal of the charm of earlier days and is an ideal spot to rest, relax and unwind from the pressures of modern-day city life.



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Murraysburg

Murraysburg, a typical old-world Great Karoo town that lies 160 km north-east of Beaufort West, became Ward 1 with the new demarcation and as a result became a DMA of the BWM, after it was previously a DMA of the Central Karoo District Municipality. Murraysburg, located at the foot of the Sneeuberg Mountains in a scenic mix of mountains and plains, offers tranquility for environmentalists and eco-watchers. In the late 18th century, a bloody and vicious war of revenge and retaliation raged for many years between the San and farmers. Farms were attacked, houses set alight and herdsmen murdered. Farmers went out on punitive missions and killed many of the San, who hunted the livestock of the farmers.



The region was very unsettled by stock theft, murders and reprisal expeditions against the San. At the beginning of the 19th century, the San began to move towards the Kalahari and eventually the farm *Eenzaamheid* was bought from Mr. Kootjie Burger where after the farm became the town of Murraysburg. It was a "church town", meaning that the

Dutch Reformed Church (DRC) exercised full control over the town and its inhabitants.

Below picture shows the beauty of Murraysburg during a snow filled winter season:

The new town was named after Reverend Andrew Murray, minister of the DRC in Graaff-Reinet. The "burg" derives from the Dutch word meaning "place of safety".

Nelspoort

Nelspoort, situated 56 km north of Beaufort West, is a small community in the depths of the Central Karoo. The Bushmen and Khoi visited the surrounding heads and left their mark in rock engravings. Long since the Bushmen, the area became a haven for those with chest ailments.



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As early as 1836, Beaufort West's dour but well-loved Dr. John Christie appealed to people to "breathe" the air of the Nuweveld Mountains. White farmers later established their homes here and for a while the sanatorium brought peace and healing to much tuberculosis (TB) sufferers. Established in 1924 through the efforts of Dr. Alfred Jasper Anderson and John Garlick, a philanthropist, the Nelspoort area was identified as an ideal location for "the first chest hospital on the African continent." By 1969, the first psychiatric patients were admitted. The disastrous socio-economic effects of tuberculosis had decreased by then and the disease could be treated with drugs at home. The old magic mountain method of healing with good food and fresh air was a thing of the past and thus Nelspoort devoted itself to psychiatric patients, maintaining only one TB ward. Today, both roles have declined.

c) Key economic activities

Agriculture forms the backbone of the Beaufort West economy and accounts for the largest labour to date. Despite the harsh climate and poor carrying capacity of the veldt, it still offers opportunities for growth and employment creation. The Municipality is dependent upon the following main economic activities:

Key economic activities	Description
Agriculture and agri-processing	Fresh meat (mutton, game, Karoo lamb, ostrich, goat, beef)
	Processed meat (biltong, cold meats, "droë wors")
	Fresh fruit and vegetables (figs, olives, apricots, grapes, herbs)
	Processed fruit and vegetables (chutney, dried figs, olives, jams)
	Animal bi-products (skins, hides, wool, mohair, milk)
	Processed animal bi-products (leather products, dairy products, wool and mohair products)
	Other (traps for problem animals – manufacturing and servicing)
Transportation	The transportation sector in the Central Karoo is one of the strongest contributors to the regional economy and completely dominated by Beaufort West, which contributes 86.4% of the total gross domestic product in this sector
Tourism	Wide-open spaces, magnificent landscapes, panoramas and the sense of solitude attractions
	Historic and cultural attractions

Table 6. Key economic activities

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1.3 Service delivery overview

1.3.1 Highlights: Basic services delivery performance

The table below shows the Municipality's achievement with regards to service delivery:

Highlight	Description
Augmentation of the bulk water supply to Merweville	Drilling and equipping of 3 new boreholes in Merweville including the equipping of boreholes with solar panel to reduce the effect of load shedding on the water supply
Received funding from the Department of Local Government	Funding was used for the following: <ul style="list-style-type: none"> • retrofitting of 28 flood lights in Murraysburg • repairs to Main Substation Transformer Tap Changers
The Municipality had three refuse trucks collecting waste from households	The Municipality received a donation of a refuse truck from the Department of Forestry, Fisheries and the Environment (DFFE)

Table 7. Basic services delivery highlights

1.3.2 Challenges: Basic services delivery

The Municipality faced the following challenges during the year:

Service area	Challenges	Action to address
Water Services	Water losses in Beaufort West	Installation of new water meters and ensuring that all information is captured on the financial system
Sanitation Services	Vandalism to pumpstations and facilities	Apply for budget funding
Electricity Services	Financial constraints limiting overall maintenance on electrical network	Electricity must be ringfenced to show the true income and expenses incurred
Waste Management Services	Illegal dumping in almost all the municipal areas	The Municipality, through the assistance of the Municipal Infrastructure Grant (MIG) will procure machinery that will ensure eradication of illegal dumping in the municipal area

Table 8. Basic services delivery challenges

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1.3.3 Proportion of households with access to basic services

The table below indicates the Municipality's performance related to basic services provided:

Description	2021/22	2022/23
Water - minimum service level and above percentage	98%	98%
Sanitation - minimum service level and above percentage	96%	96%
Electricity - minimum service level and above percentage	100%	100%
Waste collection - minimum service level and above percentage	100%	100%

Table 9. Households with minimum level of basic services

1.4 Financial health overview

1.4.1 Highlights: Financial viability

The table below indicate the highlights faced during the financial year:

Highlight	Description
Eskom arrangement	The Municipality entered into an agreement with Eskom at the end of January 2023 to pay off the outstanding Eskom account. The Eskom current account for the 2022/23 financial year were paid each month on time
Stability in the Revenue Department	The Municipality permanently appointed a Senior Manager Revenue Services to address the challenges with the Revenue Section of the Finance Department

Table 10. Financial viability highlights

1.4.2 Challenge: Financial viability

The table below indicates the challenge faced during the financial year:

Challenge	Action to address
Shortage of key personnel and stability of the Financial Department	The position of the CFO has been vacant as from the 1 st of July 2022. The position was advertised and filled. However, the successful candidate later declined appointment and the position has been re-advertised.
Addressing issues raised by the Auditor-General (AG).	The Municipality is in the process of filling critical vacancies within the Finance Department to ensure that internal controls are strengthened, key reconciliations are performed to address audit findings previously raised by the AG

Table 11. Financial viability challenge

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1.4.2 National Key Performance Indicators - Municipal financial viability and management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators (KPI) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Municipal Systems Act (MSA). These KPI's are linked to the National Key Performance Area (KPA) namely: Municipal financial viability and management.

KPA and Indicator	2021/22	2022/23
Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2022 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant] x 100]	1.74%	1%
Financial viability measured in terms of the outstanding service debtors as at 30 June 2022 [(Total outstanding service debtors/ revenue received for services) x 100]	89.01%	81.26%
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2022 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	0.2	0

Table 12. National KPI's for financial viability and management

1.4.3 National KPI - Good governance and public participation

The following table indicates the Municipality's performance in terms of the National KPI's required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and Section 43 of the MSA. This KPI is linked to the National KPA - Good governance and public participation.

KPA and Indicators	Municipal achievement	Municipal achievement
	2021/22	2022/23
The percentage of the municipal capital budget spent by 30 June 2023 [(Actual amount spent / Total amount budgeted for capital projects) X100]	84.68%	94%

Table 13. National KPIs - Good governance and public participation performance

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1.4.4 Financial overview

The table below indicates the Municipality's financial overview for the financial year:

Details	Original budget	Adjustment budget	Actual
Income			
Grants (transfer recognition)	143 336	150 498	147 494
Taxes, levies and tariffs (property and services)	217 586	208 146	173 028
Other (investments and own)	62 006	65 854	63 540
Sub total	422 928	427 498	384 062
Less expenditure	(363 631)	(412 240)	(365 057)
Net surplus/(deficit)	59 297	15 258	19 005

Table 14. Financial overview

1.4.5 Total capital expenditure

The table below indicates the Municipality's capital expenditure for the financial year:

Detail	2021/22	2022/23
	R'000	
Original budget	23 465	50 829
Adjustment budget	24 121	50 711
Actual	15 640	50 741
% Spent	64.84%	100.06%

Table 15. Total capital expenditure

1.5 Auditor-General report

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our Country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending.

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

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

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

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- **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 are free from material misstatements but findings have been raised. Unless a clean audit outcome is expressed, findings will be raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects
- **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or there is insufficient evidence to conclude that specific amounts included in the financial statements are not materially misstated
- **Adverse audit opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements
- **Disclaimer of audit opinion:** Insufficient evidence was provided in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in their financial statements and annual performance report/reporting information

BWM implemented MGRO as initiated by Provincial Treasury. MGRO is a Municipal Governance and Review Outlook plan to monitor the performance of municipalities within certain focus areas to ensure clean administration within the Western Cape.

1.5.1 Audited outcomes

The table below indicates the audit opinion received for the past 3 financial years:

Year	2018/19	2019/20	2021/22	2022/23
Opinion received	Disclaimer	Qualified	Qualified	Qualified

Table 16. Audit outcomes



CHAPTER 2: GOOD GOVERNANCE

Chapter 2

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimised, 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.

Component A: Political and Administrative Governance

2.1 Governance structure

2.1.1 Political governance structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor, and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programs in the municipal area.

Council

The Council comprises of 13 elected Councillors made up from 7 Ward Councillors and 6 Proportional Representation (PR) Councillors. The portfolio committees are made up of Councillors drawn from all political parties.

Below is a table that categorise the Councillors within their specific political parties and wards for 2022/23 financial year:

Council members	Capacity	Political party	Ward representing or proportional	Number of meetings attended
Cllr T Prince (1 June 2022 – 31 January 2023)	Executive Mayor	PA	Proportional	9
Cllr A Sauls (6 February 2023 – 30 June 2023)	Executive Mayor	PA	Proportional	13
Cllr L Piti	Deputy Executive Mayor	ANC	Ward 5	25
Cllr N Constable	Speaker	KDF	Proportional	25
Cllr N Abrahams	Fulltime Councillor	PA	Ward 6	25
Cllr E Botha	Councillor	PA	Ward 3	25
Cllr C De Bruijn	Fulltime Councillor	ANC	Ward 4	25

CHAPTER 2: GOOD GOVERNANCE



Council members	Capacity	Political party	Ward representing or proportional	Number of meetings attended
Cllr R Skuza	Councillor	ANC	Ward 1	12
Cllr L Mdudumani	Councillor	ANC	Ward 7	25
Cllr J Reynolds	Councillor	DA	Ward 2	24
Cllr A Slabbert	Councillor	DA	Proportional	20
Alderman J van der Linde	Councillor	DA	Proportional	22
Cllr S Meyers	Councillor	DA	Proportional	23
Cllr S Essop	Councillor	GOOD	Proportional	20

Table 17. Council 2022/23

The table below indicates the Council meeting attendance for the 2022/23 financial year:

Meeting dates	Council meetings attendance	Apologies for non-attendance
26 July 2022	12	1
11 August 2022	11	2
29 August 2022	13	0
27 September 2022	13	0
25 October 2022	12	1
10 November 2022	13	0
8 December 2022	12	1
10 January 2023	12	1
31 January 2023	12	1 (1)
13 February 2023	12	(1)
14 February 2023	12	(1)
28 February 2023	12	0
6 March 2023	12	0
16 March 2023	12	0
29 March 2023	13	1
18 April 2023	11	2
4 May 2023	11	1
30 May 2023	12	1
31 May 2023	11	2
6 June 2023	13	0
12 June 2023	12	0
19 June 2023	10	3
26 June 2023	11	1
29 June 2023	11	2

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Meeting dates	Council meetings attendance	Apologies for non-attendance
<i>Numbers between brackets indicate non-attendance without apology</i>		

Table 18. Council meetings

b) Executive Mayoral Committee

The Executive Mayor is at the centre of the system of governance, since executive powers are vested in the Executive Mayor to manage the day-to-day affairs. This means that the Executive Mayor has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation.

Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 1 July 2022 to 30 June 2023:

Name of member	Capacity
Cllr T Prince (1 June 2022 – 31 January 2023)	Executive Mayor
Cllr L Piti	Deputy Executive Mayor
Cllr C De Bruin	Fulltime Councillor
Cllr N Abrahams	Fulltime Councillor
Cllr A Sauls (6 February 2023 – 30 June 2023)	Executive Mayor

Table 19. Mayoral Committee members

The table below indicates the dates of the Mayoral Committee meetings and the number of reports submitted to Council for the 2022/23 financial year:

Meeting date	Number of reports submitted to Council
8 August 2022	9
22 August 2022	
17 January 2023	
22 May 2023	

Table 20. Executive Mayoral Committee meetings

c) Portfolio Committees

The MSA provides for the establishment of Section 79 and Section 80 Committees.

Section 79 Committees are Council committees, appointed by Council for a specific purpose and accounting to Council section 79 Committees must be composed to reflect the way in which parties and interest are reflected in Council.



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Council has established the following Section 79 Committees:

- Financial and Development Committee
- Corporate Services and Social Development Committee
- Human Resource (HR) Development Committee
- Municipal Resource Development Committee

The portfolio committees and their chairpersons for the period 1 July 2022 to 30 June 2023 were as follows:

Chairperson	Other members	Number of minutes submitted to Council	Meeting dates
Financial Services Standing Committee			
TCJ Prince (1 June 2022 – 31 January 2023)	S Essop	2	28 September 2022 23 February 2023
A Sauls (6 February 2023 – 30 June 2023)	N Abrahams		
	C de Bruin		
Corporate Services and Human Resource Management Standing Committee			
LV Piti	SM Meyers	1	4 May 2023
	S Essop		
	R Skuza		
	CL de Bruin		
Infrastructure Services and Engineering Standing Committee			
N Abrahams	L Mduumani	1	6 March 2023
	R Skuza		
	S Essop		
	E Botha		
	J Reynolds		
Community Services, Traffic and Housing Standing Committee			
C de Bruin	N Abrahams	0	N/A
	LV Piti		
	AM Slabbert		
	S Essop		
	LBJ Mduumani		

Table 21. Portfolio Committees



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d) Municipal Public Accounts Committee

The Municipal Public Accounts Committee (MPAC) is a committee of the Municipal Council, appointed in accordance with Section 80 of the Structures Act. The main purpose of the MPAC is to exercise oversight over the executive functionaries of Council as delegated and to ensure good governance in the Municipality.

Name of representative	Departments / Sections / Council	Political Party	Meeting dates
Cllr L Mdudumani	Chairperson	ANC	22 August 2022 23 March 2023
S Meyers	Member	DA	
E Botha	Member	PA	
R Skuza	Member	ANC	
S Essop	Member	GOOD	

Table 22. MPAC

2.1.2 Administrative governance structure

The Municipal Manager is the accounting officer of the Municipality. He is the head of the administration and primarily must serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, whose structure is outlined in the table below:

Name of official	Department	Performance agreement signed
		Yes/No
J Penxa	Municipal Manager	No
N Ntshangase	Director: Financial Services	No
D van Turha	Director: Infrastructure Services	No
A Makendlana	Director: Corporate Services	Yes
Vacant	Director: Community Services	N/A

Table 23. Administrative governance structure

Component B: Intergovernmental Relations

2.2 Intergovernmental relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest, coordinate their actions, adhere to agreed procedures and avoid legal proceedings against one another.



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a) Intergovernmental structures

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

Name of structure	Members	Outcomes of engagements/topics discussed
Chief Audit Executives Forum	Internal Auditor	The objective of the Forum is to enhance the MFMA; Internal Audit Framework; Build Capacity & relationships; Promote sound financial governance
Chief Risk Officers Forum	Chief Risk Officer	The objective of the Forum is to enhance the MFMA; Risk Management framework; Build capacity & relationships; Promote sound financial governance

Table 24. Intergovernmental structures

b) Joint projects and functions with sector departments

All the functions of government are divided between the different spheres of government. The Municipality therefore share their area and community with other spheres of government and their various sector departments and must work closely with national and provincial departments to ensure the effective implementation of various projects and functions.

Component C: Public Accountability and Participation

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. It must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

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2.3 Public meetings

The table below indicates the public meetings arranged and dates that it took place on:

Venue	Ward	Date
Murraysburg Town Hall	1	2 March 2023
Restvalle Primary School	2	7 March 2023
Christian Centre Family Church, Essopville	3	8 May 2023
Kwa-Mandlenkosi Community Hall	4	7 June 2022
Bastiaanse Secondary School Hall	5	13 September 2022
Kwa-Mandlenkosi Youth Hub	5	14 February 2023
Pentecost Unity Church	6	29 June 2023
AFM Peres Church	7	21 February 2023
Community Hall – Sport field: Merweville	7	9 March 2023

Table 25. Public meetings

2.4 Ward committees

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

2.4.1 Ward Committees

The tables below indicate each ward with their associated members and dates of meetings:

a) Ward 1: Murraysburg and Murraysburg rural areas

Name of representative	Capacity representing	Number of meetings held during the year
V Mlilwana	Block A	20 July 2022
A Wagner	Block A	23 August 2022
M Faster	Block B	22 September 2022
D Ngondo	Block B	15 October 2022
S Tshikolo	Block C	7 November 2022
G Zahela	Block C	3 December 2022
M Macpherson	Block D	17 January 2023
		21 February 2023

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Name of representative	Capacity representing	Number of meetings held during the year
I Goeieman	Block D	20 March 2023
		19 April 2023
S Karolis	Block E	17 May 2023
J Sibhozo	Block E	23 June 2023

Table 26. Ward 1: Committee meetings

b) Ward 2: Nelspoort, Nelspoort Rural, Noord Einde, part of Hillside, central town, part of rural areas of Beaufort West and part of Hospital Hill

Name of representative	Capacity representing	Number of meetings held during the year
H Bezuidenhout	Block A	13 July 2022
A Jonas	Block B	20 August 2022
M Wettel	Block B	22 September 2022
Vacant	Block B	15 October 2022
Vacant	Block C	5 November 2022
Vacant	Block C	3 December 2022
W Pienaar	Block D	24 January 2023
W de Bruyn	Block D	22 February 2023
		21 March 2023
S van Rooyen	Block E	11 April 2023
		11 May 2023
M Williams	Block E	15 June 2023

Table 27. Ward 2: Committee meetings

c) Ward 3: Part of Rustdene, Essopville and Nieuveland Park

Name of representative	Capacity representing	Number of meetings held during the year
A Plaatjies	Block A	21 July 2022
J Jacobs	Block A	23 August 2022
E Jacobs	Block B	22 September 2022
M de Klerk	Block B	15 October 2022
G Makok	Block C	11 November 2022
W. Booysen	Block C	3 December 2022
Vacant	Block C	24 January 2023
		22 February 2023
C Snyman	Block D	27 March 2023
		11 April 2023
J Martin	Block E	22 May 2023
F-Botha	Block E	21 June 2023

Table 28. Ward 3: Committee meetings



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d) Ward 4: Part of Kwa Mandlenkosi, De Lande, part of central town and southern part of Hospital Hill

Name of representative	Capacity representing	Number of meetings held during the year
G Swanepoel	Block A	22 July 2022
J Stadler	Block A	13 August 2022
S Johnson	Block B	10 September 2022
A Swanepoel	Block B	15 October 2022
L Banda	Block C	10 November 2022
R Moletsane	Block C	3 December 2022
X Voorslag	Block D	24 January 2023
A Makendlana	Block D	February 2023
B Lenders	Block E	21 March 2023
Y Simpson	Block E	11 April 2023
		May 2023
		21 June 2023

Table 29. Ward 4: Committee meetings

e) Ward 5: Part of Kwa Mandlenkosi, part of Rusdene, Paddavlei, Hooyvlakte, New Lands and New Town

Name of representative	Capacity representing	Number of meetings held during the year
S Dyson	Block A	21 July 2022
H Louw	Block B	22 August 2022
B Adonis	Block B	26 September 2022
M de Boer	Block C	15 October 2022
Vacant	Block C	14 November 2022
Vacant	Block D	3 December 2022
Vacant	Block D	24 January 2023
F Matunzi	Block E	15 February 2023
N Baba	Block E	March 2023
S Kelem	Block E	11 April 2023
		23 May 2023
		22 June 2023

Table 30. Ward 5: Committee meetings



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f) Ward 6: Part of Rustdene and Prince Valley

Name of representative	Capacity representing	Number of meetings held during the year
A Wilskut	Block A	20 July 2022
J Daniels	Block A	24 August 2022
N Bostander	Block B	22 September 2022
M Jantjies	Block B	15 October 2022
A Daniels	Block C	14 November 2022
B Abrahams	Block C	3 December 2022
M Molligan	Block D	21 January 2023
F Martin	Block D	15 February 2023
E Links	Block E	27 March 2023
Vacant	N/A	11 April 2023
		May 2023
		22 June 2023

Table 31. Ward 6: Committee meetings

g) Ward 7: Part of rural Beaufort West, part of Hillside I and II, Toekomsrus, Merweville and rural parts of Merweville

Name of representative	Capacity representing	Number of meetings held during the year
E Hough	Block A	21 July 2022
M Stevens	Block A	13 August 2022
D Klein	Block B	15 September 2022
A Rittles	Block B	15 October 2022
J Johannes	Block C	10 November 2022
J Bosman	Block D	3 December 2022
K Booyesen	Block D	18 January 2023
Vacant	Block E	15 February 2023
		15 March 2023
		11 April 2023
D Abrahams	Block E	17 May 2023
L van Wyk	Block E	14 June 2023

Table 32. Ward 7: Committee meetings



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2.5 Functionality of Ward Committees

The purpose of a ward committee is:

- ✿ to get better participation from the community to inform Council decisions;
- ✿ to make sure that there is more effective communication between the Council and the community; and
- ✿ to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and acts as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the administration. These committees play a very important role in the development and annual revision of the IDP of the area.

The table below provides information on the ward committees and their functionality for the 2022/23 financial year:

Ward number	Committee established Yes / No	Number meetings held during the year	Committee functioning effectively (Yes / No)
Ward 1	Yes	12	Yes
Ward 2	Yes	12	Yes
Ward 3	Yes	12	Yes
Ward 4	Yes	12	Yes
Ward 5	Yes	12	Yes
Ward 6	Yes	12	Yes
Ward 7	Yes	12	Yes

Table 33. Functioning of ward committees

2.6 Representative forums

2.6.1 Labour Forum

The table below specifies the members of the Labour Forum for the 2022/23 financial year:

Name of representative	Meeting dates
Cllr S Meyers	Chairperson
Cllr L Piti	Employer Representative
Cllr R Skuza	Employer Representative
Cllr S Essop	Employer Representative
Cllr E Botha	Employer Representative
Cllr N. Abrahams	Employer Representative
E Molowitz	Employee Representative [SAMWU]

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Name of representative		Meeting dates
H Maans	Employee Representative [SAMWU]	
G Daniels	Employee Representative [SAMWU]	
G Plaatjies	Employee Representative [SAMWU]	
L Swarts	Employee Representative [SAMWU]	
E Van Der Horst	Employee Representative [IMATU]	
C Lottering	Employee Representative [IMATU]	
M Govender	Employee Representative [IMATU]	

Table 34. Labour Forum

Component D: Corporate Governance

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.

2.7 Risk management

To maintain an overall positive perception of the Municipality and confidence in the Municipality from the public and other stakeholders, well planned goals and objectives should be coordinated and achieved within the Municipality. Section 62(1) of the MFMA stipulates that the Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management, and internal control as well as the effective, efficient and economical use of the resources of the municipality. BWM has instituted a systematic and formalised process to identify, assess, manage and monitor risks which effectively ensures achievement of those planned goals and objectives. Thus, risk management is essentially a good governance measure instituted to ensure the municipality accomplish its vision, mission and strategic plans.

The Municipality has an approved Risk Management Policy, Framework and Implementation Plan as approved by Council on 23 January 2017 (resolution number 8.15 5/12/2/1). The policy is reviewed annually by the Risk Committee and submitted to the Municipal Manager for approval.

The risk management function is facilitated internally by the internal audit division and externally by a service provider to ensure the following functions are performed:

- Assisting management to develop and implement the Risk Management Policy, Strategy and Implementation Plan;
- Coordinating risk management activities;
- Facilitating identification and assessment of risks;
- Recommending risk responses to management; and



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Developing and disseminating risk reports.

a) Risk assessment process

The risk assessment for the 2022/23 financial year was completed during February to March 2021 where risks were identified and categorised into the following groups:

- Operational risks
- Strategic risks

The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk has before taking controls into consideration). The risk rating is determined by a 10 X 10 risk matrix.

b) Top strategic risks

As part of the risk assessment, management identifies current controls, which mitigates the inherent risks identified. After considering controls, the identified risks will receive a residual risk.

After the residual risks have been determined it will be categorised again according to high, medium and low risks, where after management determines which of the risks require further actions to mitigate the impact it may have.

The top ten risks of the Municipality for the financial year were as follow:

Risk level	Risk	Directorate	Impact	Likelihood	Risk rating
Low	Impact of drought	Strategic	10	10	100
Medium	Financial feasibility in the long term	Strategic	9.5	9.5	90.25
Medium	Ageing and deteriorating infrastructure	Strategic	9	10	90
Medium	Technical Excessive water losses (Infrastructure)	Infrastructure	8	10	80
Low	Coordinated by Central Karoo District Municipality - but only one official available for the entire district area - Disaster Management	Strategic	8	9	72
Medium	Lack of funding (need to expand the landfill site in the near future).	Community Service	9	10	86
Medium	Vandalism and Misuse of municipal property (essential services infrastructure)	Strategic	9	9	81
Medium	Lack of conducive environment to attract economic investment (e.g. politics, services, incentives)	Municipal Manager	9	9	81
Medium	Illegal Landfill site operated at Murraysburg (funding already acquired and new regional landfill site identified) Merweville and Nelspoort sites are licensed.	Community Service	9	9	81
Medium	Non-compliance with laws and regulations (All applicable laws and regulations on all departments)	Strategic	9	9	81

Table 35. Strategic risks



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c) Organisational risk assessment

The table below reflects the annual risk assessments for the past two financial years, reflecting the change in the risk profile:

2021/22			2022/23		
Risk categories	Risks	% of all risk	Risk categories	Risks	% of all risks
High	66	27	High	124	44.60
Medium	162	66	Medium	141	50.72
Low	16	7	Low	13	4.68
Total	244	100	Total	278	100

Table 36. Risk profile

d) Risk Committee

The role of the Risk Committee is to provide timely and useful enterprise risk management reports to the Audit Committee of the Municipality. The reports contain the current top risks of the Municipality, which includes:

- Key strategic and financial risks facing the Municipality (all extreme and high-risk exposures)
- Key operational risks per strategic goal (top 5 risks per objective as per risk exposure from high to low)

The Risk Committee consists of the following members:

Name of Committee Member	Capacity	Meeting dates
R Links	Member	22 September 2022 2 February 2023 20 April 2023
G Nyathi	Chairperson until 30 August 2023	
M Tshibo	Member	
N Kotze	Member	
R Eland	Member	
R Naidoo	CRO	
N Gabada	Chairperson from 1 September 2023	
A Makendlana	Member	

Table 37. Members of the Risk Committee

2.8 Anti-corruption and anti-fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1)(m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in a SCM system to minimize the likelihood of corruption and fraud.



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a) Developed strategies

Name of strategy	Developed Yes/No	Dates adopted
Anti-corruption Strategy and Response Plan	Yes	8 December 2022
Integrity Management Framework	Yes	

Table 38. Strategies and response plan

2.9 Audit and Performance Audit Committee

a) Functions of the Audit Committee (AC)

The AC has the following main functions as prescribed in Section 166(2)(a-e) of the MFMA, and the Local Government Municipal and Performance Management Regulation:

- To advise Council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, Division of Revenue Act (DoRA) and other applicable legislation
- Respond to Council on any issues raised by the Auditor-General in the audit report
- Carry out investigations into the financial affairs of the municipality as Council may request
- Review the quarterly reports submitted by internal audit
- Evaluate audit reports pertaining to financial, administrative and technical systems
- Evaluate the compliance to existing policies and relevant legislation
- Review the performance management system and make recommendations in this regard to Council
- Assess whether the performance indicators are sufficient
- Determine possible reasons for discrepancies between performance and targets
- Identify major risks to which Council is exposed and determine the extent to which risks have been minimised
- To review the annual report of the municipality
- Investigating cases of fraud, misbehaviour and conflict of interest involving employees
- Review the plans of internal audit and ensure that the plan addresses the high-risk areas and ensure that adequate resources are available
- Review audit results and action plans implemented by management
- Provide support to internal audit
- Ensure that no restrictions or limitations are placed on internal audit



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b) Functions of the Performance Audit Committee

The regulations require that the Performance Audit Committee (PAC) is comprised of a minimum of three members, the majority of whom are external (neither a Councillor nor an employee) of the municipality. Section 14(2)(b) of the Regulations further stipulates that the PAC must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the PAC who is neither a Councillor nor an employee of the municipality as the chairperson of the committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a PAC. While the regulations preclude the appointment of a Councillor as chairperson of the PAC, the MFMA excludes the involvement of a Councillor in the composition of a PAC entirely.

In accordance with the requirements of Section 14(2)(e) of the Regulations, if the chairperson is absent from a specific meeting of the committee, the members present must elect a chairperson from those present to act as chairperson for that meeting.

Further, Section 14(2)(f) of the Regulations provides that, in the event of a vacancy occurring amongst the members of the PAC, the municipality concerned must fill that vacancy for the unexpired portion of the vacating member's term of appointment.

Section 14(3)(a) of the Regulations requires that the PAC of a municipality must meet at least twice during each financial year. However, additional special meetings of the PAC may be called for by any member of the committee where sufficient justification exists in terms of Section 14(3)(b) of the Regulations.

In terms of Section 14(4)(a) of the Regulations the PAC has the responsibility to -

- review the quarterly reports produced and submitted by the internal audit process;
- review the municipality's performance management system and make recommendations in this regard to the Council of the municipality; and
- at least twice during each financial year submit a performance audit report to the Council of the municipality.

c) Members of the PAC

The table below indicates the names of the members of the AC and PAC:

Name of representative	Capacity	Meeting dates
A Augustyn	Member (resigned 30 August 2022)	30 August 2022
S Ngwevu	Chairperson	31 August 2022
W. Phillips	Member	26 September 2022
N Gabada	Member	30 January 2023

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Name of representative	Capacity	Meeting dates
K Mckay	Member (appointed 8 December 2022)	23 March 2023 23 May 2023 22 June 2023

Table 39. Members of the AC and PAC

2.10 Internal audit

Section 165(2)(a) and (b)(iv) of the MFMA requires that the internal audit unit of a municipality prepare a risk-based audit plan and an internal audit program for each financial year; advise the accounting officer and report to the AC on the implementation on the internal audit plan and matters relating to:

- internal audit;
- internal controls;
- accounting procedures and practices;
- risk and risk management;
- performance management;
- loss control;
- compliance with this Act, the annual Division of Revenue Act and any other applicable legislation, and
- perform other duties as may be assigned to it by the accounting officer.

The Municipality has an in-house internal audit function.

a) Annual audit plan

The table below provides detail on audits completed:

Description			Date completed
Phase 1			
Compilation of Risk Based Audit Plan			June 2023
Phase 2			
Type of audit engagement	Department	Detail	Date completed
Quarterly audit of Performance Management	Strategic	Quarterly audit of the Performance management system	15 November 2022 27 February 2023 16 May 2023 06 October 2023
Grants	Strategic	To ensure compliance with DORA	17 May 2023
Fixed Assets: Immovable Assets	Strategic	To ensure compliance to the MFMA	24 November 2022
Follow-up of previous Internal Audit Findings - Quarterly	Strategic	To ensure that that controls are implemented, reviewed and monitored by Management	Continuous



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Description			Date completed
Combined Assurance Reports	Strategic	Progress on the control effectiveness of the mitigation of the top risks	October 2022 January 2023 April 2023 August 2023
Income (Credit Control, Cash Management, Indigents and Debtors)	Finance	To ensure compliance with the MFMA	27 February 2023
HR and Payroll; Leave and Attendance	Strategic	To ensure compliance with the legislative requirements	19 September 2022
FRP Assurance on the Essential Services Transport Scheme	Strategic	To provide assurance on the Essential Services Transport Scheme	28 July 2022
Year-end physical inventory count to be conducted on 1 July 2023	Finance	To provide some reassurance regarding the effectiveness and adequacy of internal controls at the annual inventory count as well as the accuracy and completeness of the final inventory count report.	24 August 2023
Investigate non-payment for services by Councillors and administrative officials quarterly - FRP	Strategic	To provide some assurance whether processes and procedures were in place to verify that all the Councillors and Administrative officials billing accounts are not more than three months in arrears.	10 November 2022 13 March 2023 29 May 2023 4 August 2023

Table 40. Internal audit plan



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2.11 By-laws and policies

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of the by-laws developed and reviewed during the financial year:

By-law developed/revised	Date proclaimed	Public participation conducted prior to adoption of by-Law Yes/No
Rules of Order Regulating the Conduct of Meetings of the Council of the Municipality of Beaufort West	5 August 2022	Yes

Table 41. By-laws developed/reviewed

2.12 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community.

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication Strategy	Yes
Communication Policy	No
Functional Complaint Management Systems	Yes

Table 42. Communication activities

Additional communication channels utilised:

Channel	Yes/No
SMS system	Yes

Table 43. Additional communication channels

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2.13 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The table below gives an indication about the information and documents that are published on our website:

Description of information and/or document	Yes/No and/or Date Published
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical and postal address of the Municipality	Yes
Financial information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Tabled Budget 2022/23	Yes
Adjusted Budget 2022/23	Yes
Asset Management Policy	Yes
Customer Care, Credit Control and Debt Collection Policy	Yes
Indigent Policy – Part of Credit Control Debt Collection Policy	Yes
Funds and Reserves Policy	Yes
Investment and Cash Management Policy	Yes
Rates Policy	Yes
SCM Policy	Yes
Tariff Policy	Yes
Virement Policy	Yes
Petty Cash Policy – Part of SCM Policy	Yes
Travel and Subsistence Policy	Yes
Long Term Financial Policy	No
Borrowing Policy	Yes
SDBIP 2022/23	Yes
Budget and Treasury Office Structure	No
IDP and public participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2022/23	Yes
IDP Process Plan for 2022/23	Yes
SCM (Sections 14(2), 33, 37 and 75(1)(e) and (f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes

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Description of information and/or document	Yes/No and/or Date Published
Long-term borrowing contracts	No
SCM contracts above R 30 000	No
Service delivery agreements	No
Public invitations for formal price quotations	Yes
Reports (Sections 52(d), 71, 72 and 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2021/22	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly reports	Yes
Monthly budget statement	Yes
LED (Section 26(c) of the MSA)	
LED Strategy	No
Economic profile	No
LED projects	No
Performance management (Section 75(1)(d) of the MFMA)	
Performance agreements for employees appointed as per S57 of MSA (Municipal Manager only)	No
Assurance functions (Sections 62(1), 165 and 166 of the MFMA)	
Internal Audit Charter	Yes
Audit Committee Charter	Yes
Risk Management Policy, Strategy and Implementation Plan	Yes

Table 44. Website checklist

2.14 SCM

The SCM Policy of BWM is deemed to be fair, equitable, transparent, competitive and cost-effective as required by Section 217 of the Constitution.

2.14.1 Competitive bids in excess of R200 000

a) Bid committee meetings

The following table details the number of Bid Committee meetings held for the 2022/23 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
52	38	21

Table 45. Bid committee meetings



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The members of the bid committees for the financial year were:

Bid Specifications Committee	Bid Evaluation Committee	Bid Adjudication Committee
P Strumpher	S Pheiffers	N Mabhena
M Lawrence	S Pienaar	C Wright
R Jack	S Berg	M Tshibo
S Pienaar	M Lawrence	A Makendlana
J Abrahams	B Damon	R Eland
W Plaatjies	R Maans	N Kotze
S Berg	P Strumpher	
B Maans	R Jack	
V Ruiters	W Plaatjies	
R Maans	J Abrahams	
N Kotze	V Ruiters	
W Johnson	P Maitshwa	
C de Koker	L Dilya	
L Gouws	C Chalmers	
K Fortuin	N Kotze	
	D le Roux	
	W Johnson	
	F Frieslaar	
	C de Koker	
	L Gouws	
	K Fortuin	
	B Mitchell	
	R Eland	
	S Anthonie	
	N. January	
	C Wright	

Table 46: Members of bid committees



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b) Awards made by the Bid Adjudication Committee

The highest bids awarded by the Bid Adjudication Committee are as follows:

Bid number	Date of award	Title of bid	Successful bidder	Value of bid awarded (R)
SCM 39/2023	10 February 2023	Murraysburg Boreholes: Development and Equipping of Boreholes in Murraysburg; Mechanical, Electrical and Civil Work	De Jagers Loodgieters Kontrakteurs	R12 837 148.01
SCM 04/2023		Request for proposals for the development of a logistics hub on erf 7409 Beaufort West	BW Power Company (Pty) Ltd	R7 000 000.00
SCM 09/2022		Sale of land; Portion of Erf 1050 Beaufort West for the development of a Private Hospital	Metrowired Business Solutions (Pty) Ltd	R5 000 000.00
SCM 62/2023	24 March 2023	Supply, Maintenance, Repair and Calibration of Digital Speed Cameras and The Administration of a Back Office for a Period of Three (3) Years	Total Computer Services	Rate base
SCM 60/2023	6 May 2023	Professional Engineering Services Panel for Roads and Storm Water Infrastructure for a Multi-Year Period	<ul style="list-style-type: none"> Zutari (Pty) Ltd as the Preferred Bidder Bvi Consulting Engineers Western Cape (Pty) Ltd as the Alternate 1 Royal Mndawe Holdings (Pty) Ltd t/a ROHM Consulting as the Alternate 2 	R 5 105 712.50 R 5 324 106.13 R 5 207 775.00
SCM 66/2023	22 June 2023	Provision of Comprehensive Banking Services for a Period of Five (5) Years	Nedbank Limited	R1 012 255.00
SCM 72/2023		Three-Year Maintenance and Upgrade Tender of Mechanical and Electrical	TG Elektries (Pty) Ltd	R703 569.97

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Bid number	Date of award	Title of bid	Successful bidder	Value of bid awarded (R)
		Installations: Boreholes, Pump Stations and Building		
SCM 37/2023	3 February 2023	New Ablution Block, Pavilion and Upgrading and Renovations of Existing Ablution at the Rustdene Sport Complex	ZABS Enterprises (Pty) Ltd	R3 809 827.07
SCM 68/2023		Professional Services: Valuation of Properties Within Beaufort West Municipality	DDP Valuers (Pty) Ltd	N/A
SCM 78/2023	11 May 2023	Supply, Delivery and Installation of 3 Generators	TG Elektries (Pty) Ltd	R1 260 000.00

Table 47. Highest bids awarded by Bid Adjudication Committee

c) Awards made by the accounting officer

The following award was made by the accounting officer of the Municipality:

Bid number	Date bid was awarded	Title of bid	Successful bidder	Value of bid awarded (R)
SCM 39/2023	10 February 2023	Murraysburg Boreholes: Development and Equipping of Boreholes in Murraysburg; Mechanical, Electrical and Civil Work	De Jagers Loodgieters Kontrakteurs	R12 837 148.01

Table 48. Awards made by the Accounting Officer

d) Appeals lodged by aggrieved bidders

No appeals were received for the 2022/23 financial year.

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2.14.2 Deviation from normal procurement processes

The following table provides a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	Percentage of total deviations number	Value of deviations R	Percentage of total deviations value
Emergency	9	50	478 598.03	71.42
Sole supplier	4	22.22	71 018.88	10.59
Any other exceptional case where it is impossible or impractical to follow the official procurement process	5	27.78	120 460.22	17.99
Total	18	100	670 077.13	100

Table 49. Summary of deviations

Clause 36(1)(a)(v)- Deviations- impractical and or impossible:

Type of deviation	Number of deviations	%	Value of deviations (R)
Any contract relating to the publication of notices and advertisements by the Municipality	26	64.45	265 119.48
Any contract with an organ of state, a local authority or a public utility corporation or company.	14	34.71	142 769.80
The appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000	0	0	0
Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required to call for bids	1	0.84	3 462.02
Total	41	100	411 351.30

Table 50. Deviations – impractical and/or impossible



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2.14.3 Logistics management

The system of logistics management must ensure:

- the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

Each stock item at the municipal stores is coded and are listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the storekeeper.

Inventory levels are set at the start of each financial year. These levels are set for normal operations. If special projects are being launched by departments, such information must be communicated timely to the stores section for them to order stock more than the normal levels.

Internal controls are in place to ensure that goods and service that are received are certified by the responsible person.

Regular checking of the condition of stock is performed. Quarterly stock counts are performed at which surpluses, deficits, damaged and redundant stock items are identified and reported to Council.

As at 30 June 2023, the value of stock at the municipal stores amounted to R4 279 609.00 For the 2022/23 financial year no surpluses, no deficits and no damaged stock items were reported.

The system of disposal management must ensure the following:

- Immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise, as community value makes up for the lower market value
- Movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous



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- Firearms are not sold or donated to any person or institution within or outside the republic unless approved by the National Conventional Arms Control Committee
- Immovable property is let at market related rates except when the public interest or plight of the poor demands otherwise
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated
- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment

Assets must be disposed of in terms of Council's Asset Management and Immoveable Property Management Policy.

2.15 Municipal Cost Containment Measures

2.15.1 Municipal Cost Containment Regulations (MCCR)

National Treasury first published the draft MCCR for public comment on 16 February 2018, with the closing date being 31 March 2018. Comments were received, from the Department of Cooperative Governance and Traditional Affairs, SALGA, municipalities and other stakeholders. After extensive consultation and consideration of all comments received, the MCCR were finalised and promulgated on 7 June 2019 in the Government Gazette, with the effective date being 1 July 2019.

2.15.2 Municipal Cost Containment Policy

The MCCR do not apply retrospectively, therefore will not impact on contracts concluded before 1 July 2019. If municipalities and municipal entities decided to extend current contracts, such contracts should have been aligned with the principles outlined in the MCCR and SCM regulations.

Regulation 4(1) of the MCCR requires municipalities and municipal entities to either develop or review their cost containment policies. The MCCR require municipalities to adopt the cost containment policies as part of their budget related policies prior to 30 September 2019. The Beaufort West Municipality adopted cost containment policies on 15 June 2021.

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2.15.3 Cost containment measure and annual cost saving

The effective implementation of the MCCR is the responsibility of the municipal council and the municipal accounting officer. In terms of the cost containment framework provided in the MCCR, which is consistent with the provisions of the MFMA and other government pronouncements, the following cost savings for the financial year are disclosed:

Cost Containment Measure	Cost Containment					
	2021/22			2022/23		
	Budget	Total Expenditure	Savings	Budget	Total Expenditure	Savings
	R'000	R'000	R'000	R'000	R'000	R'000
Use of consultants	6 120	5 590	530	5 793	12 427	(6 634)
Vehicles used for political office - bearers	0	0	0	0	0	0
Travel and subsistence	460	347	113	593	441	152
Domestic accommodation	337	171	166	489	324	165
Sponsorships, events and catering	150	123	27	165	119	46
Communication	2 222	2 133	89	2 073	2 001	72
Other related expenditure items	2 882	2 955	(73)	3 562	8 445	(4 883)
Total	12 171	11 319	852	12 675	23 757	(11 082)

Table 51. Cost Containment Measure and Annual Cost Saving



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CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2022/23 in terms of the deliverables achieved compared to the KPI's and objectives in the IDP. It includes an overview on achievement in 2022/23 when compared to actual performance in 2021/22.

3.1 Overview of performance within the organisation

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

At local government level performance management is institutionalised 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.

The constitution of S.A (1996), Section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of Section 195(1) are linked with the concept of performance management, regarding the principles of *inter alia*:

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

The MSA, 2000 requires municipalities to establish a performance management system. Further, the MSA and the MFMA requires the IDP to be aligned to the municipal budget and to be monitored for the performance of the budget via the service delivery and the budget implementation plan (SDBIP).

Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation but also to the individuals employed in the organisation and the external service providers and municipal entities. This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP and individual and service provider performance.



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The Municipality adopted a Performance Management Policy that was approved by Council on 25 June 2022.

3.1.1 Legislative requirements

In terms of Section 46(1)(a) of the MSA 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.

3.1.2 Organisational performance

Strategic performance indicates how well the Municipality meets its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer SDBIP per strategic objective and the National KPI's prescribed in terms of Section 43 of the MSA.

3.1.3 The performance system followed for 2022/23

a) The IDP and the budget

The IDP and the budget for 2022/23 was reviewed and approved by Council on 14 June 2022. The IDP and performance management processes are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation, management, monitoring and evaluation of the IDP.

The SDBIP was prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 28 June 2022.

3.1.4 Performance management

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved by the Mayor on 28 June 2022 and the information was loaded on an electronic web-based system

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- The web-based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against KPI targets of every month for the previous month's performance
- The performance system administrator reminded all departments on a monthly basis to update their actual performance on the web-based system

3.2 Introduction to strategic and municipal performance for 2022/23

3.2.1 Strategic SDBIP

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section provides an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP is the Municipality's strategic plan and shows the strategic alignment between the different documents (IDP, budget and performance agreements).

In the detail below the performance achieved is illustrated against the Top Layer SDBIP according to the IDP (strategic) objectives.

The following table explains the method by which the overall assessment of actual performance against targets set for the KPI's of the SDBIP is measured:

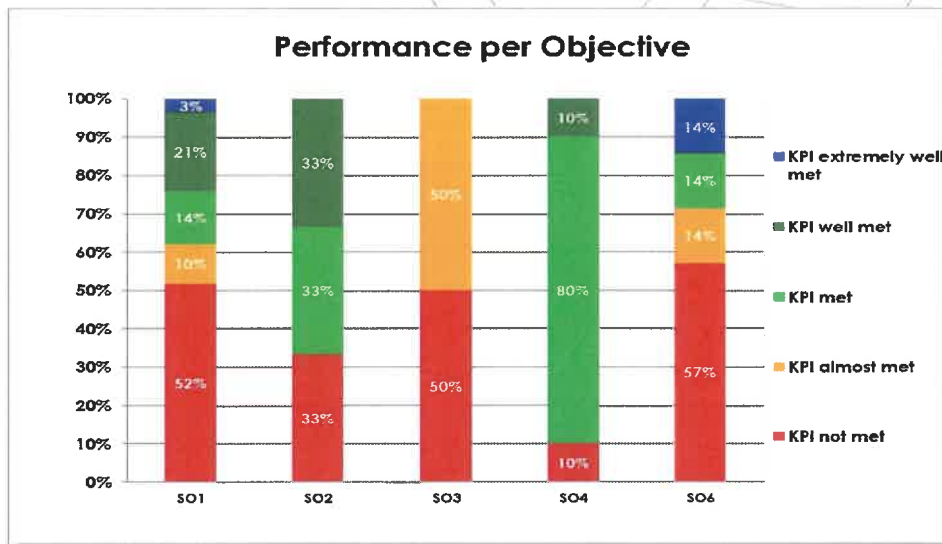
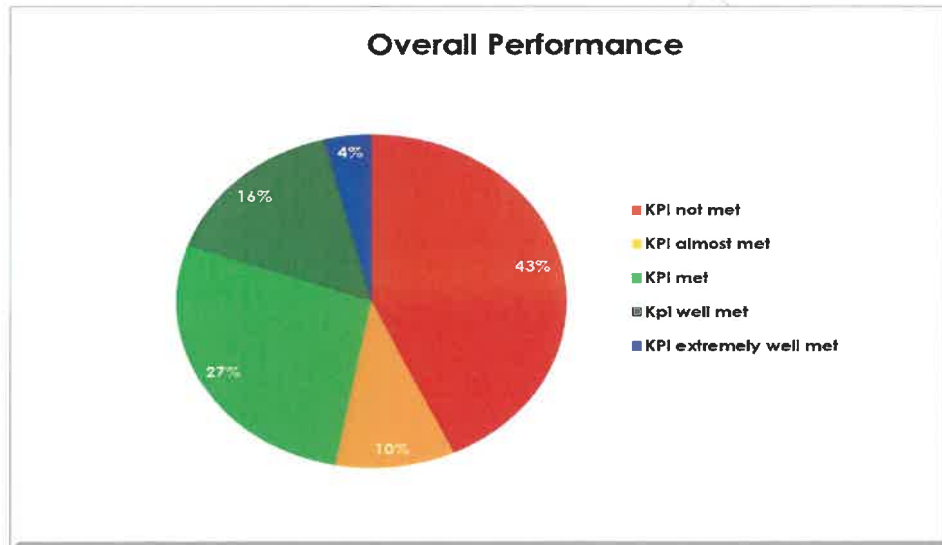
Category	Rating	Explanation
KPI Not Yet Measured	Not yet measured	KPI's with no targets or actuals in the selected period
KPI Not Met	KPI Not Met	0% > = Actual/Target < 75%
KPI Almost Met	KPI Almost Met	75% > = Actual/Target < 100%
KPI Met	KPI Met	Actual/Target = 100%
KPI Well Met	KPI Well Met	100% > Actual/Target < 150%
KPI Extremely Well Met	KPI Extremely Well Met	Actual/Target > = 150%

Figure 2.: SDBIP measurement categories



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The graph below displays the overall performance in terms of the Top Layer SDBIP per strategic objectives for 2022/23:



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Measurement Category	SO1: Provide, maintain and expand basic services to all people in the municipal area	SO2: Sustainable, safe and healthy environment	SO3: Promote broad-based growth and development	SO4: Maintain an ethical, accountable and transparent administration	SO6: Uphold sound financial management principles and practices
KPI Not Met	15	1	1	1	4
KPI Almost Met	3	0	1	0	1
KPI Met	4	1	0	8	1
KPI Well Met	6	1	0	1	0
KPI Extremely Well Met	1	0	0	0	1
Total	29	3	2	10	7

Graph 1.: Overall performance per strategic objective

3.2.2 Detailed actual performance for 2022/23 KPI's per strategic objectives

a) SO1: Provide, maintain and expand basic services to all people in the municipal area

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23					Actual	G2
						Target						
						Q1	Q2	Q3	Q4	Annual		
TL6	Basic Service Delivery	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and which are billed for water or have pre-paid meters as at 30 June 2023	Number of residential properties which are billed for water or have pre-paid meters as at 30 June 2023	All	16 523	0	11 510	0	11 510	11 510	15 341	G2



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Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23					Actual	
						Target						
						Q1	Q2	Q3	Q4	Annual		
TL7	Basic Service Delivery	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2023	All	16 523	0	12 462	0	12 462	12 462	11 196	O
Corrective Measure			Old and duplicate accounts removed from financial system: Data cleansing									
TL8	Basic Service Delivery	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2023	Number of residential properties which are billed for sewerage as at 30 June 2023	All	16 523	0	11 870	0	11 870	11 870	12 271	G2
TL9	Basic Service Delivery	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2023	Number of residential properties which are billed for refuse removal as at 30 June 2023	All	16 523	0	11 346	0	11 346	11 346	11 896	G2
TL10	Basic Service Delivery	Provide free basic water to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2023	Number of active indigent households receiving free basic water as at 30 June 2023	All	2 097	0	5 600	0	5 600	5 600	6 866	G2

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Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL11	Basic Service Delivery	Provide free basic electricity to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2023	Number of active indigent households receiving free basic electricity as at 30 June 2023	All	4 917	0	5 094	0	5 094	5 094	4 593	O
Corrective Measure			SDBIP not updated									
TL12	Basic Service Delivery	Provide free basic sanitation to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2023	Number of active indigent households receiving free basic sanitation as at 30 June 2023	All	4 917	0	5 953	0	5 953	5 953	3 957	R
Corrective Measure			The Municipality to embark on an indigent drive to encourage the community to apply for the indigent subsidy to increase the indigent numbers									
TL13	Basic Service Delivery	Provide free basic refuse removal to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2023	Number of active indigent households receiving free basic refuse removal as at 30 June 2023	All	4 917	0	2 225	0	2 225	2 225	3 959	B
TL14	Basic Service Delivery	The percentage of the municipal capital budget spent by 30 June 2023 [(Actual amount spent / Total amount budgeted for capital projects) X 100]	% of capital budget spent by 30 June 2023	All	64.84%	15%	40%	60%	95%	95%	94%	O
Corrective Measure			The Municipality to embark on an indigent drive to encourage the community to apply for the indigent subsidy to increase the indigent numbers									

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Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23					Actual	
						Target						
						Q1	Q2	Q3	Q4	Annual		
TL23	Basic Service Delivery	95% of the approved project budget spent on the upgrade of the 20 MVA 22/11 kV Main Substation - Phase 5 in Beaufort West by 30 June 2023 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2023	2	New key performance indicator for 2022/23. No audited comparative available	15%	40%	60%	95%	95%	95%	G
TL24	Basic Service Delivery	95% of the approved project budget spent on New High Mast Lighting in Rustdene, Prince Valley and Lande by 30 June 2023 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2023	3; 4; 5; 6	99.60%	15%	40%	60%	95%	95%	95%	G
TL25	Basic Service Delivery	95% of the approved project budget spent on the upgrade of the sport stadium in Kwa-Mandlenkosi by 30 June 2023 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2023	4	100%	15%	40%	60%	95%	95%	0	R
Corrective Measure			Project was removed from the budget and therefore no expenditure could be recorded									
TL26	Basic Service Delivery	95% of the approved project budget spent on the upgrade of existing regional sport stadium: Phase 2 in Rustdene by 30 June 2023 [(Actual expenditure divided by the total approved project budget) x100]	% of budget spent by 30 June 2023	3; 5; 6	32.60%	15%	40%	60%	95%	95%	55.90%	R
Corrective Measure			Project could not start on time because the first round of tenders no responsive tenders was received									
TL27	Basic Service Delivery	95% of the approved project budget spent on the rehabilitation of sanitation oxidation ponds in Nelspoort by 30 June 2023 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2023	2	New key performance indicator for 2022/23. No audited comparative available	15%	40%	60%	95%	95%	0%	R

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Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23						Actual
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
Corrective Measure			Project was removed from the budget and therefore no expenditure could be recorded									
TL28	Basic Service Delivery	Upgrade Dliso Avenue and Matshaka Street in Kwa-Mandlenkosi by 30 June	Number of Streets upgraded	5; 6	New key performance indicator for 2022/23. No audited comparative available	0	0	0	2	2	0	R
Corrective Measure			Project was not implemented in the financial year due to the process of appointing a consulting engineer									
TL29	Basic Service Delivery	95% of the approved project budget spent on the upgrade of roads and storm water in Murraysburg by 30 June 2023 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2023	1	New key performance indicator for 2022/23. No audited comparative available	15%	40%	60%	95%	95%	100.20%	G2
TL30	Basic Service Delivery	Upgrade Setlaars-, Paarden and Perl Roads in Murraysburg by 30 June	Number of Streets upgraded	1	New key performance indicator for 2022/23. No audited comparative available	0	0	0	2	2	2	G
TL31	Basic Service Delivery	Upgrade Freddie Max Crescent in Nelspoort by 30 June	Number of Streets upgraded	2	New key performance indicator for 2022/23. No audited comparative available	0	0	0	2	2	0	R
Corrective Measure			The delay in the appointment of a consulting engineer impacted the implementation of the project. No roads were constructed in Nelspoort									
TL32	Basic Service Delivery	95% of the approved project budget spent on the rehabilitation of gravel roads in Rustdene, Kwa-Mandlenkosi and Hillside 2 by 30 June 2023 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2023	3; 4; 5; 6; 7	New key performance indicator for 2022/23. No audited comparative available	15%	40%	60%	95%	95%	10.48%	R
Corrective Measure			Awaiting the appointment of the consulting engineers for the project. Process to be started afresh as 1st tender was cancelled									



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Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL33	Basic Service Delivery	95% of the approved project budget spent on the upgrade of gravel roads: Pieter Street in Rustdene by 30 June 2023 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2023	3; 5; 6	New key performance indicator for 2022/23. No audited comparative available.	15%	40%	60%	95%	95%	27.80%	R
Corrective Measure			Process was delayed because of the appointment process of the Consulting Engineer									
TL34	Basic Service Delivery	95% of the approved project budget spent on new Stormwater drainage in Murraysburg by 30 June 2023 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2023	1	New key performance indicator for 2022/23. No audited comparative available	15%	40%	60%	95%	95%	9.63%	R
Corrective Measure			Consulting Engineering firm was only appointed late in the financial year									
TL35	Basic Service Delivery	95% of the approved project budget spent on the augmentation and upgrade of the water supply network in Merwéville by 30 June 2023 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2023	7	New key performance indicator for 2022/23. No audited comparative available	15%	40%	60%	95%	95%	100%	G2
TL36	Basic Service Delivery	95% of the approved project budget spent on the upgrade of the 16 MVA 22/11 kV Louw Smit Substation - Phase 3 in Beaufort West by 30 June 2023 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2023	All	New key performance indicator for 2022/23. No audited comparative available	15%	40%	60%	95%	95%	95%	G
TL37	Basic Service Delivery	95% of the approved project budget spent on the distribution transformers by 30 June 2023 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2023	All	New key performance indicator for 2022/23. No audited comparative available	15%	40%	60%	95%	95%	16.20%	R
Corrective Measure			Due to financial constraints, only R81 220.84 was spent on the project this financial year									

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Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23					Actual	
						Target						
						Q1	Q2	Q3	Q4	Annual		
TL38	Basic Service Delivery	Upgrade the Middelkop power line by 30 June 2023	% of budget spent by 30 June 2023	1	New key performance indicator for 2022/23. No audited comparative available	0	0	0	1	1	0	R
Corrective Measure			Must seek funding in the next financial year									
TL40	Basic Service Delivery	Submit a report on the Illegal Dumping Project (Department of Environmental Affairs) to Council by 30 September 2022	Number of reports submitted	All	0	1	0	0	0	1	0	R
Corrective Measure			Currently there is a person appointed in an acting capacity as a Senior Manager which boost the capacity in the Department. The report is being prepared for the next financial year									
TL41	Good Governance and Public Participation	Submit a Housing Pipeline Report to Council by 30 June 2023	Number of reports submitted	All	0	0	0	0	1	1	0	R
Corrective Measure			The Department has started a collaboration process with the internal Infrastructure Department for them to assist in the development of the PID's. The target date for the finalization of the PID's document is 31 March 2024									
TL42	Basic Service Delivery	Draft the Waste By-Law and submit to Council for approval by 31 October 2022	Number of by-laws submitted for approval	All	New key performance indicator for 2022/23. No audited comparative available	0	1	0	0	1	0	R
Corrective Measure			The draft Waste By-Law will be tabled in the next standing committee on 27 August 2023, and subsequently to the scheduled Council Meeting end of September 2023									
TL44	Basic Service Delivery	Revise the Human Settlements Plan and submit to Council by 31 December 2022.	Number of plans submitted	All	New key performance indicator for 2022/23. No audited comparative available	0	1	0	0	1	0	R
Corrective Measure			The Municipality strived to appoint the service provider in the financial year under review. However, there were challenges with the appointment, and the case is in the courts. Once the courts concluded on the matter, the Municipality will undertake a process to appoint a service provider which will assist us with the revision of the Human Settlement Plan									

Table 52. SO1: Provide, maintain and expand basic services to all people in the municipal area



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

b) SO2: Sustainable, safe and healthy environment

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL22	Basic Service Delivery	95% of water samples in the Beaufort West jurisdiction area comply with SANS241 micro biological indicators	% of water samples compliant to SANS 241	All	100%	95%	95%	95%	95%	95%	100%	G2
TL39	Good Governance and Public Participation	Hold roadblocks in conjunction with the Provincial Traffic Department quarterly	Number of roadblocks held	All	0	1	1	1	1	4	0	R
Corrective Measure		The Municipality will ensure in the new financial year that it attend to the issues that contributed to the non-availability of resources to conduct these roadblocks										
TL43	Basic Service Delivery	Develop an Air Quality Management Plan and submit to Council by 30 September 2022	Number of plans submitted	All	New key performance indicator for 2022/23. No audited comparative available	1	0	0	0	1	1	G

Table 53. SO2: Sustainable, safe and healthy environment

c) SO3: Promote broad-based growth and development

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL3	Local Economic Development	Review the LED strategy and submit to Council by 30 June 2023	Revised LED strategy submitted to Council by 30 June 2023	All	0	0	0	0	1	1	0	R
Corrective Measure		Final Draft LED & Tourism Strategy is developed. Will be workshopped with Council and table to Council by end of November 2023										
TL21	Local Economic Development	Create temporary job opportunities in terms of the Extended Public Works Programme (EPWP) projects by 30 June 2023	Number of temporary jobs opportunities created by 30 June 2023	All	142	0	0	0	100	100	95	O
Corrective Measure		EPWP target for Municipality was only 74, but 95 was achieved										

Table 54. SO3: Promote broad-based growth and development



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d) SO4: Maintain an ethical, accountable and transparent administration

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23						Actual		
						Target					Annual			
						Q1	Q2	Q3	Q4	Annual				
TL1	Good Governance and Public Participation	Compile the Risk based audit plan for 2023/24 and submit to Audit committee for consideration by 30 June 2023	Risk based audit plan submitted to Audit committee by 30 June 2023	All	1	0	0	0	1	1	1	G		
TL2	Good Governance and Public Participation	90% of the Risk based audit plan for 2022/23 implemented by 30 June 2023 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and tasks identified in the RBAP) x 100]	% of the Risk Based Audit Plan implemented by 30 June 2023	All	69.23%	10%	25%	50%	70%	70%	87.50%	G2		
TL4	Good Governance and Public Participation	Review the Integrated Development Plan 2022-2027 and submit to Council by 31 May 2023	Number of IDP's submitted	All	1	0	0	0	1	1	1	G		
TL5	Good Governance and Public Participation	Submit the Annual Performance Report to the Auditor-General by 31 August 2022	Number of reports submitted	All	0	1	0	0	0	1	1	G		
TL45	Municipal Transformation and Institutional Development	Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	All	0	0	0	0	1	1	1	G		



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL46	Municipal Transformation and Institutional Development	0.50% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2023 [(Actual amount spent on training/total personnel budget) x100]	% of the municipality's personnel budget spent on implementing its workplace skills plan	All	0.77%	0%	0%	0%	0.50%	0.50%	0.50%	G
TL48	Municipal Transformation and Institutional Development	95% of the approved project budget spent on the Computer Equipment Project by 30 June 2023	[(Actual expenditure divided by the total approved project budget) x100]	All	40%	15%	40%	60%	95%	95%	95%	G
TL49	Municipal Transformation and Institutional Development	Submit the Change Management Strategy to Council by 31 December	Number of strategies submitted	All	New key performance indicator for 2022/23. No audited comparative available	0	1	0	0	1	0	R
Corrective Measure			The draft strategy should to be completed by 28 February 2023									
TL50	Municipal Transformation and Institutional Development	Review the Organogram and submit to Council by 30 June	Number of organograms reviewed and submitted	All	New key performance indicator for 2022/23. No audited comparative available	0	0	0	1	1	1	G
TL51	Municipal Transformation and Institutional Development	Review the Performance Management Policy and submit to Council by 30 June	Number of organograms reviewed and submitted	All	New key performance indicator for 2022/23. No audited comparative available	0	0	0	1	1	1	G

Table 55.S04: Maintain an ethical, accountable and transparent administration



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e) SO6: Uphold sound financial management principles and practices

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL15	Municipal Financial Viability and Management	Financial viability measured in terms of the municipality's ability to meet its service debt obligations at 30 June 2023 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	Debt to Revenue as at 30 June 2023	All	1.74%	0%	0%	0%	45%	45%	1%	B
TL16	Municipal Financial Viability and Management	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2023 [(Total outstanding service debtors/annual revenue received for services)x 100]	Service debtors to revenue as at 30 June 2023	All	89.01%	0%	0%	0%	35%	35%	81.26%	R
Corrective Measure			Credit control activities to be increased									



CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL17	Municipal Financial Viability and Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2023 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Cost coverage as at 30 June 2023	All	0.2	0	0	0	1	1	0	R
Corrective Measure		The Municipality needs to robustly implement its Credit and Debt Management Policy to ensure that the cash position of the Municipality improves in the new financial year										
TL18	Municipal Financial Viability and Management	Achieve a payment percentage of 85% by 30 June 2023 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100]	Payment % achieved by 30 June 2023	All	63%	75%	80%	85%	85%	85%	81.26%	O
Corrective Measure		Credit control activities to be increased										
TL19	Municipal Financial Viability and Management	Limit unaccounted for water quarterly to less than 25% during 2022/23 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (including free basic water) / Number of Kilolitres Water Purchased or Purified x 100]	% unaccounted water	All	15.86%	25%	25%	25%	25%	25%	63.66%	R
Corrective Measure		Secure funding to replace faulty and by-passed meters										

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Ref	National KPA	KPI	Unit of measurement	Wards	Actual performance of 2021/22	Overall performance 2022/23						
						Target					Actual	
						Q1	Q2	Q3	Q4	Annual		
TL20	Municipal Financial Viability and Management	Limit unaccounted for electricity to less than 10% quarterly during the 2022/23 financial year [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased] × 100]	% unaccounted electricity	All	35.42%	10%	10%	10%	10%	10%	14.18	R
Corrective Measure			The Municipality to develop strategies / interventions to curb electricity losses									
TL47	Local Economic Development	Spend 100% of the library grant by 30 June 2023 (Actual expenditure divided by the total grant received)	% of grant spent by 30 June 2023	All	99.38%	0%	0%	0%	100%	100%	100%	G

Table 56. SO6: Uphold sound financial management principles and practices

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3.2.3 Municipal functions

The municipal functional areas are as indicated below:

Municipal function	Municipal function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Childcare facilities	No
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No

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Municipal function	Municipal function Yes / No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 57. Municipal functions

3.3 Component A: Basic Services

3.3.1 Water Services

a) Introduction to Water Services

Beaufort West is dependent on three different water sources:

- Surface water (Gamka Dam, Springfontein Dam and Walker Dam)
- Boreholes (40 boreholes in 6 aquifers)
- Water Reclamation Plant (WRP)

The water sources mentioned above are used to adhere to the demand of the community. The demand is approximately 7 mega litres per day. This figure varies depending on the weather conditions. During summer the water consumption is much higher than during winter. The high summer consumption is balanced by abstracting water from the Gamka Dam, boreholes and water from the WRP. During winter, only boreholes and the WRP are used to adhere to the demand from the community. The water quality of Beaufort West, Nelspoort, Merweville and Murraysburg is of a good standard.

Water losses are reduced to the minimum from the source to sector meters.

During the 2022/23 financial year 2 WSIG Projects was implemented successfully to the value of R 28 000 000.



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b) Highlight: Water Services

The table below indicate the highlight during the financial year:

Highlight	Description
Augmentation of the bulk water supply to Merweville	Drilling and equipping of 3 new boreholes in Merweville including the equipping of boreholes with solar panel to reduce the effect of load shedding on the water supply
Upgrade and equip of existing/new boreholes in Murraysburg	Drilling and equipping of 2 new boreholes in Murraysburg and upgrading of existing boreholes, including the equipping of boreholes with solar panel to reduce the effect of load shedding on the water supply

Table 58. Water Services highlight

c) Challenges: Water Services

The table below indicate the challenge faced during the financial year:

Description	Actions to address
Vandalism of pump stations and boreholes	Apply for budget funding
Water losses in Beaufort West	Installation of new water meters and ensuring that all information is captured on the financial system

Table 59. Water Services challenge

d) Total use of water by sector

The table below indicates the total use of water per sector:

Total use of water by sector (cubic meters)				
Financial year	Agriculture	Forestry	Industrial	Domestic
2021/22	0	0	267 495	2 704 674
2022/23	0	0	251 861	2 546 600

Table 60. Total use of water by sector (cubic meters)



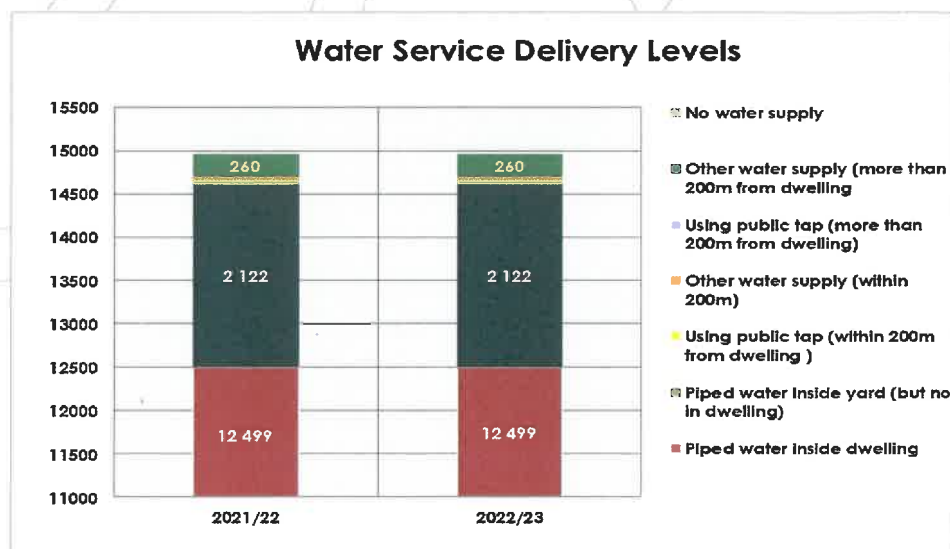
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e) Water service delivery levels

The table below indicates the water service delivery levels:

Households		
Description	2021/22	2022/23
	Actual	Actual
	No.	No.
Water: (above min level)		
Piped water inside dwelling	12 499	12 499
Piped water inside yard (but not in dwelling)	2 122	2 122
Using public tap (within 200m from dwelling)	49	49
Other water supply (within 200m)	31	31
Minimum service level and above sub-total	14 701	14 701
Minimum service level and above percentage	98	98
Water: (below min level)		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	260	260
No water supply	0	0
Below minimum service level sub-total	260	260
Below minimum service level percentage	2	2
Total number of households	14 961	14 961
Include informal settlements		

Table 61. Water service delivery levels



Graph 2.: Water service delivery levels



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f) Access to water

The table below indicates the number of households that have access to water:

Financial year	Number of households with access to water points*	Proportion of households with access to piped water	Number of households receiving 6 kl free#
2021/22	14 961	89.1%	2 097
2022/23	14 961	98.1%	6 866

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

Table 62. Access to water

g) Employees: Water Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
		Number			
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	2	2	2	0	0
Skilled technical, superintendents, etc.	2	2	2	0	0
Semi-skilled	11	10	10	0	0
Unskilled	3	9	9	0	0
Total	18	23	23	0	0

Table 63. Employees: Water Services

h) Capital expenditure: Water Services

The table below indicates the capital expenditure incurred:

Capital projects	2022/23 (R)		
	Budget	Adjustment budget	Actual expenditure
Acquisition of Back-up Generators	0	969 565	1 093 800
Borehole Siting, Exploration and Development - Murraysburg	13 547 335	13 547 335	13 547 120
The Augmentation and Upgrading of the Water Supply Network - Merweville	11 182 230	11 182 230	11 181 826
Total	24 729 565	26 699 130	25 822 746

Table 64. Capital Expenditure: Water Services



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3.3.2 Water and Waste Water Networks

a) Introduction to Sanitation Services

The Municipality has four Waste Water Treatment Works (WWTW) that are situated in Beaufort West, Nelspoort, Merweville and Murraysburg. The WWTW of Nelspoort, Murraysburg and Merweville has recently been upgraded and are operating within the design capacity and the final effluent is of good quality.

The WWTW of Nelspoort, Merweville and Murraysburg are evaporation ponds.

Studies are being done on the Beaufort West WWTW as the biological trickle filter system has been de-commissioned and this increases the load on the activated sludge process.

The final effluent of the Beaufort West WWTW is reclaimed by the reclamation plant and treated to drinking water standards.

b) Challenge: Sanitation Services

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Vandalism to pumpstations and facilities	Apply for budget funding

Table 65. Sanitation Services challenges

c) Sanitation service delivery levels

The table below indicates the service delivery levels for sanitation:

Households		
Description	2021/22	2022/23
	Actual No.	Actual No.
Sanitation/sewerage: (above minimum level)		
Flush toilet (connected to sewerage)	12 383	12 383
Flush toilet (with septic tank)	1 568	1 568
Chemical toilet	0	0
Pit toilet (ventilated)	355	355
Other toilet provisions (above min. service level)	31	31
Minimum service level and above sub-total	14 337	14 337
Minimum service level and above percentage	96%	96%
Sanitation/sewerage: (below minimum level)		
Bucket toilet	309	309
Other toilet provisions (below min. service level)	0	0
No toilet provisions	305	305

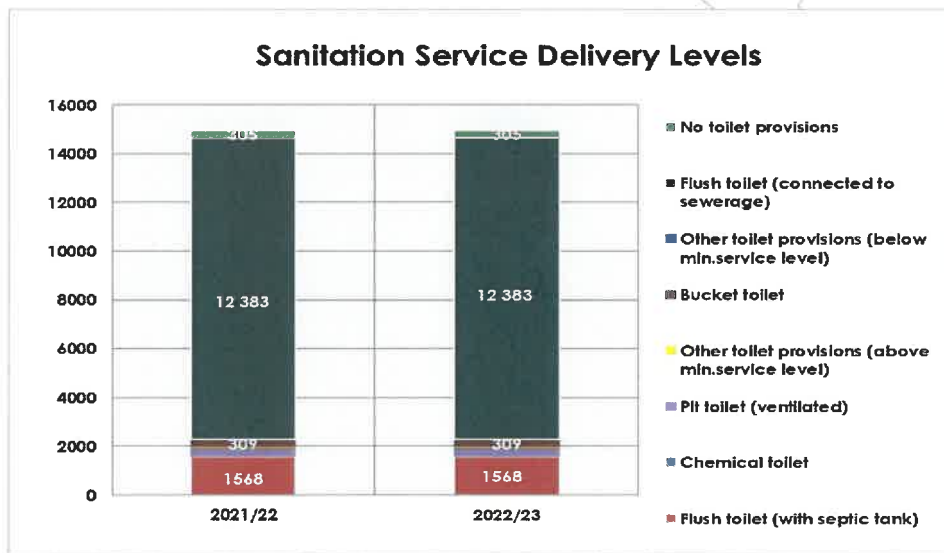
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Households		
Description	2021/22	2022/23
	Actual	Actual
	No.	No.
Below Minimum Service Level sub-total	617	617
Below Minimum Service Level Percentage	4%	4%
Total households	14 951	14 951

Including informal settlements

Table 66. Sanitation Service delivery levels



Graph 3.: Sanitation Service delivery levels



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d) Employees: Sanitation Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			Vacancies (as a % of total budgeted posts)
		Budgeted posts	Employees	Vacancies	
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	1	1	0	0
Skilled technical, superintendents, etc.	1	6	3	3	50
Semi-skilled	9	19	12	7	36.84
Unskilled	15	42	33	9	20
Total	25	68	49	19	27.94

Table 67. Employees: Sanitation Services

e) Capital expenditure: Sanitation Services

The table below indicates the capital expenditure incurred:

Capital projects	2022/23 (R)		
	Budget	Adjustment budget	Actual expenditure
Rehabilitate Sanitation : Oxidation Ponds - Nelspoort	1 856 215	0	0
New Stormwater Drainage - Murraysburg	1 217 144	300 000	28 883
Total	3 073 359	300 000	28 883

Table 68. Capital Expenditure: Sanitation Services

3.3.3 Electricity Services

a) Introduction to Electricity Services

Local Government plays an important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

The distribution of electricity in Beaufort West started in 1919 when the railway supplied the Municipality with electricity. The cost was 4.5 pennies per unit. During 1924, the Municipality started building their own power station. On 1 November 1925, the power station was officially opened and ever since, electricity has grown to be a huge industry, supplying energy to businesses and the community. The department is licensed by the National Electricity Regulator (NER) to supply electricity within its approved area of supply. The department is



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responsible for the distribution and supply of electricity for Beaufort West, Nelspoort, Merweville and surrounding rural areas. Eskom is responsible for the distribution of electricity in Merweville and partially in Murraysburg.

The department takes supply from Eskom at 132 000 volts at Katjieskop substation and distribute 11 000 volts to the supply areas.

The electricity is sold to industrial, commercial and domestic customers. Approximately 27.95% of the electricity is sold to industrial and commercial customers, 46.11% to domestic customers, 8.40% to indigents, 3.20% for street lighting and 0.16% for own use. Energy losses during the financial year amounted to 14.18%.

There are no backlogs in the provision of service connections. Applications for connections are processed as they are received and the necessary connection fees collected. All electricity customers receive a full service but are differentiated in terms of connection size in relation to connection fees paid.

I) SERVICE BACKLOGS

Due to the lack of financial resources over the past number of years, a backlog in repair and maintenance, as well as refurbishment and network expansion has increased. This backlog can only be addressed by sufficient capital investment into the electricity infrastructure.

II) INFRASTRUCTURE

Although the Municipality has been able to assist all applicants by providing electricity, the low level of investment in the upgrade, refurbishment and expansion of the electricity infrastructure has led to a situation that new developments can no longer be accommodated without major capital investment. It is therefore absolutely essential that the Municipality direct more of the surplus generated by the sale of electricity to the capital requirements of the electrical department. Currently, the Municipality is busy with upgrading of its primary substations in Beaufort West and this will be completed by the year 2024. This project was made possible with funding from Integrated National Electrification Programme (INEP).

b) Highlights: Electricity Services

The table below indicates the highlights of the financial year:

Highlight	Description
Received funding from the Department of Local Government	Funding was used for the following: <ul style="list-style-type: none"> • retrofitting of 28 flood lights in Murraysburg • repairs to Main Substation Transformer Tap Changers

Table 69. Electricity Services highlights



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c) Challenges: Electricity Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Financial constraints limiting overall maintenance on electrical network	Electricity must be ringfenced to show the true income and expenses incurred

Table 70. Electricity Services challenges

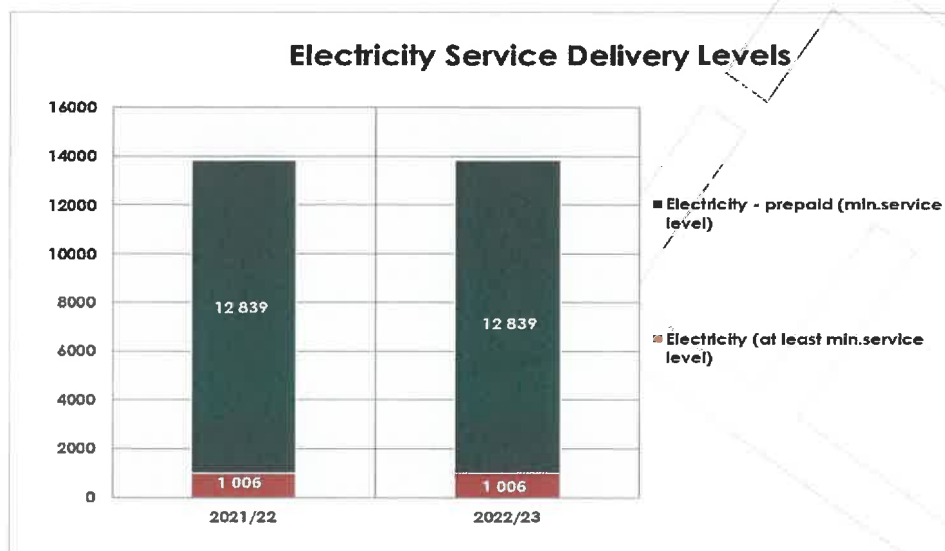
d) Electricity service delivery levels

The table below indicates the service delivery levels for electricity:

Households		
Description	2021/22	2022/23
	Actual	Actual
	No.	No.
Energy: (above minimum level)		
Electricity (at least min.service level)	1 006	1 006
Electricity - prepaid (min.service level)	11 833	11 833
Minimum service level and above sub-total	12 839	12 839
Minimum service level and above percentage	100	100
Energy: (below minimum level)		
Electricity (<min.service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	12 839	12 839

Table 71. Electricity Service delivery levels

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Graph 4.: Electricity Service delivery levels

e) Employees: Electro-Technical Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23				Vacancies (as a % of total budgeted posts)
		Budgeted posts	Employees	Vacancies		
	Number					
Top management	0	0	0	0	0	
Senior management	0	1	0	1	100	
Middle management and professionals	2	3	3	0	0	
Skilled technical, superintendents, etc.	4	2	0	2	100	
Semi-skilled	10	10	7	3	30	
Unskilled	5	15	10	5	33.33	
Total	21	31	20	11	35.48	

Table 72. Employees: Electricity Services

f) Capital expenditure: Electricity Services

The table below indicates the capital expenditure incurred:

Capital projects	2022/23 (R)		
	Budget	Adjustment budget	Actual expenditure
16 MVA 22/11 kV Upgrading of the Louw Smit Substation (Phase III)	3 478 261	3 478 261	3 478 261
20MVA 22/11Kv Upgrading of the Main Substation	6 086 957	10 969 029	10 958 216



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Capital projects	2022/23 (R)		
	Budget	Adjustment budget	Actual expenditure
Electrical Network Upgrade	0	0	363 476
Machinery and Equipment	130 435	0	0
New High Mast Lighting - Rustdene, Prince Valley, Lande	265 314	0	0
Replacement of 7x Scissor Masts from SON-T Lininaries to LED Technology	0	260 870	260 870
Upgrade of Middelkop Power Line	434 783	0	0
Various Distribution Transformers	434 783	100 000	229 039
Wooden Electrical Poles	130 435	0	0
Total	10 960 968	14 808 160	15 289 862

Table 73. Capital expenditure: Electricity Services

3.3.4 Waste Management (refuse collections, waste disposal, street cleaning and recycling)

a) Introduction: Waste Management

I) SERVICE DELIVERY

The Section provides a weekly door-to-door waste removal service to households and bi-weekly to some businesses. Domestic and garden waste is removed on daily basis and placed either in the 85 litre refuse bins or refuse bags. Medical waste generated from hospitals, clinics and general practitioners are collected by a private company. The private company is responsible for spillage removal along the N1 national road transversing the Beaufort West area. Builder's rubble is removed by the community with their own transport, and the Municipality removes when dumped illegally on open spaces or upon request from households at minimal costs.

Expanded Public Work Programme (EPWP – local and district) and Murraysburg Landfill Project (Department of Forestry Fishery and Environment - EPIP), and Community Working Program participants clean open spaces, litter picking and streets sweeping to other residential areas where there are no permanent staff allocated and waste disposal facilities (Vaalkoppies and Murraysburg).

II) LANDFILL SITE DISPOSAL SITES

The four waste management facilities within the Beaufort West municipal area are situated in:

- ☛ Beaufort West - known as Vaalkoppies Landfill Site
- ☛ Merweville – known as Merweville Landfill Site
- ☛ Nelspoort – known as Nelspoort Landfill Site
- ☛ Murraysburg – known as Murraysburg Landfill Site



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All landfill sites are operational of which 3 has permits (Vaalkoppies, Merweville, and Nelspoort) but Murraysburg licensed expired.

III) WASTE MINIMISATION

Recycling programmes have not yet been formalised though recycling activities on all sites by waste pickers and collected by private recycling companies on daily basis. Some of the businesses, farmers and community drop the recyclables personally to the private depot.

IV) WASTE AWARENESS AND EDUCATION

Waste awareness and education is currently done through the distribution of pamphlets on a quarterly basis. The target audience for these initiatives are schools and communities.

b) Highlights: Waste Management

The table below indicate the highlights during the financial year:

Highlights	Description
The Municipality had three refuse trucks collecting waste from households	The Municipality received a donation of a refuse truck from the Department of Forestry, Fisheries and the Environment (DFFE)

Table 74. Waste Management highlights

c) Challenges: Waste Management

The table below indicates the challenges faced during the financial year:

Description	Actions to address
The continuous maintenance of the landfill sites to levels where it complies with legislative prescripts presents a huge challenge for the Municipality	The Municipality needs to repair the machinery that will do the work at the landfill sites
Illegal dumping in almost all the municipal areas	The Municipality, through the assistance of the Municipal Infrastructure Grant (MIG) will procure machinery that will ensure eradication of illegal dumping in the municipal area

Table 75. Waste Management challenges



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d) Waste Management service delivery levels

The table below indicates the service delivery levels for waste management:

Description	Households	
	2021/22	2022/23
	Actual	Actual
	No.	No.
Solid waste removal: (minimum level)		
Removed at least once a week	12 978	12 978
Minimum service level and above sub-total	12 978	12 978
Minimum service level and above percentage	100	100
Solid waste removal: (below minimum level)		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below minimum service level sub-total	0	0
Below minimum service level percentage	0	0
Total number of households	12 978	12 978

Table 76. Waste Management service delivery levels



Graph 5.:

Waste Management service delivery levels



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e) Employees: Waste and Facility Management (Street Cleaning/Sanitation, Vacuum Services, Landfill Site & Refuse Removal)

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	1	1	0	1	100
Semi-skilled	9	9	5	4	44.44
Unskilled	22	28	19	9	32.14
Total	32	38	24	14	36.84

Table 77. Employees: Waste Management

f) Employees: Waste, Environment and Facility Management (Administrative Support, EPWP Administrations & Projects, Parks & Gardens, Cemeteries, Pound, Halls, Stadiums & Swimming Pools)

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	1	1	0	100
Middle management and professionals	1	3	1	2	66.67
Skilled technical, superintendents, etc.	2	11	7	4	36.36
Semi-skilled	18	16	12	4	66.67
Unskilled	20	39	33	6	15.38
Total	41	70	54	16	22.86

Table 78. Employees: Waste, Environment and Facilities Management

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g) Capital expenditure: Waste Management

The table below indicates the capital expenditure incurred:

Capital projects	2022/23 (R)		
	Budget	Adjustment budget	Actual expenditure
Waste Compactor Truck	0	0	2 551 882
Total	0	0	2 551 882

Table 79. Capital expenditure: Waste Management

3.3.5 Employees: Basic Services: Merweville, Murraysburg and Nelspoort (excluding Library Services of the 3 towns)

The table below indicates the number of staff employed within the unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total Budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technical, superintendents, etc.	3	3	2	1	33.33
Semi-skilled	28	23	19	4	17.39
Unskilled	16	37	27	10	22.03
Total	47	60	48	15	25

Table 80. Employees: Basic Services: Merweville, Murraysburg and Nelspoort

3.3.6 Housing

a) Introduction to housing

Being encouraged by the Housing Act 107 of 1997, our Municipality strives to establish and maintain habitable, stable and sustainable public and private residential environment to ensure viable households and communities in areas allowing convenient access to economic, health, educational and social opportunities.

The scale of the housing problem confronting the Central Karoo is actual. The number of units delivered has lessened in comparison with the growing demand for low-cost housing. This result in the increasing demand backlogs and a disturbing degree of quality.



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Planners need to understand the scope of problems and the benefits related to strategic, conceptual and implementation alternatives. Alternative strategies must thus be sought which address issues regarding the quantity and quality of housing delivered. The need for improved approaches is thus clear.

I) HOUSING NEED

The need for an inclusive approach which considers community participation and stakeholder engagement, whilst considering the wide scale of impact related to housing development is recognised. Our Municipality recognise the following programmes as clarified by need with the income group categories:

- 🏠 Integrated Residential Development Programme (IRDP): R0 – R3 500 per month
- 🏠 Consolidation Housing Project: R0 – R3 500 per month
- 🏠 Military Veteran Housing (MV): R0 – R10 417 per month
- 🏠 Social Housing (Nelspoort Nurses Home) R 1 501 – R15 000 per month
- 🏠 Finance Linked Individual Subsidy Programme (FLISP) and GAP Housing R3 501 – R22 000 per month

II) EXISTING UNITS

Existing units are as follows:

IRDP Subsidy	6 941 - units according to recent estimates of the housing demand data base (Includes towns Beaufort West, Murraysburg, Merweville and Nelspoort)
GAP	577 - potential applicants have registered on our database system
Social Housing	20 – potential applicants occupying premises (Nurses Home - Nelspoort)

Table 81. Housing needs

b) Prioritised IRDP housing sites

The prioritised IRDP housing site figures for the financial year is indicated in the table below:

Site	Units
Subsidy: Priority 1	
3 284 Murraysburg IRDP	300
Subsidy Priority 2	
S7 IRDP	624

Table 82. Prioritised housing sites



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c) GAP housing sites

The table below indicates the GAP housing sites of the Municipality and the number of units built:

Site	Property	Units
GAP: Priority 1		
3 075 G2	IRDP/FLISP	67
G1	IRDP/FLISP	120

Table 83. GAP housing sites

d) Highlight: Housing

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

Description	Actions to address
Capacitation of Municipal Housing officials	Training completed to access the New "My EGA Portal system" (Housing Demand Database System)

Table 84. Housing: highlight

e) Challenge: Housing

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Non-appointment of Turn-Key Human Settlements Implementation Agent	Testing of the market by engaging in tender procurement processes to appoint an Implementation Agent

Table 85. Housing: challenge

f) Households with access to basic housing

The table below indicates the statistics of households with access to basic housing:

Financial Year	Number of households with access to basic housing		
	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2021/22	13 013	12 991	99.8%
2022/23	13 014	12 991	99.8%

Table 86. Households with access to basic housing



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g) Housing waiting list

The following table shows the increase in the number of people on the housing waiting list.

Financial Year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2021/22	6 643	3.9%
2022/23	6 941	4.49%

Table 87. Housing waiting list

h) Housing allocation

A total amount of R37.3 million was allocated to build houses during the 2021/22 financial year. A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2021/22	280	0	0	0	0
2022/23	0	0	0	0	0

Table 88. Houses built in 2022/23

i) Employees: Human Settlements and Land Affairs

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	1	1	0	1	100
Semi-skilled	3	3	1	2	66.67
Unskilled	0	0	0	0	0
Total	5	5	2	3	60

Table 89. Employees: Human Settlements and Land Affairs

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3.3.7 Free basic services and indigent support

a) Introduction

The Municipality is one of the first municipalities in the country to implement free basic services to its indigent households. A debtor is considered indigent if the total monthly household income equals two times the amount of state funded social pensions or less (currently R3 380 per month). All indigent households receives 6kl water and 50kWh electricity free each month. Furthermore, an indigent debtor also receives a subsidy on refuse removal and sewerage, depending on the household income.

All indigents have to renew their applications annually in order to qualify for the benefits.

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the Municipality, all households earning less than R3 380 per month will receive the free basic services as prescribed by the national policy.

b) Households: Free basic services

The tables below indicate the number of households that received free basic services in the 2021/22 and 2022/23 financial years:

Financial Year	Number of households								
	Total no of HH	Free basic electricity		Free basic water		Free basic sanitation		Free basic refuse removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2021/22	14 227	6 673	47	6 672	47	4 917	35	4 926	35
2022/23	15 341	4 593	30	6 866	45	3 957	26	3 959	26

Table 90. Free basic services: Number of households

Financial Year	Electricity								
	Indigent households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000
2021/22	6 673	50	8 076	0	0	0	52	50	N/A
2022/23	4 593	50	7 216	6 603	3.0124	238 690	52	50	576 452

Table 91. Free basic services: Electricity

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Water						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value	No. of HH	Unit per HH (kl)	Value
			R'000			R'000
2021/22	6 673	6	6 404	0	0	0
2022/23	6 866	6	5 813	8 475	25.47	215 858

Table 92. Free basic services: Water

Sanitation						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2021/22	4 917	1 810	7 561	0	0	0
2022/23	3 957	139	5 106	11 384	139	1 582 376

Table 93. Free basic services: Sanitation

Refuse removal						
Financial Year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2021/22	4 926	1	4 747	0	0	0
2022/23	3 959	1	3 289	11 382	87.83	999 681

Table 94. Free basic services: Refuse removal

3.4 Component B: Road Transport

This component includes Roads, Transport, and Waste Water (Stormwater Drainage).

3.4.1 Roads

a) Introduction to Roads

The Municipality does pothole repairs, while contractors undertake the construction of new paved roads. These projects are done according to the Expanded Public Works Programme (EPWP) standards to create job opportunities.

All road construction is done by a main contractor and a nominated sub-contractor who is responsible for the labour. The main contractor trains the sub-contractor in all aspects of safety and construction.

The general maintenance of tarred and gravel roads were delayed due to budget constraints and unreliable machinery.



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b) Highlight: Roads

The following table indicate the highlight of the financial year:

Highlight	Description
Completion Market Street, Murraysburg	Paving 242m of gravel road (MIG project)
Completion Paarden Street, Murraysburg	Paving 196m of gravel road (MIG project)

Table 95. Roads highlight

c) Challenges: Roads

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Limited budget	Apply for budget funding
Unreliable/broken machines	Fix, replace or rent machines
Issue Personal Protective Equipment (PPE)	Issue PPE on-time as required

Table 96. Roads Challenges

d) Gravel roads infrastructure: Kilometres

The table below indicates the amount of gravel roads constructed, maintained and upgraded during the financial year:

Gravel roads infrastructure: Kilometres				
Financial year	Total km's gravel roads	New gravel roads constructed	Gravel roads upgraded to paved	Gravel roads graded/maintained (km)
2021/22	55.80	0	0	2
2022/23	55.30	0	0.44	2

Table 97. Gravel road infrastructure

e) Tarred road infrastructure: Kilometres

The table below indicates the number of tarred/paved roads constructed, maintained and upgraded during the financial year:

Tarred/paved road infrastructure: Kilometres					
Financial year	Total tarred/paved roads	New paved roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar/paved roads maintained
2021/22	110.1	0	0	0	34
2022/23	110.54	0.44	0	0	45

Table 98. Tarred road infrastructure



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f) Cost of maintenance and construction of roads

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New and replacements	Resealed	Maintained
	R'000		
2021/22 (Main roads)	0	0	50
2021/22 (Other roads)	0	0	R204 312.00
2022/23 (Main roads)	0	0	0

The cost for maintenance includes stormwater

Table 99. Cost of maintenance and construction of roads

g) Employees: Roads and Stormwater

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	1	0	1	100
Middle management and professionals	1	0	0	0	0
Skilled technical, Superintendents, etc.	1	1	1	0	0
Semi-skilled	13	4	1	3	75
Unskilled	28	13	10	3	23.08
Total	43	19	12	7	36.84

Table 100. Employees: Roads and stormwater

h) Capital expenditure: Roads and Stormwater

The table below indicates the capital expenditure incurred:

Capital projects	2022/23 (R)		
	Budget	Adjustment budget	Actual expenditure
Rehabilitate Gravel Roads : Rustdene, Kwamandlenkosi & Hillside II - Beaufort West	1 157 645	300 000	38 537
Rehabilitate Roads & Stormwater - Murraysburg	1 171 243	1 171 243	1 174 018
Upgrade Gravel Roads : Pieter Street, Rustdene - Beaufort West	933 515	300 000	83 390
Upgrade Roads : Freddie Max Crescent - Nelspoort	875 274	147 826	7 250

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Capital projects	2022/23 (R)		
	Budget	Adjustment budget	Actual expenditure
Upgrade Streets : Dliso Ave & Matshaka St - Kwa-Mandlenkosi	1 177 558	300 000	75 837
Upgrade Streets : Sellaars, Paarden & Perl Rds - Murraysburg	2 186 022	1 845 727	1 845 728
Total	7 501 257	4 064 796	3 224 760

Table 101. Capital expenditure: Roads and Stormwater

3.4.2 Waste Water (Stormwater Drainage)

a) Introduction to Waste Water (Stormwater Drainage)

Maintenance of the waste water/stormwater drainage systems are done by a work team in the Roads & Stormwater Section and also temporary Expanded Public Works Programme (EPWP) employees:

The project involves the following:

- maintenance and cleaning of inlets, channels, culverts and earth drains
- construction of minor stormwater systems/structures

b) Highlights: Waste water (stormwater drainage)

The following table indicates the highlight of the financial year:

Highlight	Description
Fixing of critical plant	Tractor Loader Backhoe (TLB) and tipper truck
No major flooding	This financial year saw abnormal down pours and rivers flowed to their full capacity, but no areas were flooded

Table 102. Waste water (stormwater drainage) highlight

c) Challenges: Waste water (stormwater drainage)

The tables below reflect the challenges experienced during the financial year:

Description	Actions to address
Limited budget for operational work	Apply for budget funding
Broken machinery	Fix or hire machines

Table 103. Waste water (stormwater drainage) challenges



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d) Stormwater infrastructure: kilometres

The table below shows the total kilometres of stormwater infrastructure maintained, upgraded and the kilometres of new stormwater pipes installed:

Stormwater infrastructure: Kilometres				
Financial year	Total stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2021/22	Master plan outdated	0	0	25
2022/23	Master plan outdated	0	0.5	30

Table 104. Stormwater infrastructure

e) Cost of stormwater infrastructure

The table below indicates the amount of money spend on stormwater maintenance:

Financial year	Stormwater measures		
	New R'000	Upgraded R'000	Maintained R'000
2021/22	Part of new Kamp Street road budget	0	Part of Roads
2022/23	Part of new Mark- & Pardon Street road budget	0	Part of Roads

Table 105. Cost of construction/maintenance of stormwater systems

EPWP funds were made available to create jobs through stormwater maintenance. Material was purchased with savings from the operational and maintenance budget.

Personnel appointed for these projects are categorized as the following:

Description	Female	Male	Youth
Data capturer	0	0	0
Supervisor	0	1	1
Labourers	2	2	6

Table 106. Appointments for EPWP stormwater maintenance

3.5 Component C: Planning and LED

3.5.1 Planning and Building Control

a) Introduction to Planning and Building Control

Due to the growing beneficiary list for subsidised housing, planning for residential areas to accommodate the IRDP and GAP Housing was performed by a Turn Key contractor. The aforementioned planning was done in conjunction with the officials of the Municipality.

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b) Highlight: Planning and Building Control

The following table indicate the highlight of the financial year:

Highlights	Description
Renewable energy structure on farm portions	Spatial Planning and Land Management Act (SPLUMA) implementation

Table 107. Planning and building control highlight

c) Challenge: Planning and Building Control

The table below indicate the challenge faced during the financial year:

Description	Actions to address
The Municipality do not have a registered Town Planner	Fill vacant position

Table 108. Planning and building control challenge

d) Service statistics: Planning and Building Control

The table below indicates the performance statistics for planning and building control:

Type of service	2021/22	2022/23
Building plans application processed	88	85
Total surface (m ²)	7 357.09	6 699.20
Approximate value (Rand)	22 071 270	20 097 600
Residential extensions	68	78
Land use applications processed	4	20
Rural applications	0	0

Table 109. Service statistics: Planning and building control

e) Employees: Planning and Building Control

The table below indicates the number of staff employed within the unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
Number					
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	1	0	1	100
Skilled technical, superintendents, etc.	1	2	1	1	50
Semi-skilled	0	0	0	0	0

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Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Unskilled	0	0	0	0	0
Total	1	3	1	2	66.67

Table 110. Employees: Planning and building control.

3.5.2 Local Economic Development (including market places)

a) Introduction to LED

As part of its local government mandate, the Beaufort West Local Municipality has embarked on a process to develop a new LED Strategy for the Beaufort West municipal area. The aim of this process is to provide the Beaufort West Local Municipality, the private sector and the local community the opportunity to develop a planning guide that promotes economic growth, facilitates job creation and addresses poverty within the area.

The purpose of the Local Economic Development Strategy (LEDS) is to interrogate available economic information in an integrated and coordinated manner to identify opportunities that can broaden the economic base of the Beaufort West municipal area. These opportunities are then packaged into an implementation framework which sets out guidelines as to how existing economic potential can be utilised to generate positive spin-offs for the local economy.

b) Private sector projects on LED

The municipality currently have no private sector projects on LED.

c) Mobilisation of private sector resources

Development proposals were requested through an open-bidding process during the 2022/23 financial year for the development of the following:

- A truck stop with overnight accommodation, excluding the sale of fuel
- Development of a private hospital
- Development of a private airport

The Municipality was involved in some inter-sectoral job creation opportunities during the 2022/23 financial year, including the Expanded Public Works Programme (EPWP) and the Community Work Programme (CWP), as well as a Public Employment Job Creation Programme, funded by the Department: Local Government. Details of the programmes/projects are reflected below.



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EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The main funder of the EPWP is the National Department of Public Works, and the CWP is funded by the National Department of Cooperative Governance, which also hires the implementing agent to facilitate the programme within the Western Cape.

The consistent reporting with regards to the work opportunities created across all sectors on the EPWP. The EPWP work opportunities are consistently presented on the municipal annual report which forms part of the IDP public participation process. The project implementation status-quo is always reflected on the annual reports.

EPWP Budget allocations as well as the number of work opportunities for the 2020/21, 2021/22 and 2022/23 financial year are reflected below:

Financial Year	Budget Allocation	Expenditure
2020/21	R1 859 000	R1 767 267
2021/22	R1 285 000	R968 030
2022/23	R1 136 000	R1 005 915

Table 111. EPWP budget allocations

Financial Year	Project Name	Work Opportunities
2020/21	IG Education and Awareness Waste Management: COVID-19	17
	IG Data Capturer and Administration	2
	IG COVID-19 Screening and Support Services	36
	IG Indigent Households: Saving Water	3
	IG Waste Management Project	60
	IG Roads and Stormwater Maintenance	12
	IG Stormwater System Maintenance	3
2021/22	IG Clearing of Invasive Alien Plants	60
	IG Roads and Stormwater Maintenance	12
	IG Storm water System Maintenance	6
	IG Waste Management Project	20
	IG Data Capturer and Administrator	3
2022/23	IG COVID-19 Screening and Support Services	11
	IG Road and Storm water Maintenance	11
	IG Waste Management Project	10
	IG Clearing of Invasive Alien Plants	21

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Financial Year	Project Name	Work Opportunities
	IG Administration Support	5

Table 112. EPWP work opportunities

d) Community Works Programme (CWP)

The Community Works Programme is an intervention that was adopted by national government to afford the unemployed of working age the opportunity to do a community beneficial job, while also giving the participants the opportunity to improve their chances of getting a long-term full-time job through skills development.

JOB CREATION AND TRAINING

About 1 245 participants benefited from the CWP for the 2022/2023 financial year.

CWP budget allocations details for the 2020/21, 2021/22 and 2022/23 are reflected below:

CWP Budget Allocation		
2020/21	2021/22	2022/23
R14 362 134	R14 318 884	R15 960 339

Table 113. CWP budget allocation

e) Public employment creation programme: Department Local Government

The use of Public Employment Programmes is to increase the labour intensity of programmes which tackles problems of unemployment. Which highlights the following objectives of the programme:

- Employment without compromising quality of assets
- Basic income security without compromising conditions of work
- Multi-sectoral Investments without compromising human capital investment

The COVID-19 pandemic caused an increase in the unemployment rate of the Beaufort West municipal area. Therefore, the need for the implementation of Public Employment Programmes.

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The plan was to implement projects in the following sectors:

Sector	Project Name	Project Description	Activities	Number of People Employed
Infrastructure (Engineering Department)	Leak detection brigades	Door to door visits enquiring about possible leaks and faulty meters	Survey of leaks and faulty meters in areas with high unaccounted for water	25
Environmental (Community Services)	Beautification of parks, facilities, cemeteries and open spaces	Cleaning and the beautification of parks, facilities, cemeteries and open spaces.	Cleaning of parks, maintenance of playground equipment, planting of trees and plants, cleaning cemetery areas, fixing of boundary walls, cleaning sport facilities	39

Table 114. Public Employment Programmes

f) LED and Tourism Strategy

The Municipality still does not have a dedicated LED and Tourism Official. The vacancies were advertised but could not be filled due to financial constraints.

The Municipality still does not have an approved LED and Tourism Strategy and Implementation Plan in place. The final Draft LED Strategy is developed with the support of the Municipal Infrastructure Support Agent (MISA) and will be workshopped with Council for approval during the 2023/24 financial year.

Some of the projects that are included in the LED Strategy are the following:

- development of a business hub;
- reserve and identification of land for business purposes;
- subdivision of agricultural land and provision of industrial land;
- rezoning of road infrastructure (conversion of streets in CBD to one ways); and
- utilisation of the farm Lemoenfontein for renewable energy.



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g) Challenges: LED

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Very little or no interest from investors to develop in the area	<ul style="list-style-type: none"> ✦ Municipality must look at an Investor Incentive Policy ✦ Compile an Investment Profile ✦ Embark/Organise an Investment Summit
Full value chain of products/produce not explored	Unlock support from WESGRO and other relevant Government Sector Departments to assist with research in order to guide and assist local producers/manufacturers to expand their business offerings into a full value chain.

Table 115. LED challenges

3.5.3 Tourism

a) Introduction to Tourism

The primary purpose of the Tourism Office is to actively introduce and market the tourism experiences and services of the municipal area within its frontier, throughout the Western Cape, the country as a whole and in foreign countries, where possible.

It is important to coordinate the marketing actions of local government, private sector and other institutions within the area, to optimally utilise the tourism potential. At the same time, it is important to continually expand new tourism experiences and enhance current activities and experiences.

Tourism directly employs 362 full time positions and 48 casual employees in the town of Beaufort West alone. This does not include the knock-on effect from tourism suppliers and related industries, nor the surrounding small towns and farm stays.

b) Tourism initiatives

Initiative	Proposals
Tourism transformation	Integrated tourism routes, tourism conservancy adjacent to park, Beaufort West Empowerment Through Tourism (BWETT), upgrading of arts and crafts centre to serve as a hub for township tourism
Cycle tourism	Development of self-guided cycle routes throughout the area, linking smaller towns. Cycling is a proven tourism catalyst and builds new tourism initiatives
Self-drive routes	Development of self-drive routes throughout the area, linking the smaller towns in the area and highlighting the rich culture and heritage of our wonderful region. With small budgets these can be created

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Initiative	Proposals
Astro tourism	The area has excellent opportunities for astro tourism. Funding for training and development of astro tourism should be allocated
Dine with a local	This is an initiative that has a proven success in both Stellenbosch and George. Have 4 cultural food experiences showcasing Beaufort West's diverse cultural heritage by having group visitors enjoy a meal with a local
Nelspoort rock engravings complex	Nelspoort has an incredible array of rock engravings on a farm belonging to Beaufort West Municipality. It is suggested that a small part of this farm should be set aside so that these engravings can be showcased in an appropriate manner, thus creating a tourism experience which would benefit the local community of Nelspoort

Table 116. Tourism initiatives

3.6 Component D: Community and Social Services

3.6.1 Libraries

a) Introduction to Libraries

Beaufort West Municipality has six libraries which are based in the following towns:

- Beaufort West (3 libraries);
- Merweville (1 library);
- Murraysburg (1 library); and
- Nelspoort (1 library).

Beaufort West libraries provide library and information services which are free, equitable and accessible. Libraries also promote a culture of reading, library usage and lifelong learning. Beaufort west libraries also provide free access to the internet, Wi-Fi and Mzantsi Libraries Online. The Municipality is also continuing with the Mini Libraries for the Blind Project at Church Street Library.

The Libraries provide other services such as magazines, books on brail for the blind, CD'S, DVD'S and audio books.



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b) Highlights: Libraries

The table below indicates the highlights of the financial year:

Highlight	Description
All libraries have free access to Wi-Fi	Wi-Fi has been installed in all libraries in the municipal area. The free Wi-Fi provides internet access to students to do their projects and to the community to access job opportunities and create CVs for free
Libraries employ Yearbonds to assist in ICT matters and Reading Champions on a contract basis. These Yearbonds are employed for each library with the funding of the Provincial library	The ICT Yearbonds assist the public with the use of computers and the Reading Champions Yearbonds assist with reading programmes
Provincial Library Services has granted funding for the vacant post of a Librarian	The Librarian will be based at Church Street Library. The Librarian will also assist at Mimosa Street Library

Table 117. Libraries highlights

c) Challenges: Libraries

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Vandalism of Kwamandlenkosi Library fence	The fencing at the library keeps getting stolen. The library personnel are in the process of installing stronger fence
Crashing of the library computers system (SLIMS) for the entire Western Cape	SLIMS system is off in all libraries which resulted in huge losses of library material and fines against the patrons. The Provincial Library Services has already indicated that fines that were accumulated during this period will be removed against the patrons. The Western Cape Library Services is working to rectify this matter

Table 118. Libraries challenge

d) Service statistics for libraries

The table below indicates the service statistics for library services:

Type of service	2021/22	2022/23
Library members	10 520	15 800
Books circulated	35 200	22 300
Exhibitions held	84	84
Internet users	4 200	10 400
New library service points or wheelie wagons	0	0

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Type of service	2021/22	2022/23
Visits by school groups	16	16

Table 119. Service statistics for libraries

e) Employees: Libraries (including Murraysburg, Merweville & Nelspoort)

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	1	1	1	0	0
Skilled technical, superintendents, etc.	2	3	1	2	66.67
Semi-skilled	20	21	20	1	4.76
Unskilled	0	0	0	0	0
Total	23	25	22	3	12

Table 120. Employees: Libraries

3.6.2 Cemeteries

a) Introduction to Cemeteries

There are currently enough burial grounds in Beaufort West but new cemeteries will have to be developed in Murraysburg.

b) Highlight: Cemeteries

The table below indicates the highlight of the financial year:

Highlight	Description
Maintenance of cemeteries in the financial year	Deployed dedicated officials to clean the cemeteries

Table 121. Cemeteries highlight



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c) Challenge: Cemeteries

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Roads at the cemeteries needs to be properly maintained	Maintenance programme of roads should include roads at the cemeteries in the new financial year

Table 122.

Cemeteries challenge

d) Service statistics: Cemeteries

The table below indicates the performance statistics for Cemeteries:

Type of service	2021/22	2022/23
Pauper burials	521	2
Total	521	2

Table 123.

Capital expenditure: Cemeteries

3.7 Component E: Security and Safety

3.7.1 Traffic Services and Law Enforcement Services

a) Introduction to Traffic and Law Enforcement Services

Traffic Law Enforcement is responsible for road safety and by-law enforcement. The Office also renders the following services and functions:

- Vehicle testing for roadworthiness
- Driving License Testing Centre
- Motor Vehicle Registration
- Court and prosecutorial function

b) Highlight: Traffic and Law Enforcement Services

The following table indicate the highlight of the financial year:

Highlight	Description
TCS Contravention System acquired	The Municipality has its own Contravention System. The system is managed by the Municipality and not a service provider

Table 124.

Traffic and Law Enforcement Services highlight



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c) Challenge: Traffic Services and Law Enforcement

The table below indicates the challenge faced during the financial year:

Description	Actions to address
Only 1 official Traffic Vehicle	Finalize vehicle fleet tender
Vehicle Testing Station equipment obsolete	Engage Provincial Government for financial assistance

Table 125. Traffic and Law Enforcement Services challenge

d) Service statistics for Traffic and Law Enforcement Services

The table below indicates performance statistics for Traffic and Law Enforcement Services:

Details	2021/22	2022/23
Motor vehicle licenses processed	13 870	59 180
Learner driver licenses processed	734	662
Driver licenses processed	846	441
Driver licenses issued	1 488	1 719
Fines issued for traffic offenses	36 705	20 940
R-value of fines collected	3 636 796	6 718 140
Roadblocks held	6	18
Complaints attended to by Traffic Officers	0	0
Awareness initiatives on public safety	0	0

Table 126. Service statistics for Traffic and Law Enforcement Services

e) Employees: Traffic Services and Law Enforcement

The table below indicates the number of staff employed within the Unit:

Occupational Level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
Number					
Top management	0	0	0	0	0
Senior management	0	1	1	0	0
Middle management and professionals	1	6	1	5	83.33
Skilled technical, superintendents, etc.	15	19	13	6	31.58
Semi-skilled	9	13	6	7	53.85
Unskilled	2	3	2	1	33.33
Total	27	42	23	19	45.24

Table 127. Employees: Traffic and Law Enforcement Services



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f) Capital expenditure: Traffic Services and Law Enforcement

The table below indicates the capital expenditure incurred:

Capital projects	2022/23 (R)		
	Budget	Adjustment budget	Actual expenditure
Computer Equipment	21 739	0	4 300
Digital Camera - VTS	1 739	0	0
Endoscopic Camera - VTS	8 696	0	0
Diagnostic Scanner - VTS	21 739	0	0
10 x Handheld Card Scanning Devices	173 913	150 000	148 700
Total	227 826	150 000	153 000

Table 128. Capital expenditure: Traffic Services and Law Enforcement.

3.7.2 Fire and Disaster Management Services

a) Introduction to Fire and Disaster Management Services

Disaster Management is a process of effectively preparing for and responding to disasters. It involves strategically organising resources to lessen the harm that disasters cause. It also involves a systematic approach to manage the responsibilities of disaster prevention, preparedness, response and recovery.

b) Highlight: Fire and Disaster Management Services

The following table indicate the highlight of the financial year:

Highlight	Description
Zero fatalities reported in the reporting financial year	In all fire incidence attended to, no one has been reported deceased

Table 129. Fire and Disaster Management Services highlight

c) Challenges: Fire and Disaster Management Services

The table below indicate the challenges faced during the financial year:

Description	Actions to address
Uniforms and equipment	Provide/budget for uniform allowance annually
Machinery/Vehicles	Apply for budget funding
Continuous capacity of officers	Dedicate training initiatives in the skills development of the Municipality
Development of fire tariffs	Prepare and include tariffs in the next budget cycle

Table 130. Fire and Disaster Management Services challenges



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d) Service statistics for Fire and Disaster Management Services

The table below indicates performance statistics of fire services and disaster management services:

Details	2021/22	2022/23
Operational callouts	62	105
Reservists and volunteers trained	2	0
Awareness initiatives on fire safety	5	0

Table 131. Service statistics for Fire and Disaster Management Services

e) Employees: Fire and Disaster Management Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
Number					
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	1	1	0	0
Skilled technical, superintendents, etc.	5	4	4	0	0
Semi-skilled	9	12	9	3	25
Unskilled	0	0	0	0	0
Total	14	17	14	3	17.65

Table 132. Employees: Fire and Disaster Management Services

3.7.3 COVID-19

a) Introduction to COVID-19

On 15 March 2020 President Cyril Ramaphosa declared South Africa COVID-19 epidemic a national state of disaster under the Disaster Management Act (DMA) 57 of 2002. This was done primarily, as the President stated it to enable the government to "have an integrated and coordinated disaster management mechanism that will focus on preventing and reducing the outbreak of this virus." The declaration enabled the government to issue a slew of regulations, directions, and guidelines to contain and mitigate the impact of the pandemic.

During a state of disaster, the DMA allows the government to issue regulations to restrict, inter alia, movement of persons and goods "to, from or within the disaster-stricken or threatened area, ... the suspension or limiting of the sale, dispensing or transportation of alcoholic beverages in the disaster-stricken or threatened area.... [or] any other steps that may be necessary to prevent an escalation of the disaster, or to alleviate, contain and minimise the effects of the disaster..." (Section 27(2).)



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Similarly, the Disaster Management Regulations of 2004 (DMR) (as amended) state that:

"any Minister may issue and vary directions, as required, within his or her mandate, to address, prevent and combat the spread of COVID-19, from time to time, as may be required, including...steps that may be necessary to prevent an escalation of the national state of disaster, or to alleviate, contain and minimise the effects of the national state of disaster." (Section 10(8).)

These regulations and the pandemic itself have had a major impact on the basic service delivery and operations of local government, who had to adjust with immediate effect not only identified risks, projects, manpower but also budgets.

b) COVID-19 Committee

On April 2020, the Municipality established the Local Joint Organising Committee (LJOC). The committee comprises of members from all spheres of government.

The LJOC has the following functions:

- planning and implementing of an action plan to combat the spread of the corona virus
- reporting of confirmed cases per sector department
- economy recovering discussions and COVID-19 awareness communication

c) Committee members

The table below indicates the members that serve on the LJOC and the dates of the meetings held:

Name of representative	Representative forum	Meeting dates
G Nyathi	Acting Municipal Manager	Every Thursday pending the availability of Sector Departments Representatives
S Pheiffers	COVID-19 Compliance Officer	
A Makendlana	Director Corporate Services	
A Mabena	Director of Finance Department	
D Van Thura	Director Infrastructure	
Representatives	Sector Departments	

Table 133. Local Joint Organising Committee members



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d) COVID-19: statistical information

The table below indicates the documented statistical information for COVID-19 within the Beaufort West Municipality area from 1 July 2020 – 30 June 2021:

Description	2021/22	2022/23
Infections	65	2
Deaths	1	0
Recoveries	64	2

Table 134. COVID-19 statistical information

e) Action plan to address the COVID-19 associated risks

The table below provide the actions implemented/that will be implemented to address the COVID-19 associated risks:

Risk	Action implementation
Wild spread of positive cases	Ongoing awareness notices

Table 135. COVID-19 action plans

f) COVID – 19 communication/awareness

The table below indicates the different communication/awareness statistical information the Municipality has implemented:

Communication/ Awareness campaign	Platform/ channel utilised	Date
Public participation radio program to communicate important protocols about COVID-19	Radio Gamkaland	Every Thursdays
Flyer distribution	Entire Town	Monthly basis

Table 136. COVID-19 communication/awareness

3.8 Component F: Sport and Recreation

3.8.1 Sport and Recreation

The community loves sport, but the main challenge is to raise enough funds to develop the different sport fields as only 15% of the Municipal Infrastructure Grant (MIG) funds are available for this purpose.

The MIG allocation for the 2022/23 financial year was earmarked to upgrade of Kwa-Mandlenkosi Sports Stadium and budget was R199 650. It was reduced and only ±R81 000 were used)

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a) Highlight: Sport and Recreation

The following table indicate the highlight of the financial year:

Highlight	Description
Additional infrastructure erected at Rustdene Sport Stadium	An additional ablution facility has been erected at Rustdene Sport Stadiums

Table 137. Sport and Recreation highlight

b) Challenges: Sport and Recreation

Challenge	Actions to address
Vandalism on public infrastructure in particular sport facilities	The Municipality want to partner with sport bodies to form a collective effort to address this issue

Table 138. Sport and recreation challenge

c) Service Statistics for Sport and Recreation

The table below indicates performance statistics of sport and recreation-services:

Type of service	2021/22	2022/23
Community parks		
Number of parks with play park equipment	8	8
Number of wards with community parks	7	7
Swimming pools		
Number of visitors per annum	159	6 719
R-value collected from entrance fees	R1 903	R94 062
Sport fields		
Number of wards with sport fields	7	7
Sport halls		
Number of wards with sport halls	7	1
Number of sport associations utilizing sport halls	5	0

Table 139. Service statistics for sport and Recreation

d) Capital expenditure: Sport and Recreation

The table below indicates the capital expenditure incurred:

Capital projects	2022/23 (R)		
	Budget	Adjustment budget	Actual expenditure
Upgrade Existing Regional Sport Stadium Ph2 - Rustdene	3 511 977	4 137 947	2 220 347
Total	3 511 977	4 137 947	2 220 347

Table 140. Capital expenditure: Sport and Recreation



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3.9 Component G: Corporate Policy Offices and Other Services

3.9.1 Corporate Services

a) Introduction to Corporate Services

The purpose of the Corporate Service Department is to provide corporate support to the institution. Corporate Services support the efficient organizational and administrative processes of the Municipality and includes the following functions:

- provide legal and administrative support
- render HR management and support services to the Municipality that will sustain optimal utilization of municipal human capital
- coordinate and provide functional and administrative support to the political office bearers
- provide library information services to the community
- coordinate administrative processes and activities pertaining to the Thusong Centres
- provides ICT support to the Municipality

b) Highlights: Corporate Services

The following table indicate the highlights of the financial year:

Highlight	Description
Electronic agendas	The Municipality has been issuing hard copies for agenda for Council meetings and Portfolio Committees for many years. The agendas are now made available electronically which results in a huge cost -and time savings
Appointment of ICT Manager	The revamping of the municipal website can now take place as a dedicated person is now fully focused on it
Review and submission of organisational structure	The Municipal Staff Regulations requires the Municipality to submit organisational structure to the Member of the Executive Council (MEC) by 30 June 2023

Table 141. Corporate Services highlight

c) Challenges: Corporate Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Thusong Centres not receiving adequate funding from Provincial Government Western Cape (PGWC)	PGWC must be requested to provide funding especially for maintenance and expansion of Thusong Centres
Mandlenkosi Library needs to be extended or a new Library must be constructed	The Department of Sport, Arts and Culture to be approached for funding and co-funding be obtained through MIG

Table 142. Corporate Services challenges



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d) Employees: Administration

The following tables represents the number of employees in the Administration Units of Corporate Services, Infrastructure Services & Community Services:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	2	3	2	1	33.33
Middle management and professionals	1	2	1	1	50
Skilled technically, superintendents etc.	1	1	1	0	0
Semi-skilled	16	21	15	6	28.58
Unskilled	2	2	2	0	0
Total	22	29	21	8	27.59

Table 143. Employees: Administration

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technically, superintendents etc.	3	3	3	0	0
Semi-skilled	13	14	13	1	7.14
Unskilled	1	1	1	0	0
Total	17	18	17	1	5.55

Table 144. Employees: Councillor Support and Thusong Service Centres

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Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	1	1	0	1	100
Senior management	0	4	1	3	75
Middle management and professionals	2	3	1	2	66.67
Skilled technically, superintendents etc.	2	5	1	4	80
Semi-skilled	1	1	1	0	0
Unskilled	0	0	0	0	0
Total	6	14	4	10	71.43

Table 145. Employees: Office of the Municipal Manager

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	1	1	0	1	100
Senior management	0	0	0	0	0
Middle management and professionals	2	2	0	2	100
Skilled technically, superintendents etc.	2	2	2	0	0
Semi-skilled	1	1	1	1	100
Unskilled	0	0	0	0	0
Total	6	6	3	4	66.67

Table 146. Employees: Municipal Management Services



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3.9.2 Financial Services

a) Highlights: Financial Services

The following table indicate the highlight of the financial year:

Highlight	Description
Eskom arrangement	The Municipality entered into an agreement with Eskom at the end of January 2023 to pay off the outstanding Eskom account. The Eskom current account for the 2022/23 financial year were paid each month on time
Stability in the Revenue Department	The Municipality permanently appointed a Senior Manager Revenue Services to address the challenges with the Revenue Section of the Finance Department
Municipal Debt Relief - Eskom	The Municipality applied for the municipal debt relief incentive as per MFMA Circular 124 and the application was approved. If the Municipality comply with the criteria stipulated in the Circular, the total debt to Eskom will be written off over a three year period. This will effectively replace the arrangement entered into with Eskom in January 2023

Table 147. Financial Services highlight

b) Challenges: Financial Services

The following table indicates the challenges faced during the financial year:

Description	Actions to address
Shortage of key personnel and stability of the Financial Department	The position of the CFO have been vacant as from the 1 st of July 2022. The position was advertised and filled. However, the successful candidate later declined appointment and the position has been re-advertised.
Addressing issues raised by the Auditor-General (AG)	The Municipality is in the process of filling critical vacancies within the Finance Department to ensure that internal controls are strengthened, key reconciliations are performed to address audit findings previously raised by the AG

Table 148. Financial Services challenges

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c) Debt recovery statistics

The table below indicates the debt recovery statistics for the financial year:

Details of the types of account raised and recovered	2021/22			2022/23		
	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected in the year	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected
	R'000		%	R'000		%
Property Rates	9 245	45 468	49.18%	13 830	45 662	69%
Electricity	2 896	83 161	28.7%	11 196	91 902	82%
Water	12 957	23 344	18%	15 341	18 595	53%
Sanitation	6 394	17 863	27.93%	12 271	20 863	70%
Refuse	4 375	7 901	18.06%	11 896	10 709	61%

Table 149. Debt recovery

d) Employees: Financial Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
Number					
Top management	0	0	0	0	0
Senior management	1	1	1	0	0
Middle management and professionals	3	3	3	0	0
Skilled technically, superintendents etc.	11	12	11	1	8.33
Semi-skilled	39	54	39	15	27.77
Unskilled	1	3	1	2	66.6
Total	55	73	55	18	24.66

Table 150. Employees: Financial Services

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e) Capital expenditure: Financial Services

The table below indicates the capital expenditure incurred:

Capital projects	2022/23 (R)		
	Budget	Adjustment budget	Actual expenditure
Machinery and Equipment	701 305	1 501 305	1 405 722
Furniture and Office Equipment	121 739	50 000	38 897
Computer Equipment	0	0	4 708
Total	823 044	1 551 305	1 449 327

Table 151. Capital Expenditure: Financial Services

3.9.3 HR

a) Highlights: HR

The following table indicates the highlights of the financial year:

Highlight	Description
Organisational Structure review	During the organisational review, broader consultation was done with the Unions in a form of presentation with Senior Management, Councillors and Trade Unions (SAMWU and IMATU). This was done per Department. The structure was approved by Council on the 29 th of June 2023 at a special Council meeting and it was submitted to the MEC
HR policies review	HR policies were drafted and tabled to the Local Labour Forum on 15 May 2023. Policies were workshopped with Senior Management, Councillors and Trade Unions (SAMWU and IMATU) on 18 May 2023. These HR policies were approved on the 26 th of May 2023 at a special Council meeting
Job descriptions	In progress of aligning job descriptions with the new Municipal Staff Regulations

Table 152. HR highlights

b) Challenges: HR

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Staffing: attracting and retaining top skilled labour	Create a unique learning experience for talent
Reskilling and upskilling	Training and developmental opportunities

Table 153. HR challenges

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c) Employees: HR Services

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			Vacancies (as a % of total budgeted posts)
		Budgeted posts	Employees	Vacancies	
Number					
Top management	0	0	0	0	0
Senior management	0	1	0	1	100
Middle management and professionals	1	3	1	2	66.67
Skilled technically, superintendents etc.	0	0	0	0	0
Semi-skilled	3	3	3	0	0
Unskilled	0	0	0	0	0
Total	4	7	4	3	42.86

Table 154. Employees: HR

3.9.4 Information and Communication Technology (ICT) Services

a) Introduction to ICT services

The ICT department consist of a permanent appointed ICT manager. All Technical support functionalities are outsourced to a service provider.

b) Highlights: ICT services

The following table indicates the highlight of the financial year:

Highlight	Description
ICT Manager	ICT Manager has been appointed during 2021/22 financial year
ICT Strategy	ICT Strategy has been approved
Backup testing	Backup testing has been established
Procurement of ICT Infrastructure	The Municipality was able to procure ICT hardware and software valued over R 1000 000 from their own funding despite its financial health status

Table 155. ICT Services highlight



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c) Challenges: ICT services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Data Management	Unreliable system and conversion results. Subsequent processing interruptions Data integrity issues
No Network Firewall	Municipal Information is at the risk from cybercrimes, due to the current firewall managed internally with no regular updates. Undetected security breaches, Lack of information for performing counterattacks, Missing classification of security breaches
Physical facilities management	IT systems failure due to improper protection from power outages and other facility-related risks
No Standard Operating Procedures (SOPs) in place	No documented SOP in place, resulting to most processes not being followed, and business continuity being compromised.
Key data is lost	Inappropriate recovery steps and processes, resulting to shortcomings in recovery plans. No restore has been performed to test if the Disaster Recovery (DR) Server can perform its function in a case of disaster
No clear Continuity Plan in place	Plans not accessible to all required parties, which may result in failure to recover IT systems and services in a timely manner.
IT Governance & Strategic Weaknesses	Control culture not aligned with management's aims, and Lack of communication of management's aims and directions.
Current technology inappropriately utilised.	Undetected service degradation, Inability to challenge costs and service quality, and Inability to optimise choice of suppliers
Skills transfer	No knowledge capture or skills transfer from contracted personnel
Inappropriate technology utilised	Deviations from the approved technological direction, licensing violations, and Increased support, replacements and maintenance costs

Table 156.

ICT Services challenges



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3.9.5 Procurement Services

a) Service statistics for Procurement Services

The following table indicates the performance statistics of Procurement Services:

Description	Total No.	Monthly average	Daily average
Requests processed	752	62.67	2.1
Orders processed	885	73.75	2.46
Requests cancelled or referred back	14	1.17	0.04
Extensions	1	0.08	0
Bids received (number of documents)	274	22.83	0.76
Bids awarded	29	2.42	0.08
Bids awarded below R200 000	3	0.25	0.01
Appeals registered	6	0.5	0.02
Successful appeals	0	0	0

Table 157. Service statistics for Procurement Services

b) Details of deviations for Procurement Services

The following table indicates the detail of deviations incurred during the financial year:

Type of deviation	Number of deviations	Percentage of total deviations number (%)	Value of deviations (R)	Percentage of total deviations value (%)
Emergency	9	11.25	487 113.94	32.55
Sole supplier	5	6.25	71 018.88	4.75
Acquisition of special works of art or historical objects where specifications are difficult to compile	0	0	0	0
Any other exceptional case, where it is impossible or impractical to follow the official procurement process	3	3.75	113 819.65	7.61
Any contract with an organ of state, a local authority or a public utility corporation or company	24	30	242 476.2	16.21
Any contract relating to the publication of notice and advertisements by the municipality	30	37.5	265 119.48	17.72



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Type of deviation	Number of deviations	Percentage of total deviations number (%)	Value of deviations (R)	Percentage of total deviations value (%)
The appointment of any person to provide professional advice or services is less than R200 000 or any greater amount	7	8.75	313 186.67	20.93
Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	3	4	40 903.40	2.82

Table 158. Statistics of deviations: Procurement Services

3.9.6 Municipal Buildings

a) Introduction to Municipal Buildings

Maintenance on municipal buildings is done on an ad hoc basis due to financial constraints. Budget was made available during the financial year for the upgrade of municipal stores.

An indigent household team, under the EPWP project, was established in accordance with EPWP standards to create job opportunities. This project involved the fixing of leaks at indigent households to enhance water saving measures.

b) Highlights: Municipal Buildings

The following table indicates the highlight of the financial year:

Highlight	Description
Continuation of service	Attending and responding to queries fast

Table 159. Municipal buildings highlight

c) Challenges: Municipal Buildings

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Limited operational budget	Apply for budget funding
No capital budget	

Table 160. Municipal buildings challenges



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d) Challenges: Municipal Buildings

The table below shows the costs involved for the maintenance of buildings within the municipal area:

Maintenance details	2021/22	2022/23
Municipal	R308 623.00	R347 890.00
Total	R308 623.00	R347 890.00

Table 161. Cost of Municipal Building Maintenance

e) Employees: Municipal Buildings

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	0	0	0	0
Middle management and professionals	0	0	0	0	0
Skilled technically, superintendents, etc.	1	1	1	0	0
Semi-skilled	5	6	5	1	16.66
Unskilled	3	6	3	3	50
Total	9	13	9	4	30.77

Table 162. Employees: Municipal buildings

3.9.7 Fleet Management Services

a) Introduction to Fleet Management Services

1) THE GOAL:

Provide a safe, reliable and cost-effective fleet to different departments in a manner that the service to the community can be delivered in a timely manner.

The fleet consist of 110 vehicles, including:

- Motor vehicles;
- Light duty vehicles;
- Trucks and tractors;
- Earth moving vehicle; and
- Compressors and small plants



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II) OBJECTIVE:

To achieve the aim of our Municipality's Fleet Management Plan, key objectives for fleet services have been set as follows:

- Maintain fleet costs effectively and in a timely manner
- Put internal control methods in place to prevent fraud and fruitless expenditures
- Implementing policies formulated by Council to deliver an efficient service to the community
- Share values, norms and expectations
- Provide a safe and reliable fleet by keeping fleet in a roadworthy condition
- Implementing replacement policies ensuring vehicles are always road and service ready
- Building team support, trust, cooperation and evaluate performance of all employees
- Keep a thorough record of statistics of vehicle history, logs, petrol usage, vehicles issued and availability
- Set up reports that is transparent and accessible to responsible people

The functions of the Fleet Management Section are as follows:

- Vehicle maintenance and repairs
- Driver management
- Vehicle financing
- Fuel management
- Monthly, quarterly and annually reports
- Licensing and road worthiness of fleet vehicles. Provide technical specs for fleet tenders and evaluate

b) Highlight: Fleet Management Services

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

Description	Actions to address
New Refuse Truck	A new refuse truck was funded by the Department of Forestry and Fishery

Table 163. Fleet management highlight

c) Challenges: Fleet Management Services

The table below indicates the challenges faced during the financial year:

Description	Actions to address
Repairing fleet with limited equipment	Assistance from SCM unit
Vacancy of Fleet Manager	Recruitment process

Table 164. Fleet management challenges



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d) Employees: Mechanical Workshop and Fleet Management

The table below indicates the number of staff employed within the Unit:

Occupational level	2021/22	2022/23			
		Budgeted posts	Employees	Vacancies	Vacancies (as a % of total budgeted posts)
	Number				
Top management	0	0	0	0	0
Senior management	0	1	0	1	100
Middle management and professionals	0	1	0	1	100
Skilled technical, superintendents, etc.	1	2	1	1	50
Semi-skilled	4	4	4	0	0
Unskilled	0	0	0	0	0
Total	5	8	5	3	37.50

Table 165. Employees: Mechanical Workshop and Fleet Management

3.10 Component H: Service Delivery Priorities for 2022/23

The main development and service delivery priorities for 2022/23 forms part of the Municipality's Top Layer SDBIP for 2022/23 and are indicated in the tables below:

3.10.1 Provide, maintain and expand basic services to all people in the municipal area

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL6	Basic Service Delivery	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and which are billed for water or have pre-paid meters as at 30 June 2024	Number of residential properties which are billed for water or have pre-paid meters as at 30 June 2024	All	16 307
TL7	Basic Service Delivery	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (Excluding Eskom areas) and which are billed for electricity or have pre-paid meters (Excluding Eskom areas) as at 30 June 2024	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas) as at 30 June 2024	All	16 307



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Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL8	Basic Service Delivery	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2024	Number of residential properties which are billed for sewerage as at 30 June 2024	All	16 307
TL9	Basic Service Delivery	Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2024	Number of residential properties which are billed for refuse removal as at 30 June 2024	All	16 307
TL10	Basic Service Delivery	Provide free basic water to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2024	Number of active indigent households receiving free basic water as at 30 June 2024	All	9 658
TL11	Basic Service Delivery	Provide free basic electricity to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2024	Number of active indigent households receiving free basic electricity as at 30 June 2024	All	9 658
TL12	Basic Service Delivery	Provide free basic sanitation to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2024	Number of active indigent households receiving free basic sanitation as at 30 June 2024	All	9 658
TL13	Basic Service Delivery	Provide free basic refuse removal to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2024	Number of active indigent households receiving free basic refuse removal as at 30 June 2024	All	9 658
TL14	Basic Service Delivery	The percentage of the municipal capital budget spent by 30 June 2024 [(Actual amount spent / Total amount budgeted for capital projects)X100]	% of capital budget spent by 30 June 2024	All	95%

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Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL30	Basic Service Delivery	95% of the approved project budget spent on the upgrade of Dliso Avenue and Matshaka Street in Kwa-Mandlenkosi by 30 June 2024 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2024	All	95%
TL31	Basic Service Delivery	95% of the approved project budget spent on the upgrade of Freddie Max Crescent in Nelspoort by 30 June 2024 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2024	All	95%
TL32	Basic Service Delivery	95% of the approved project budget spent on the rehabilitation of Gravel Roads in Rustdene, Kwa-Mandlenkosi & Hillside II by 30 June 2024 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2024	All	95%
TL33	Basic Service Delivery	95% of the approved project budget spent on the upgrade of Pieter Street (gravel road) in Rustdene by 30 June 2024 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2024	All	95%
TL34	Basic Service Delivery	95% of the approved project budget spent on new stormwater drainage in Murraysburg by 30 June 2024 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2024	All	95%
TL35	Basic Service Delivery	95% of the approved project budget spent on the upgrade of existing irrigation pump station at the Waste Water Treatment Works in Beaufort West by 30 June 2024 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2024	All	95%



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Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL39	Basic Service Delivery	Submit a report on the Illegal Dumping Project (Department of Environmental Affairs) to Council by 30 September 2023	Number of reports submitted	All	1
TL40	Good Governance and Public Participation	Submit a Housing Pipeline Report to Council by 30 June 2024	Number of reports submitted	All	1
TL41	Basic Service Delivery	Draft the Waste By-Law and submit to Council for approval by 31 October 2023	Number of by-laws submitted for approval	All	1
TL42	Basic Service Delivery	Revise the Human Settlements Plan and submit to Council by 31 December 2023	Number of plans submitted	All	1
TL43	Basic Service Delivery	95% of the approved project budget spent on the supply and delivery of a Yellow Plant (Landfill Site) in Beaufort West by 30 June 2024 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2024	All	95%

Table 166. Service delivery priority: Provide, maintain and expand basic services to all people in the municipal area

3.10.2 Sustainable, safe and healthy environment

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL29	Basic Service Delivery	95% of water samples in the Beaufort West jurisdiction area comply with SANS241 micro biological indicators	% of water samples compliant to SANS 241	All	95%
TL36	Basic Service Delivery	95% of the approved project budget spent on the upgrade of sportsgrounds in Nelspoort by 30 June 2024 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2024	All	95%
TL37	Basic Service Delivery	95% of the approved project budget spent on the upgrade of existing Regional Sport Stadium in Rustdene by 30 June 2024 [(Actual expenditure divided by the total approved project budget)x100]	% of budget spent by 30 June 2024	All	95%



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Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL38	Good Governance and Public Participation	Hold roadblocks in conjunction with the Provincial Traffic Department quarterly	Number of roadblocks held	All	4
TL44	Basic Service Delivery	Develop an Air Quality Management By-Law and submit to Council by 30 June 2024	Number of by-laws submitted	All	1

Table 167. Service delivery priority: Sustainable, safe and healthy environment

3.10.3 Promote broad-based growth and development

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL3	Local Economic Development	Review the LED strategy and submit to Council by 30 June 2024	Revised LED strategy submitted to Council by 30 June 2024	All	1
TL28	Local Economic Development	Create temporary job opportunities in terms of the Extended Public Works Programme (EPWP) projects by 30 June 2023	Number of temporary jobs opportunities created by 30 June 2023	All	74

Table 168. Service delivery priority: Promote broad-based growth and development

3.10.4 Maintain an ethical, accountable and transparent administration

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL1	Good Governance and Public Participation	Compile the Risk based audit plan for 2024/25 and submit to Audit committee for consideration by 30 June 2024	Risk based audit plan submitted to Audit committee by 30 June 2024	All	1
TL2	Good Governance and Public Participation	70% of the Risk based audit plan for 2023/24 implemented by 30 June 2024 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and tasks identified in the RBAP) x 100]	% of the Risk Based Audit Plan implemented by 30 June 2024	All	70%
TL4	Good Governance and Public Participation	Review the Integrated Development Plan 2022-2027 and submit to Council by 31 May 2024	Number of IDP's submitted	All	1
TL5	Good Governance and Public Participation	Submit the Annual Performance Report to the Auditor-General by 31 August 2023	Number of reports submitted	All	1

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Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL21	Municipal Transformation and Institutional Development	Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people appointed in the three highest levels of management	All	1
TL22	Municipal Transformation and Institutional Development	0.5% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2024 [(Actual amount spent on training/total personnel budget) x100]	% of the municipality's personnel budget spent on implementing its workplace skills plan	All	0.50%
TL24	Municipal Transformation and Institutional Development	Submit the Change Management Strategy to Council by 31 December	Number of strategies submitted	All	1
TL25	Municipal Transformation and Institutional Development	Submit the Rewards and Recognition Policy to Council by 30 June 2024	Rewards and Recognition Policy submitted to Council by 30 June 2024	All	1
TL26	Municipal Transformation and Institutional Development	Submit the Portfolio of Evidence Policy to Council by 30 June 2024	Portfolio of Evidence Policy submitted to Council by 30 June 2024	All	1
TL27	Municipal Transformation and Institutional Development	Establish the Municipal Moderation Committee by 30 June 2024	Municipal Moderation Committee established by 30 June 2024	All	1

Table 169. Service delivery priority: Maintain an ethical, accountable and transparent administration

3.10.5 Uphold sound financial management principles and practices

Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL15	Municipal Financial Viability and Management	Financial viability measured in terms of the municipality's ability to meet its service debt obligations at 30 June 2024 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	Debt to Revenue as at 30 June 2024	All	45%

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Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL16	Municipal Financial Viability and Management	Financial viability measured in % in terms of the total amount of outstanding service debtors in comparison with total revenue received for services at 30 June 2024 [(Total outstanding service debtors/annual revenue received for services)x 100]	Service debtors to revenue as at 30 June 2024	All	35%
TL17	Municipal Financial Viability and Management	Financial viability measured in terms of the available cash to cover fixed operating expenditure at 30 June 2024 [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)]	Cost coverage as at 30 June 2024	All	1
TL18	Municipal Financial Viability and Management	Achieve an payment percentage of 85% by 30 June 2024 [(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100]	Payment % achieved by 30 June 2024	All	88%
TL19	Municipal Financial Viability and Management	Limit unaccounted for water quarterly to less than 25% during 2023/24 [(Number of Kjolitres Water Purchased or Purified - Number of Kjolitres Water Sold (including free basic water) / Number of Kjolitres Water Purchased or Purified x 100]	% unaccounted water	All	30%
TL20	Municipal Financial Viability and Management	Limit unaccounted for electricity to less than 10% quarterly during the 2023/24 financial year [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) x 100]	% unaccounted electricity	All	10%

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Ref	National KPA	KPI	Unit of measurement	Wards	Annual target
TL23	Local Economic Development	Spend 100% of the library grant by 30 June 2024 (Actual expenditure divided by the total grant received)	% of grant spent by 30 June 2023	All	100%

Service delivery priority: Uphold sound financial management principles and practices



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CHAPTER 4

4.1 National KPI – Municipal transformation and organisational development

The following table indicates the Municipality's performance in terms of the National KPI required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These KPI's are linked to the National KPA – Municipal transformation and organisational development.

KPA and Indicators	Municipal achievement	Municipal achievement
	2021/22	2022/23
Appoint people from the employment equity target groups in the three highest levels of management in compliance with a municipality's approved employment equity plan	0	1
0.10% of the municipality's personnel budget spent on implementing its workplace skills plan by 30 June 2023 ((Actual amount spent on training/total personnel budget)x100)	0.77%	0.50%

Table 170. National KPIs– Municipal transformation and organisational development

4.2 Component A: Introduction to the municipal workforce

The Municipality currently employs 416 (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of HR management is to render an innovative service that addresses both skills development and an administrative function.

4.2.1 Employment equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The National KPA also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

a) Employment equity targets and actuals

African		Coloured		Indian		White	
Target	Actual	Target	Actual	Target	Actual	Target	Actual
71	106	305	277	0	0	40	11

Table 171.

2022/23 Employment equity targets and actuals by racial classification

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Males (including disability)		Females (including disability)	
Target	Actual	Target	Actual
196	255	220	139

Table 172. 2022/23 Employment equity targets and actuals by gender classification

b) Specific occupational categories - Race

The table below indicates the number of employees (excluding vacancies) by race within the specific occupational categories:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management	1	0	0	0	0	0	0	0	1
Senior management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	2	2	0	5	2	3	0	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	20	0	2	5	11	0	0	47
Semi-skilled and discretionary decision making	35	89	0	2	13	63	0	2	209
Unskilled and defined decision making	28	63	0	0	14	26	0	0	122
Total permanent	72	174	0	9	34	103	0	2	394

Table 173. Occupational categories

4.2.2 Vacancy rate

The approved organogram of the Municipality had **513** budgeted posts for the 2022/23 financial year. The actual positions filled are indicated in the tables below by post and by functional level. Actual positions filled are **394**. **119** posts were vacant at the end of 2022/23, resulting in a vacancy rate of **23.20%**. The table below indicates a breakdown of vacancies within the Municipality:

Post level	Per post level	
	Filled	Vacant
Municipal Manager and MSA Section 57 and 56 employees	1	4
Middle management (T14-T19)	14	3
Admin officers (T4-T13)	261	57
General workers (T3)	118	55
Total	394	119
Functional area	Per functional level	
	Filled	Vacant

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Post level	Per post level	
	Filled	Vacant
Municipal Manager	5	1
Corporate Services	53	23
Financial Services	55	18
Community Services	114	41
Infrastructure Services	167	36
Total	394	119

Table 174. Vacancy rate per post and functional level

4.2.3 Staff turnover rate

A high staff turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional knowledge. The staff turnover rate shows a decreased from 10.33% in 2021/22 to 5.43% in 2022/23.

Below is a table that shows the staff turnover rate within the Municipality:

Financial year	Appointments at the end of each financial year	New appointments	Terminations during the year	Turn-over rate
2021/22	416	45	43	10.33%
2022/23	394	3	22	5.43%

Table 175. Staff turnover rate

4.3 Component B: Managing the municipal workforce

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injuries will influence the loss of man hours and therefore financial and productivity performance. The number of injuries **decreased** from 13 for 2021/22 to 9 for the 2022/23 financial year.

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The table below indicates the total number of injuries within the different directorates:

Directorates	2021/22	2022/23
Municipal Manager	1	0
Corporate Services	1	0
Financial Services	0	2
Community Services	5	5
Infrastructure Services	6	2
Total	13	9

Table 176. Injuries

4.3.2 Sick leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2022/23 financial year shows a decrease when compared with the 2021/22 financial year.

The table below indicates the total number of sick leave days taken within the different directorates:

Department	2021/22	2022/23
Municipal Manager	5	5
Corporate Services	345	357
Financial Services	336	461
Community Services	1 000	929
Infrastructure Services	1 208	1 095
Total	2 894	2 847

Table 177. Sick leave

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4.3.3 HR Policies and plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved:

HR policies categories supplied to Municipality		
Category	Policy	Date
Category A: Organisation management		
A1	Staff Establishment	Approved by Council: 29 June 2023
A2	Cellphone Policy And Cellphone Allowance	Approved by Council: 26 June 2023
A3	Travel Allowance Policy	Approved by Council: 26 June 2023
A4	Electronic Communication and Information Security Policy	Approved by Council: 26 June 2023
A5	Language Policy	Approved by Council: 26 June 2023
A6	Human Resource Communication Policy	Approved by Council: 26 June 2023
Category B: HR provisioning and maintenance		
B1	Recruitment and Selection Policy	Approved by Council: 26 June 2023
B2	Private Work Policy and Declaration of Interest Policy	Approved by Council: 26 June 2023
B3	Working Hours Policy	Approved by Council: 26 June 2023
B4	Overtime Policy	Approved by Council: 26 June 2023
B5	Legal Aid Policy	Approved by Council: 26 June 2023
B6	Promotion, Transfer, Secondment and Acting Appointment Policy	Approved by Council: 26 June 2023
B7	Placement Policy	Approved by Council: 26 June 2023
B8	Absent leave Policy	Approved by Council: 26 June 2023
B9	Remuneration Policy	Approved by Council: 26 June 2023
B10	Overtime Policy	Approved by Council: 26 June 2023
B11	Job Evaluation Policy	Approved by Council: 26 June 2023
B12	Occupational Health and Safety Policy	Approved
Category C: Human Capital Development		
C1	Succession Planning and Career Pathing	Approved by Council : 29 January 2019
C2	Induction Policy	Approved: 26 June 2023
Category D: Employee Wellness		
D1	HIV and Aids Policy	Approved by Council: 26 June 2023

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HR policies categories supplied to Municipality		
Category	Policy	Date
D2	Incapacity Policy-Poor Work performance, Ill Health, Injury and Operational Requirements	Approved by Council: 26 June 2023
D3	Intoxicating Substance Abuse Policy	Approved by Council: 26 June 2023
D4	Staff Member Wellness Programme	Approved by Council: 26 June 2023
D5	On-boarding Medical Fitness	Approved by Council: 26 June 2023
Category E: Employment Equity		
E1	Employment Equity Policy Framework	Approved: July 2022
E2	Sexual Harassment	Approved: July 2022
E3	Gender Policy	Approved: July 2022

Table 178. HR Policy list in categories

4.4 Component C: Capacitating the municipal workforce

Section 68(1) of the MSA states that a municipality must develop its HR capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the HR capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.4.1 Skills matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year (2022/23)	Number of employees that received training (2022/23)
Municipal Manager and Section 57 employees	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	6	0
	Male	5	0
Associate professionals and technicians	Female	5	1
	Male	10	2
Professionals	Female	15	
	Male	10	
Clerks	Female	10	8
	Male	20	11
Service and sales workers	Female	10	5
	Male	0	0
Craft and related trade workers	Female	0	0

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Management level	Gender	Number of employees identified for training at start of the year (2022/23)	Number of employees that received training (2022/23)
	Male	0	0
Plant and machine operators and assemblers	Female	40	5
	Male	40	14
Elementary occupations	Female	40	6
	Male	40	29
Sub-total	Female	126	25
	Male	125	56
Total		251	81

Table 179. Skills matrix

4.4.2 Skills development – Training provided

The SDA and the MSA requires employers to supply employees with the necessary training in order to develop its HR capacity. Section 55(1)(f) states that the Municipal Manager is responsible for the management, utilisation and training of staff.

The table below gives an indication of the training provided to employees for the financial year:

Occupational categories	Gender	Training provided within the reporting period (2022/23)	
		Learnerships	
		Target	Actual
Municipal Manager and Section 57 employees	Female	0	0
	Male	0	0
Legislators, senior officials and managers	Female	6	0
	Male	5	0
Professionals	Female	5	1
	Male	10	2
Technicians and associate professionals	Female	15	0
	Male	10	0
Clerks	Female	10	8
	Male	20	11
Service and sales workers	Female	10	5
	Male	0	0
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	40	5
	Male	40	14
Elementary occupations	Female	40	6

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Occupational categories	Gender	Training provided within the reporting period (2022/23)	
		Learnerships	
		Target	Actual
	Male	40	29
Sub-total	Female	126	25
	Male	125	56
Total		251	81

Table 180. Skills development

4.4.3 MFMA competencies

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. 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, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 in terms of Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

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

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial officials				
Accounting Officer	0	0	0	0
Chief Financial Officer	0	0	0	0
Senior managers	1	0	1	1
Any other financial officials	1	1	0	1
Heads of SCM Units				
Heads of SCM Units	0	0	0	0

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Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
SCM senior managers	0	0	0	0
Total	2	1	1	2

Table 181. MFMA competencies

4.5 Component D: Managing the municipal workforce expenditure

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

4.5.1 Personnel expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the Municipality is within the national norm of between 35% to 40%:

Financial year	Total expenditure salary and allowances	Total operating expenditure	Percentage
	R'000		
2021/22	125 186	305 672	40.95%
2022/23	128 707	339 746	37.88%

Table 182. Personnel expenditure

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

Financial year	2021/22		2022/23	
	Actual	Original budget	Adjusted budget	Actual
Description	R'000			
Councillors (political office bearers plus other)				
Basic salaries and wages	5 250	5 666	5 334	5 359
Pension and UIF contributions	121	130	239	192
Medical aid contributions	12	0	0	3
Motor vehicle allowance	213	142	136	136
Cell phone allowance	530	552	530	529

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE



Financial year	2021/22	2022/23		
Description	Actual	Original budget	Adjusted budget	Actual
	R'000			
Other benefits and allowances	47	49	47	46
Sub total	6 173	6 538	6 286	6 265
% increase/ (decrease)	N/A	5.91	(3.85)	(0.33)
Senior managers of the Municipality				
Basic salaries and wages	4 271	4 740	4 227	3 109
Pension and UIF contributions	522	533	289	297
Medical aid contributions	0	0	0	11
Motor vehicle allowance	246	246	66	86
Cell phone allowance	89	90	89	83
Housing allowance	7	7	0	0
Performance bonus	0	0	100	150
Other benefits and allowances	553	387	721	818
Post retirement benefit obligations	0	0	203	176
Sub total	5 688	6 003	5 695	4 730
% increase/ (decrease)	N/A	5.54	(5.13)	(16.94)
Other municipal staff				
Basic salaries and wages	86 228	91 778	91 886	83 250
Pension and UIF contributions	13 897	15 519	13 989	13 702
Medical aid contributions	2 016	2 088	2 012	2 007
Motor vehicle allowance	235	213	81	81
Cell phone allowance	172	172	152	151
Housing allowances	427	402	424	423
Overtime	2 921	1 274	2 600	3 653
Bonus	6 007	6 372	6 075	5 946
Other benefits and allowances	4 900	491	699	6 589
Long service awards	565	722	698	482
Payments in lieu of leave	918	-	111	379
Post-retirement benefit obligations	1 003	1 340	1 400	1 048
Sub-total	119 289	120 372	120 127	117 711
% increase/ (decrease)	N/A	0.91	(0.20)	(2.01)
Total Municipality	131 150	132 912	132 108	128 706
% increase/ (decrease)	N/A	1.34	(0.60)	(2.58)

Table 183. Councillor and staff benefits



CHAPTER 5: FINANCIAL PERFORMANCE

CHAPTER 5

This chapter provides details regarding the financial performance of the Municipality for the 2022/23 financial year.

Component A: Statements of Financial Performance

The statement of financial performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

5.1 Financial summary

The table below indicates the summary of the financial performance for the 2022/23 financial year:

Financial summary						
R'000						
Description	2021/22	2022/23		2022/23 % variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Financial performance						
Property rates	40 235	47 808	47 808	45 597	(4.85)	(4.85)
Service charges	130 709	169 778	160 338	127 431	(33.23)	(25.82)
Investment revenue	8 413	8 302	14 157	12 561	33.91	(12.70)
Transfers recognised-operational	81 602	89 312	95 239	91 797	2.71	(3.75)
Other own revenue	36 212	53 704	54 697	50 808	(5.70)	(7.65)
Total revenue (excluding capital transfers and contributions)	297 171	368 904	372 238	328 194	(12.40)	(13.42)
Employee costs	124 977	126 374	125 822	122 441	(3.21)	(2.76)
Remuneration of Councillors	6 173	6 538	6 286	6 266	(4.34)	(0.32)
Depreciation and asset impairment	24 437	24 986	24 986	20 847	(19.85)	(19.85)
Finance charges	11 701	901	7 076	11 468	92.15	38.30
Materials and bulk purchases	90 784	104 368	104 460	91 746	(13.76)	(13.86)
Transfers and grants	500	550	900	588	6.41	(53.14)
Other expenditure	85 874	99 915	142 709	111 531	10.41	(27.96)
Total expenditure	344 445	363 631	412 240	364 886	0.34	(12.98)

CHAPTER 5: FINANCIAL PERFORMANCE



Financial summary						
R'000						
Description	2021/22	2022/23		2022/23 % variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Surplus/(deficit)	(47 274)	5 273	(40 001)	(36 692)	114.37	(9.02)
Transfers recognised - capital	14 853	54 024	55 259	52 732	(2.45)	(4.79)
Contributions recognised - capital and contributed assets	794	0	0	2 965	100	100
Surplus/(deficit) after capital transfers and contributions	(31 627)	59 297	15 258	19 005	(212)	19.72
Capital expenditure and funds sources						
Capital expenditure						
Transfers recognised - capital	14 840	46 978	46 821	45 857	(2.44)	(2.10)
Public contributions and donations	794	0	1 230	2 965	100	58.51
Borrowing	0	0	0	0	N/A	N/A
Internally generated funds	5	3 850	2 660	1 919	(100.67)	(38.62)
Total sources of capital funds	15 640	50 828	50 711	50 741	(0.17)	0.06
Financial position						
Total current assets	103 763	91 475	133 125	105 479	13.28	(26.21)
Total non-current assets	434 401	577 652	462 398	465 707	(24.04)	0.71
Total current liabilities	156 923	140 794	201 988	170 866	17.60	(18.21)
Total non-current liabilities	50 537	43 766	49 254	50 605	13.51	2.67
Community wealth/equity	330 705	484 567	344 281	349 715	(38.56)	1.55
Cash flows						
Net cash from (used) operating	41 694	67 083	35 123	44 351	(51.25)	20.81
Net cash from (used) investing	(15 527)	(58 452)	(50 711)	(45 118)	(29.55)	(12.40)
Net cash from (used) financing	(1 503)	(540)	(758)	(759)	28.82	0.11
Cash/cash equivalents at the year end	24 664	8 090	(16 347)	(1 526)	630.14	(971.16)
Cash backing/surplus reconciliation						



CHAPTER 5: FINANCIAL PERFORMANCE

Financial summary						
R'000						
Description	2021/22	2022/23		2022/23 % variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjustments budget
Cash and investments available	16 386	(36 834)	39	14 860	347.88	99.74
Application of cash and investments	1 466	(349 770)	(24 373)	5 139	6 905.84	574.25
Balance - surplus (shortfall)	14 920	312 936	24 412	9 721	(3 119.33)	(151.14)
Asset management						
Asset register summary (WDV)	433 289	575 192	460 656	463 182	(24.18)	0.55
Depreciation and asset impairment	24 437	24 986	24 986	20 847	(19.85)	(19.85)
Renewal of existing assets	0	22 924	22 911	0	N/A	N/A
Repairs and maintenance	1 417	11 331	12 995	1 865	(507.52)	(596.72)
Free services						
Cost of Free Basic Services provided	0	0	0	0	N/A	N/A
Revenue cost of free services provided	0	0	0	0	N/A	N/A

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual

Table 184. Financial performance 2022/23

The table below shows a summary of performance against budgets:

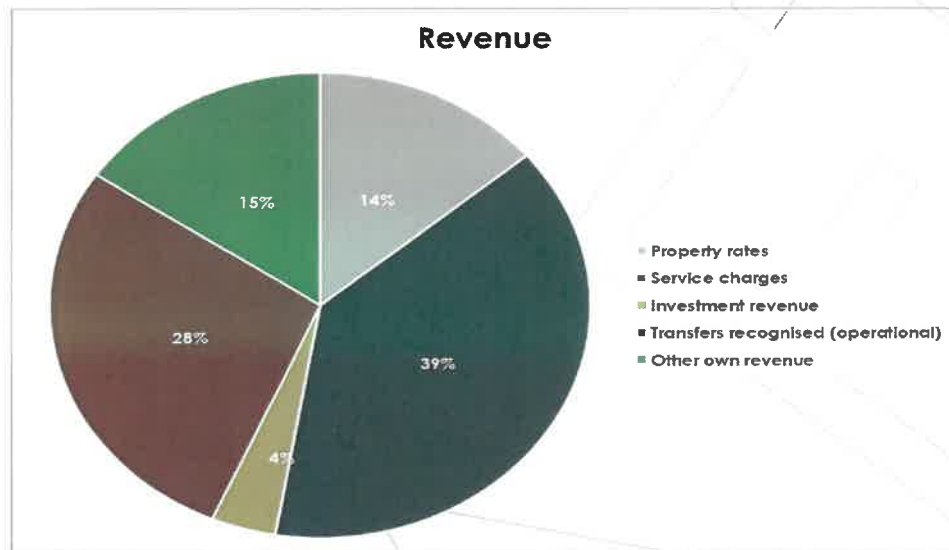
Financial year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2021/22	348 764	312 818	(35 947)	(10)	347 048	344 445	2 602	1
2022/23	427 498	383 891	(43 607)	(10)	412 240	364 886	47 354	11

Table 185. Performance against budgets



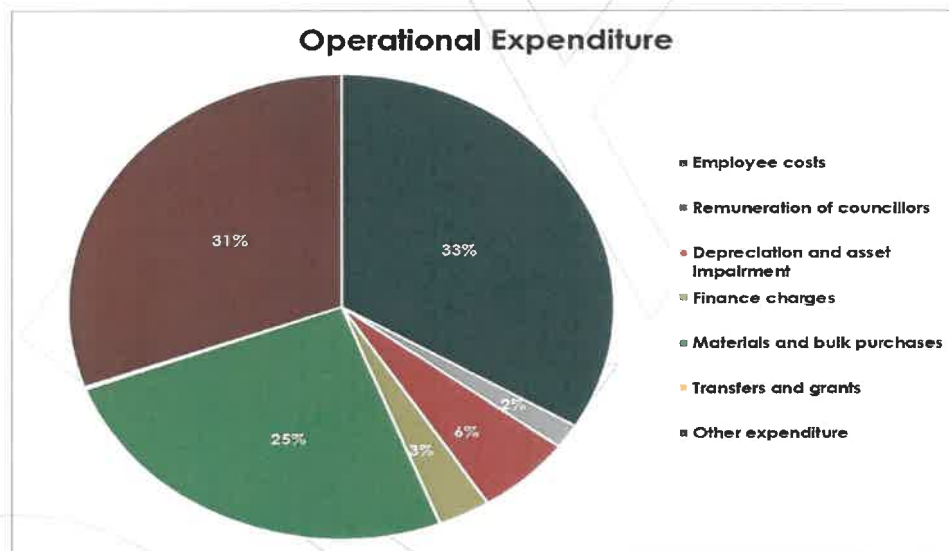
CHAPTER 5: FINANCIAL PERFORMANCE

The following graph indicates the various types of revenue items in the municipal budget for 2022/23



Graph 6.: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2022/23



Graph 7.: Operating expenditure



CHAPTER 5: FINANCIAL PERFORMANCE

5.1.1 Revenue collection by vote

The table below indicates the revenue collection performance by vote:

Vote description	2021/22		2022/23		2022/23 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Vote 1 – Executive and Council	31 484	0	9 601	9 579	100	(0.23)
Vote 2 - Financial Services	88 643	4 523	6 187	112 074	95.96	94.48
Vote 3 - Corporate Services	2 221	10 418	13 155	45 736	77.22	71.24
Vote 4 - Community Services	14 776	98 164	91 411	33 879	(189.75)	(169.82)
Vote 5 - Engineering Services	173 749	259 777	307 143	186 761	(39.10)	(64.46)
Vote 6 – Electrical Services	0	50 047	0	0	N/A	N/A
Total revenue by vote	310 873	422 928	427 498	388 029	(8.99)	(10.17)

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual

Table 186. Revenue by vote

5.1.2 Revenue collection by source

The table below indicates the revenue collection performance by source for the 2022/23 financial year:

Description	2021/22		2022/23		2022/23 % variance	
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Property rates	40 235	47 808	47 808	45 597	(4.85)	(4.85)
Service Charges - electricity revenue	81 667	103 525	102 062	79 475	(30.26)	(28.42)
Service Charges - water revenue	23 265	33 026	24 630	16 980	(94.50)	(45.05)
Service Charges - sanitation revenue	17 871	22 082	21 344	20 478	(7.83)	(4.23)
Service Charges - refuse revenue	7 905	11 146	12 302	10 498	(6.17)	(17.19)
Rentals of facilities and equipment	1 353	1 671	1 671	1 382	(20.88)	(20.88)
Interest earned - external investments	541	385	1 630	2 121	81.85	23.16
Interest earned - outstanding debtors	7 872	7 917	12 527	10 440	24.17	(19.99)
Fines	30 509	49 523	49 523	44 668	(10.87)	(10.87)
Licences and permits	330	226	466	181	(24.45)	(157.00)
Agency services	462	900	1 200	1 180	23.72	(1.71)
Transfers recognised - operational	81 602	89 312	95 239	91 797	2.71	(3.75)
Other revenue	3 557	1 385	1 837	3 396	59.22	45.91



CHAPTER 5: FINANCIAL PERFORMANCE

Description	2021/22	2022/23		2022/23 % variance		
	Actual	Original budget	Adjusted budget	Actual	Original budget	Adjusted budget
	R'000					
Gains on disposal of PPE	0	0	0	0	N/A	N/A
Total Revenue (excluding capital transfers and contributions)	297 171	368 904	372 238	328 194	(12.40)	(13.42)

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual

Table 187. Revenue by source

5.1.3 Operational services performance

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

Description	2021/22	2022/23		2022/23 Variance		
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
Operating Cost						
Water Services	33 642	34 083	43 453	28 138	(21.13)	(54.43)
Waste Water (Sanitation) Services	13 633	19 845	26 138	20 680	4.04	(26.39)
Electricity Services	90 179	104 960	102 787	98 166	(6.92)	(4.71)
Waste Management Services	17 959	18 579	22 117	16 907	(9.89)	(30.82)
Component A: sub-total	155 412	177 466	194 495	163 891	(8.28)	(18.67)
Roads and Stormwater	10 729	19 427	19 084	15 730	(23.51)	(21.32)
Transport	0	0	0	0	N/A	N/A
Component B: sub-total	10 729	19 427	19 084	15 730	(23.51)	(21.33)
Planning	5 241	8 780	12 208	5 597	(56.87)	(118.13)
Local Economic Development	0	0	0	0	N/A	N/A
Component C: sub-total	5 241	8 780	12 208	5 597	(56.87)	(118.13)
Housing	240	3 352	1 676	1 731	(93.70)	3.17
Social services & community development	0	0	0	0	N/A	N/A
Component D: sub-total	240	3 352	1 676	1 731	(93.70)	3.17
Environmental Protection (Pollution Control, Bio-Diversity, Landscape, Open Spaces, Parks, And Coastal Protection)	0	0	0	0	N/A	N/A
Component E: sub-total	0	0	0	0	N/A	N/A
Traffic & licensing	37 700	47 791	64 552	48 526	1.51	(33.03)
Fire Services and Disaster Management	0	0	0	0	N/A	N/A

CHAPTER 5: FINANCIAL PERFORMANCE



Description	2021/22	2022/23			2022/23 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
Operating Cost						
Component F: sub-total	37 700	47 791	64 552	48 526	1.51	(33.03)
Sport and Recreation	1 711	7 981	7 470	3 698	(115.83)	(102)
Cemeteries	516	1 423	1 139	1 355	(5)	15.96
Libraries	5 645	6 489	6 537	6 650	2.43	1.70
Museum	0	0	0	0	N/A	N/A
Community Halls, Facilities, Thusong Centres	9 171	3 271	3 318	9 446	65.37	64.88
Component G: sub-total	17 044	19 164	18 464	21 149	9.39	12.70
Budget and Treasury Office	67 285	71 724	84 451	73 019	1.77	(15.66)
Executive and Council	13 237	14 238	16 194	22 215	35.91	27.11
Corporate Services	29 569	1 688	1 116	17 166	90.17	93.50
Component H: sub-total	116 134	87 650	101 761	112 400	22.02	9.46
Total Expenditure	342 500	363 631	412 239	363 881	1.46	(11.71)
<p><i>In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i></p>						

Table 188. Operational services performance



CHAPTER 5: FINANCIAL PERFORMANCE

5.2 Financial performance per municipal function

The tables below indicate the Municipality's performance with regards to each municipal function:

5.2.1 Water services

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	31 002	81 510	76 692	45 680	(67.89)
Expenditure:					
Employees	7 913	7 028	7 542	7 626	1.09
Repairs and maintenance	458	682	682	601	(13.40)
Other	25 271	26 373	35 228	19 911	(76.93)
Total operational expenditure	33 642	34 083	43 453	28 138	(54.43)
Net operational (service)	(2 640)	47 427	33 239	17 542	(89.48)

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 189.

Financial performance: Water services

5.2.2 Waste water (sanitation) services

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	26 157	40 696	37 890	28 696	(32.04)
Expenditure:					
Employees	5 063	6 425	6 543	6 707	2.44
Repairs and maintenance	226	465	465	417	(11.44)
Other	8 344	12 955	19 129	13 556	(41.11)
Total operational expenditure	13 633	19 845	26 138	20 680	(26.39)
Net operational (service)	12 524	20 850	11 752	8 016	(46.62)

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 190.

Financial performance: Waste water (sanitation) services

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5.2.3 Electricity

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	97 003	127 381	132 916	105 001	(26.59)
Expenditure:					
Employees	8 673	7 964	8 463	8 537	0.86
Repairs and maintenance	43	675	385	162	(137.24)
Other	76 969	96 320	93 759	89 466	(4.80)
Total operational expenditure	85 686	104 960	102 607	98 166	(4.52)
Net operational (service)	11 318	22 421	30 309	6 835	(343.41)

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 191.

Financial performance: Electricity

5.2.4 Waste management

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	13 141	24 005	25 885	18 811	(37.60)
Expenditure:					
Employees	12 476	10 736	10 224	9 989	(2.35)
Repairs and maintenance	25	507	357	0	(261 551.38)
Other	5 458	7 336	11 537	6 918	(66.77)
Total operational expenditure	17 959	18 579	22 117	16 907	(30.82)
Net operational (service)	(4 818)	5 426	3 767	1 904	(97.83)

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 192.

Financial performance: Waste management



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5.2.5 Housing

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	249	1 015	165	165	0
Expenditure:					
Employees	116	2 389	1 547	1 673	7.57
Repairs and maintenance	0	5	5	0	N/A
Other	124	958	124	58	(115.74)
Total operational expenditure	240	3 352	1 676	1 731	3.17
Net operational (service)	10	(2 338)	(1 511)	(1 566)	3.50

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 193. Financial performance: Housing

5.2.6 Road transport

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	0	8 049	4 725	3 697	(27.79)
Expenditure:					
Employees	9 764	10 046	9 679	10 022	3.42
Repairs and maintenance	0	700	400	0	(84 110.53)
Other	965	8 681	9 004	5 707	(57.79)
Total operational expenditure	10 729	19 427	19 084	15 730	(21.32)
Net operational (service)	(10 729)	(11 378)	(14 359)	(12 033)	(19.33)

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 194. Financial performance: Road transport



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5.2.7 LED

Description	2021/22	2022/23			% variance to budget
	Actual	Original budget	Adjusted budget	Actual	
R'000					
Total operational revenue	1 940	1 331	2 362	1 135	(108.13)
Expenditure:					
Employees	4 381	5 959	6 336	4 409	(43.69)
Repairs and maintenance	20	26	26	0	N/A
Other	841	2 794	3 064	1 187	(158.02)
Total operational expenditure	5 241	8 780	9 426	5 597	(68.42)
Net operational (service)	(3 301)	(7 449)	(7 064)	(4 462)	(58.32)

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 195. Financial performance: LED.

5.2.8 Libraries

Description	2021/22	2022/23			% variance to budget
	Actual	Original budget	Adjusted budget	Actual	
R'000					
Total operational revenue	6 361	6 701	6 714	6 606	(1.64)
Expenditure:					
Employees	5 272	5 830	5 811	5 815	0.07
Repairs and maintenance	93	88	87	58	(48.71)
Other	399	570	639	777	17.67
Total operational expenditure	5 764	6 489	6 537	6 650	1.70
Net operational (service)	597	212	177	(44)	500.92

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 196. Financial performance: Libraries



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5.2.9 Community facilities

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	6 363	1 355	1 041	1 708	39.04
Expenditure:					
Employees	8 685	3 492	3 381	6 518	48.13
Repairs and maintenance	133	129	129	3	(3 829.03)
Other	870	1 073	947	4 280	77.87
Total operational expenditure	9 687	4 694	4 457	10 801	58.74
Net operational (service)	(3 324)	(3 339)	(3 415)	(9 094)	62.44

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 197. Financial performance: Community facilities

5.2.10 Traffic services and law enforcement

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	2 818	50 081	50 462	4 443	(1 035.74)
Expenditure:					
Employees	15 657	16 724	16 892	17 886	5.55
Repairs and maintenance	15	336	276	22	(1 141.84)
Other	22 049	30 732	47 383	30 618	(54.76)
Total operational expenditure	37 721	47 791	64 552	48 526	(33.03)
Net operational (service)	(34 903)	2 289	(14 090)	(44 083)	68.04

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 198. Financial performance: Traffic services and law enforcement



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5.2.11 Parks and recreation

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	468	3 188	3 982	2 209	(80.30)
Expenditure:					
Employees	1 513	6 172	5 581	2 379	(134.60)
Repairs and maintenance	15	342	342	34	(900.93)
Other	184	1 468	1 547	1 285	(20.39)
Total operational expenditure	1 711	7 981	7 470	3 698	(102)
Net operational (service)	(1 243)	(4 794)	(3 487)	(1 489)	(134.17)

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 199. Financial performance: Parks and recreation

5.2.12 Office of the MM

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	27 343	11 625	11 707	46 260	74.69
Expenditure:					
Employees	10 373	13 205	14 810	15 996	7.41
Repairs and maintenance	3	41	41	0	N/A
Other	8 173	2 681	2 460	6 219	60.45
Total operational expenditure	18 549	15 926	17 310	22 215	22.08
Net operational (service)	8 794	(4 301)	(5 604)	24 045	123.31

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 200. Financial performance: Office of the MM



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5.2.13 Financial services

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	88 679	55 472	59 782	112 074	46.66
Expenditure:					
Employees	18 835	26 110	25 791	23 233	(11.01)
Repairs and maintenance	369	2 025	1 478	511	(188.93)
Other	52 605	22 717	39 854	47 186	15.54
Total operational expenditure	71 809	50 853	67 122	70 931	5.37
Net operational (service)	16 870	4 620	(7 340)	41 143	117.84

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 201. Financial performance: Financial services

5.2.14 Corporate Services

Description	2021/22	2022/23			
	Actual	Original budget	Adjusted budget	Actual	% variance to budget
	R'000				
Total operational revenue	10 331	10 521	13 176	11 544	(14.13)
Expenditure:					
Employees	22 429	10 832	9 507	7 915	(20.10)
Repairs and maintenance	18	81	81	54	(49.20)
Other	8 666	9 959	10 703	11 283	5.15
Total operational expenditure	31 113	20 872	20 290	19 253	(5.39)
Net operational (service)	(20 782)	(10 350)	(7 115)	(7 709)	7.71

Variations are calculated by dividing the difference between the actual and original budget by the actual

Table 202. Financial performance: Corporate services

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5.3 Grants

5.3.1 Grant performance

The Municipality spent an amount of **R144.5 million** on infrastructure and other projects available which was received in the form of grants from national and provincial governments during the 2022/23 financial year. The performance in the spending of these grants is summarised as follows:

Description	2021/22	2022/23			2022/23 variance	
	Actual (audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjustments budget
	R'000				%	
Operating transfers and grants						
National government:	86 791	135 278	135 098	131 784	(2.65)	(2.51)
Equitable Share	69 625	77 265	77 265	77 265	0	0
Local Government Finance Management Grant	1 914	2 085	2 085	2 085	0	0
Municipal Infrastructure Grant (MIG) – Project Management Unit	13 481	15 353	9 559	6 603	(132.52)	(44.76)
Integrated National Electrification Programme (INEP)	486	11 000	16 614	16 602	33.74	(0.07)
Expanded Public Works Programme (EPWP) Integrated Grant	1 285	1 136	1 136	790	(43.80)	(43.80)
Water Services Infrastructure Grant (WSIG)	0	28 439	28 439	28 439	0	0
Provincial government:	8 160	8 058	12 347	11 738	31.35	(5.18)
Human Settlements Development Grant (Beneficiaries)	0	850	0	0	N/A	N/A
Human Settlements - Municipal Accreditation and Capacity Building Grant	249	256	256	165	(55.31)	(55.31)
Provincial Treasury: Financial Management Capacity Building Grant	0	0	350	0	N/A	N/A
Western Cape Municipal Recovery Services Grant	0	0	1 993	1 993	100.00	0.00
Provincial Treasury: Financial Management Support Grant	300	0	0	0	N/A	N/A



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Description	2021/22	2022/23			2022/23 variance	
	Actual (audited outcome)	Budget	Adjustments budget	Actual	Original budget	Adjust- ments budget
	R'000				%	
Operating transfers and grants						
Department of Transport and Public Works: Maintenance and Construction of Transport Infrastructure	0	50	50	0	N/A	N/A
Department of Cultural Affairs and Sport: Library Service: Replacement Funding	6 330	6 679	6 679	6 584	(1.45)	(1.45)
Department of Local Government: Community Development Workers (CDW) Operational Support Grant	276	223	388	366	39.06	(6.03)
Department of Local Government: Thusong Services Centres Grant (Sustainability: Operational Support Grant)	150	0	0	0	N/A	N/A
Department of Local Government: Western Cape Municipal Interventions Grant	0	0	480	480	100.00	(0.01)
Department of Local Government : Municipal Drought Relief Grant	789	0	0	0	N/A	N/A
Department of Local Government: Local Government Public Employment Support Grant	64	0	1 036	1 036	100.00	0.00
Department of Local Government: Emergency Municipal Load Shedding Relief Grant	0	0	1 115	1 115	100.00	0.00
Other grant providers	1 505	0	3 145	1 008	100.00	(212.04)
Services - Construction Education & Training Authority (CETA)	0	0	1 400	418	100.00	(234.93)
Central Karoo District Municipality	1 505	0	491	415	100.00	(18.32)
Chemical Industries Education & Training Authority	0	0	1 254	175	100.00	(615.92)
Total operating transfers and grants	96 456	143 336	150 590	144 530	0.83	(4.19)

Table 203. Operating grant performance



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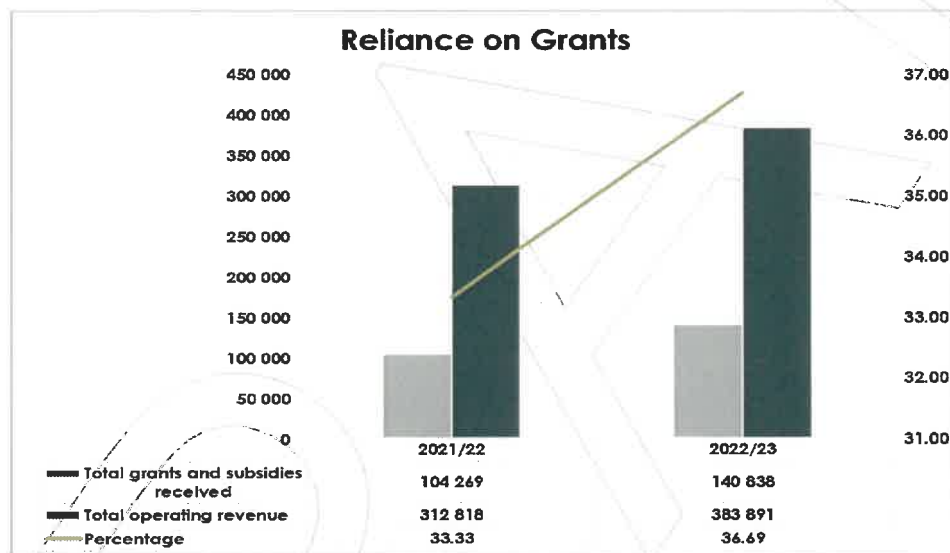
5.3.2 Level of reliance on grants and subsidies

The table below reflects the level of reliance on grants and subsidies

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R' 000		%
2021/22	104 269	312 818	33.33
2022/23	140 838	383 891	36.69

Table 204. Reliance on grants

The following graph gives a visual relationship between the two financial years and the trend based on grant received and operating revenue:



Graph 8.: Reliance on grants

5.4 Repairs and Maintenance

The following table indicates the Municipality's expenditure on repairs and maintenance:

Description	2021/22	2022/23			
	Actual (Audited Outcome)	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Repairs and Maintenance Expenditure	1 417	6 636	7 601	1 865	(75.46)

Table 205. Repairs and maintenance expenditure

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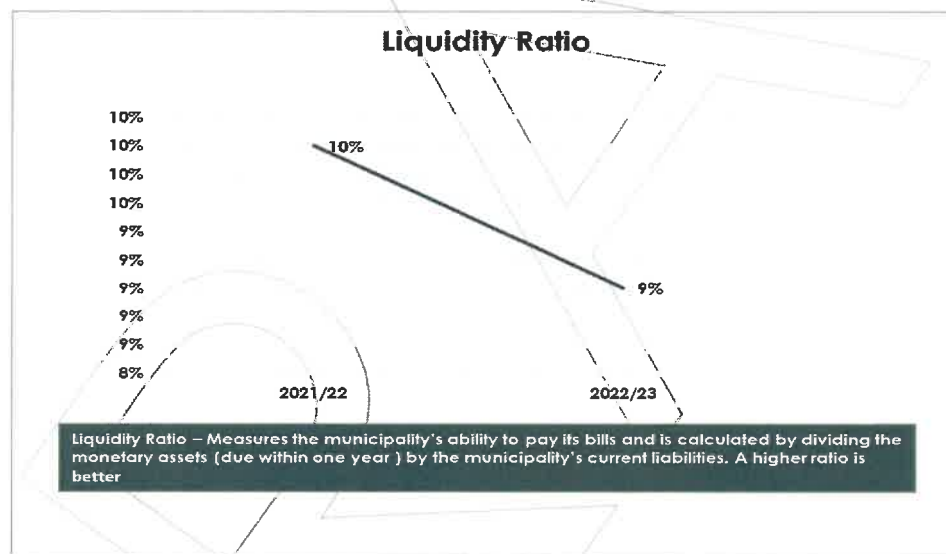
5.5 Financial ratios based on KPIs

The graphs and tables below indicate the Municipality's performance in relation to the financial ratios:

5.5.1 Liquidity ratio

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Pre-audited outcome
Current ratio	Current assets/current liabilities	64.46%	61.73%
Current ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	(6%)	(14%)
Liquidity ratio	Monetary assets/Current liabilities	10%	9%

Table 206. Liquidity financial ratio



Graph 9.: Liquidity ratio

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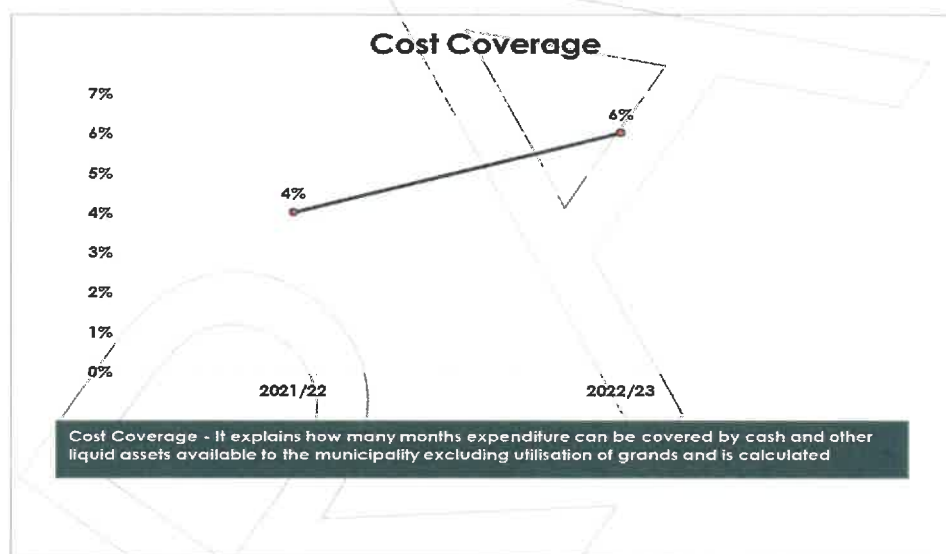


5.5.2 IDP regulation financial viability indicators

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Pre-audited outcome
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4%	6%
Total outstanding service debtors to revenue	Total outstanding service debtors/annual revenue received for services	82%	86%
Debt coverage	(Total operating revenue - operating grants)/Debt service payments due within financial year)	1.53	1.57

Table 207. Financial viability national KPAs

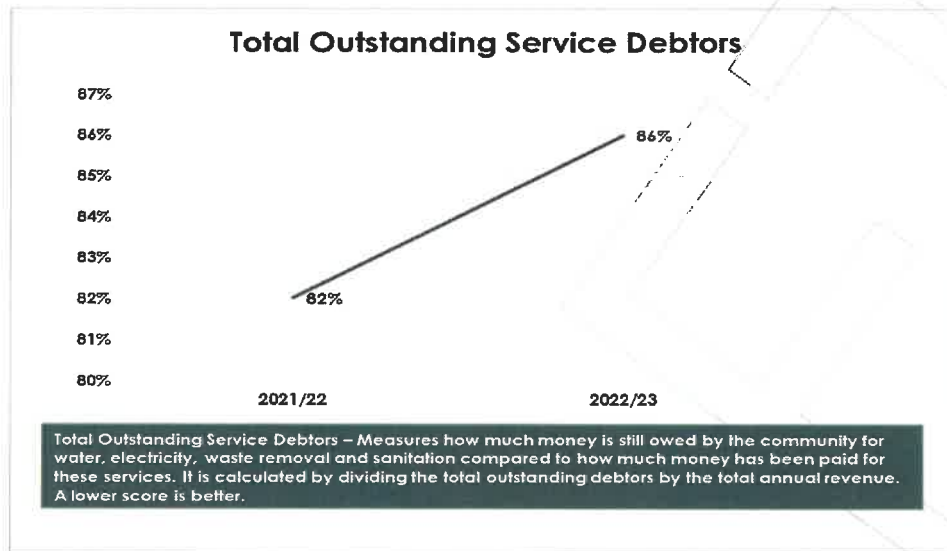
The following graphs illustrates the compared financial viability indicators for the past two financial years:



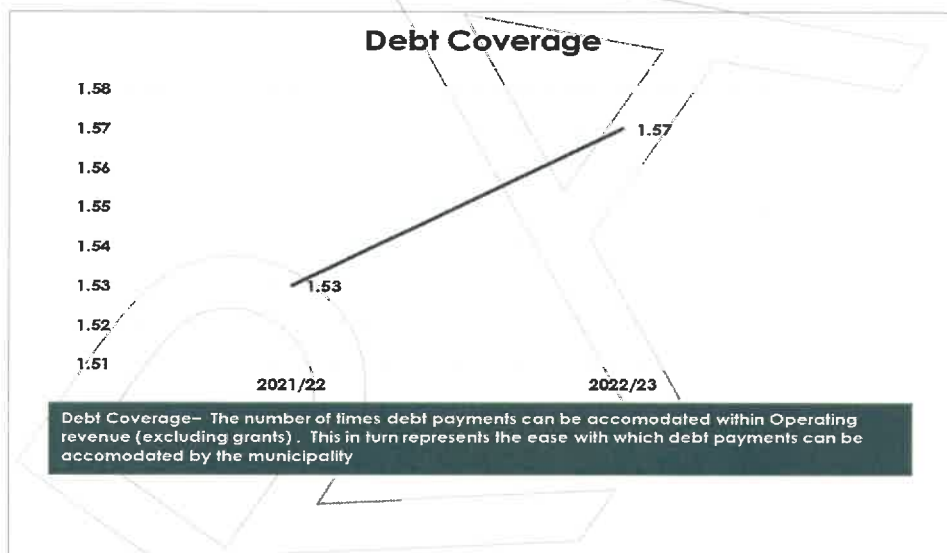
Graph 10.: Cost coverage



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Graph 11.: Outstanding service debtors to revenue



Graph 12.: Debt coverage

5.5.3 Repairs and maintenance

The following table illustrates the Municipality's proportion of operating expenditure in relation to repairs and maintenance:

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Pre-audited outcome
Repairs and maintenance	R and M/(Total revenue excluding capital revenue)	0%	1%

Table 208. Repairs and maintenance



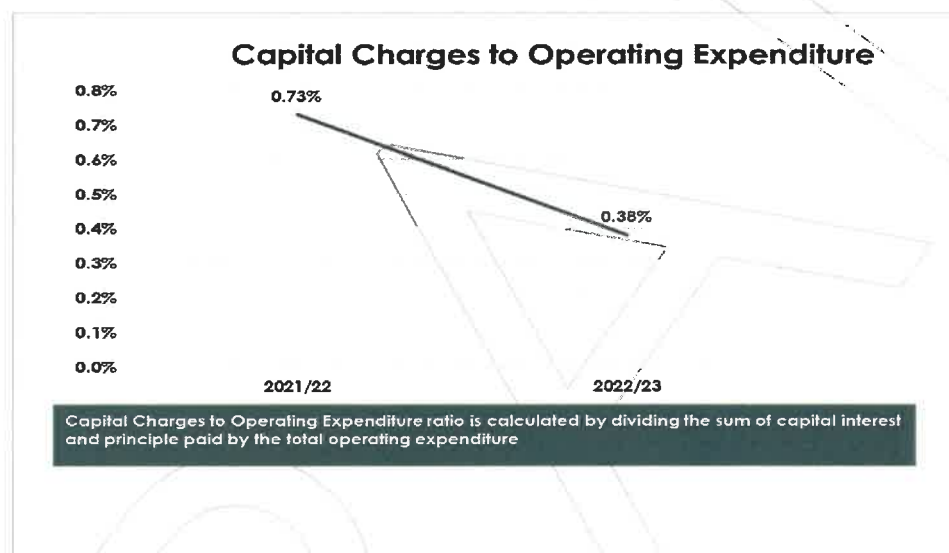
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5.5.4 Borrowing management

The following table and graph illustrate the Municipality's proportion of capital charges in relation to operating expenditure:

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Pre-audited outcome
Capital charges to operating expenditure	Interest and principal paid/ Operating expenditure	0.73%	0.38%

Table 209. Borrowing management



Graph 13.: Capital charges to operating expenditure

5.5.5 Employee costs

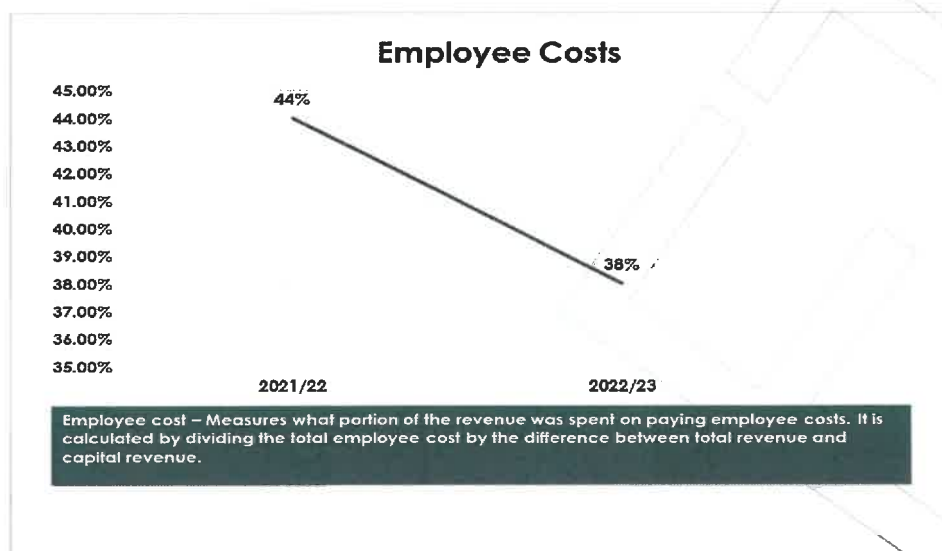
The table and graph below illustrate the Municipality's portion of revenue spent on employee costs for the past two financial years:

Description	Basis of calculation	2021/22	2022/23
		Audited outcome	Pre-audited outcome
Employee costs	Employee costs/(Total revenue - capital revenue)	44%	39%

Table 210. Employee costs



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Graph 14.: Employee costs

Component B: Spending against Capital Budget

5.6 Capital Expenditure: Sources of Finance

The table below indicates the capital expenditure by funding source for the 2022/23 financial year:

Details	2021/22	2022/23				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of finance						
Description	R'000				%	
External loans	0	0	0	0	N/A	N/A
Public contributions and donations	794	0	0	2 965	N/A	N/A
Grants and subsidies	14 840	46 978	48 052	45 857	2.29	(4.67)
Own funding	5	3 850	2 660	1 919	(30.92)	(19.25)
Total	15 640	50 828	50 711	50 741	(0.23)	0.06
Percentage of finance						
External loans	0	0	0	0		
Public contributions and donations	0	0	0	6		
Grants and subsidies	97	92	95	90		
Own funding	0	8	5	4		
Capital expenditure						

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Details	2021/22	2022/23				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Description	R'000					%
Water and sanitation	4 095	27 803	25 999	24 601	(6.49)	(5.03)
Electricity	6 152	10 961	14 808	16 512	35.10	15.54
Housing	0	0	0	0	N/A	N/A
Roads and storm water	0	7 501	4 065	3 254	(45.81)	(10.81)
Other	5 393	4 563	5 839	6 375	27.97	11.73
Total	15 640	50 828	50 711	50 741	(0.23)	0.06
Percentage of expenditure						
Water and sanitation	26	55	51	48		
Electricity	39	22	29	33		
Housing	0	0	0	0		
Roads and storm water	0	15	8	6		
Other	34	9	12	13		

Table 211. Capital spending by funding source

Component C: Cash Flow Management and Investments

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the Council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

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5.7 Cash flow

The table below reflects the Municipality's cash flow for the financial year:

Cash flow outcomes				
R'000				
Description	2021/22	2022/23		
	Audited outcome	Original budget	Adjusted budget	Actual
Cash flow from operating activities				
Receipts				
Ratepayers and other	179 760	217 450	190 908	159 900
Government -operating	83 151	89 312	92 189	90 995
Government -capital	21 118	54 024	49 645	49 843
Interest	8 413	6 882	1 630	12 561
Payments				
Suppliers and employees	(240 074)	(299 134)	(291 274)	(260 104)
Finance charges	(7 401)	(901)	(7 076)	(6 090)
Transfers and grants	(500)	(550)	(900)	(588)
Grants repaid	(2 772)	0	0	(2 167)
Net cash from/(used) operating activities	41 694	67 083	35 123	44 351
Cash flows from investing activities				
Payments				
Capital assets	(15 527)	(58 452)	(50 711)	(45 118)
Net cash from/(used) investing activities	(15 527)	(58 452)	(50 711)	(45 118)
Cash flows from financing activities				
Receipts				
Increase(Decrease) in Consumer Deposits	0	218	0	0
Payments				
Repayment of borrowing	(1 503)	(758)	(758)	(759)
Net cash from/(used) financing activities	(1 503)	(758)	(758)	(759)
Net increase/ (decrease) in cash held	24 664	8 090	(16 347)	(1 526)
Cash/cash equivalents at the year begin:	(8 279)	5 000	16 386	16 386
Cash/cash equivalents at the yearend:	16 386	13 090	39	14 860

Table 212. Cash flow



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5.8 Gross outstanding debtors per service

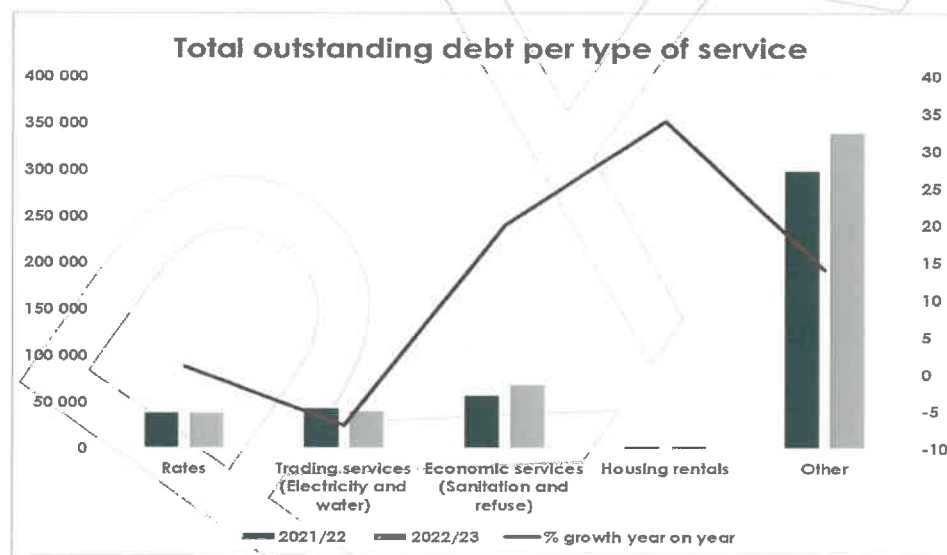
The table below reflects the debtor's analysis per service for the previous financial years:

Financial year	Rates	Trading services (Electricity and water)	Economic services (Sanitation and refuse)	Housing rentals	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
	2021/22	38 210	43 442	57 380	2 305	298 850
2022/23	38 559	40 235	68 960	3 085	339 644	490 484
Difference	349	(3 206)	11 581	780	40 794	50 298
% growth year on year	1	(7)	20	34	14	11

Note: Figures exclude provision for bad debt

Table 213. Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service for 2022/23:



Graph 15.: Debt per type of service



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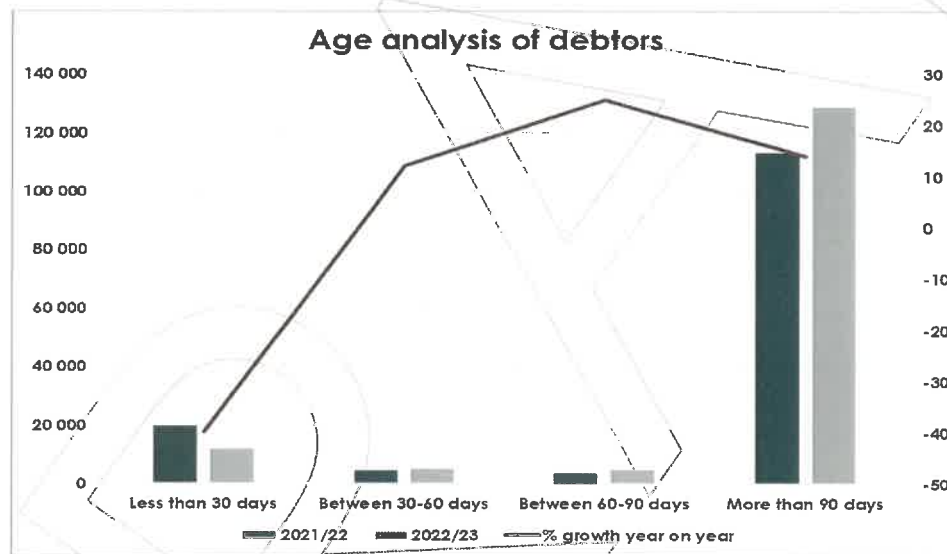
5.9 Total debtors age analysis

The table below reflects the Municipality's debtors age analysis for the past two financial years

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2021/22	19 812	4 495	3 771	113 259	141 337
2022/23	11 985	5 032	4 695	129 128	150 840
Difference	(7 827)	537	924	15 869	9 504
% growth year on year	(40)	12	25	14	7

Note: Figures exclude provision for bad debt.

Table 214. Service debtor age analysis



Graph-16: Age analysis of debtors

5.10 Borrowing and investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

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5.10.1 Actual borrowings

The table below reflects the municipality's financial positions relating to borrowings:

Actual borrowings		
R' 000		
Instrument	2021/22	2022/23
Long-term loans (annuity/reducing balance)	5 282	4 523
Total	5 282	4 523

Table 215. Actual borrowings

5.10.2 Municipal investments

Actual investments		
R'000		
Investment type	2021/22	2022/23
	Actual	Actual
Deposits – bank	13 437	12 318
Total	13 437	12 318

Table 216. Municipal investments



CHAPTER 6: AUDITOR-GENERAL OPINION

CHAPTER 6

Component A: Auditor-General Opinion 2021/22

6.1 Auditor-General report 2021/22

6.1.1 Audit report status: Qualified

Main issues raised	Corrective steps implemented / to be implemented
Revenue from exchange transactions - service charges	
<p>The AG was unable to obtain sufficient and appropriate audit evidence that revenue from exchange transactions - service charges had been properly accounted for due to the poor quality of the accounting records. The AG was unable to confirm revenue from exchange transactions - service charges by alternative means. Consequently, The AG was unable to determine whether any adjustment was necessary to the revenue from exchange transactions - service charges, stated at R131.1 million (2020/21: R121.1 million) in note 27 to the financial statements. Additionally, The AG was also unable to determine whether any adjustment was necessary to the receivables from exchange transactions, stated at R21.2 million (2020/21: R20.0 million) in note 10 to the financial statements.</p>	<p>Revenue foregone: Verification of indigents:</p> <ul style="list-style-type: none"> • Hard copy forms to be traced to the systems, ensure all details are captured. (completeness). For all indigents and not only new applications. (Prior and current year) • For all indigents on the system, ensure a signed copy of application form is filed with the supporting documentation (proof income such as pay slip) as per the Indigent Policy. (Prior and current year) <p>Indigent policy to be revised and approved with the budget for 2023/24 (revise proof of Income Section).</p> <p>Billing reconciliation:</p> <p>Reconciliation between billing report and trial balance (TB) to be performed by Revenue Manager and reviewed by CFO. Reconciliation to be done between summary and detail billing report.</p> <p>Zero consumption readings:</p> <p>Monthly exception report from EMS system to be extracted to identify accounts with zero or negative reading. To be followed up by Revenue Manager.</p> <p>Relevant COMAFs of previous years:</p> <ul style="list-style-type: none"> • COMAF 56 of 2022 • COMAF 19 of 2021 • COMAF 41 of 2022 • COMAF 24 of 2021 • COMAF 50 of 2021 • COMAF 44 of 2021 <p>The following findings will fall away in 2022/23 as the balance forms part of accumulated surplus:</p> <ul style="list-style-type: none"> • COMAF 43 of 2020 • COMAF 44 of 2020 • COMAF 46 of 2020



CHAPTER 6: AUDITOR-GENERAL OPINION

Main issues raised	Corrective steps implemented / to be implemented
Revenue from non -exchange transactions	
<p>The AG was unable to obtain sufficient and appropriate audit evidence that revenue from non- exchange transactions - property rates had been properly accounted for due to the poor quality of the accounting records. The AG was unable to confirm revenue from non-exchange transactions - property rates by alternative means. Consequently, The AG was unable to determine whether any adjustment was necessary to the revenue from non-exchange transactions- property rates, stated at R45.5 million in note 23 to the financial statements.</p> <p>The AG was unable to obtain sufficient and appropriate audit evidence that revenue from non- exchange transactions - fines, penalties and forfeits had been properly accounted for due to the status of the accounting records. The AG was unable to confirm revenue from non-exchange transactions - fines, penalties and forfeits by alternative means. Consequently, The AG was unable to determine whether any adjustment was necessary to the revenue from non-exchange transactions- fines, penalties and forfeits, stated at R30.6 million in the financial statements.</p> <p>Consequently, The AG was also unable to determine whether any adjustment was necessary to the receivables from non-exchange transactions, stated at R73.8 million in note 11 to the financial statements</p>	<p>Property rates:</p> <ul style="list-style-type: none"> 1 Reconciliation to be done on market values per the billing system and valuation roll for 2021/22 and 2022/23. Misalignments identify between items to be corrected on the billing system. Reason for material variances to be recorded on the reconciliation. 2 Billing reconciliation: Reconciliation between billing report and TB to be performed by Revenue Manager and reviewed by CFO. Reconciliation to be done between summary and detail billing report. <p>Fines:</p> <ul style="list-style-type: none"> 2 Payment to be made on outstanding account of TVS, for supplier to assist with the documentation. Copy of fines to be obtained and filed on the audit file. 2 Reconciliation to be done between municipal fine listing and provincial listing. Differences in fines to be followed up and adjustment made where required. 2 Provincial fines: Management rep letter to be signed by Provincial traffic to confirm all supporting documents were agreed to fine listing for 2022/23 and 2021/22. (Completeness and accuracy) <p>Relevant COMAFs of previous years:</p> <ul style="list-style-type: none"> 2 COMAF 37 of 2021
Receivables from non - exchange transactions	
<p>The Municipality did not write off traffic fines that have been outstanding for more than 18 months and where no summons have been issued as instructed by the National Prosecuting Authority (NPA). Additionally, the Municipality did not provide a fair estimate of the provision for the impairment loss of fines in accordance with GRAP 108, Statutory receivables. Consequently, receivables from non-exchange transactions are overstated by R30.4 million and the bad debts written off/impairment loss are understated by R30.4 million. Additionally, there was an impact on the surplus for the period and on the accumulated surplus in the financial statements.</p> <p>The Municipality did not disclose the ageing of debtors from fines as required by GRAP 104, Financial instruments. This has resulted in the amounts disclosed in note 1 to the financial statements for ageing of other receivables from non-exchange being understated by R260.6 million.</p>	<ul style="list-style-type: none"> 1 Identify fines older than 18 months. Prepare a memorandum to council for write-off (2021/22 and 2022/23) 1 Revise impairment calculation of 2021/22 and process a prior period error. 1 The ageing of fines was disclosed in the 2021/22 as part of statutory receivables (note 11 and 52). Reference of AG to GRAP 104 incorrect and therefore matter is resolved. In 2022/23 control check will be built in AFS between note for receivables from non-exchange and statutory receivables as a control. <p>Relevant COMAFs of previous years:</p> <ul style="list-style-type: none"> 2 COMAF 51 of 2022



CHAPTER 6: AUDITOR-GENERAL OPINION

Main issues raised	Corrective steps implemented / to be implemented
Taxes	
<p>The AG was unable to obtain sufficient and appropriate audit evidence that taxes had been properly accounted for due to the poor quality of the accounting records. The AG was unable to confirm the taxes by alternative means. Consequently, The AG was unable to determine whether any adjustment was necessary to the taxes, stated at R10,6 million (2020/21: 9.8 million) in note 21 to the financial statements.</p>	<p>Revise VAT reconciliation for 2020/21, 2021/22 and 2022/23 (accrual basis). File the supporting workings on the audit file.</p> <p>Relevant COMAFs of previous years:</p> <ul style="list-style-type: none"> • COMAF 14 of 2022 • COMAF 16 of 2021 • COMAF 5 of 2020
Property, plant and equipment	
<p>The impairments of property, plant and equipment were not reviewed at each reporting date in accordance with GRAP 17. There was no reversal of impairment that occurred in prior years where there was evidence that the asset recoverable amount has increased. Consequently, property, plant and equipment were understated by R5.4 million (2020/21: R3.9 million). Additionally, there was an impact on the surplus for the period and on the accumulated surplus in the financial statements.</p>	<p>Reverse accumulated impairment of PPE of previous years on community assets and buildings (where increase in FV in 2021, 2022, 2023)</p> <p>Test all assets in 2022/23 for impairment. Document evaluation of indicators on a separate working papers per asset group.</p> <p>Relevant COMAFs of previous years:</p> <ul style="list-style-type: none"> • COMAF 18 of 2022 • COMAF 28 of 2021
Irregular expenditure	
<p>The Municipality did not include all irregular expenditure in the notes to the financial statements, as required by section 125(2)(d) of the MFMA. This was due to payments amounting to R6.7 million (2020/21: R3.9 million) made in contravention of the supply chain management requirements, which were not disclosed as irregular expenditure in note 48.3 to the financial statements.</p>	<p>Investigate suppliers were contract still valid in the current year. Expenditure incurred to be reported with quarterly reporting and disclosed in AFS. Correction to be done on prior year disclosure where applicable.</p> <p>Relevant COMAFs of previous years:</p> <ul style="list-style-type: none"> • COMAF 10 of 2022 (already disclosed in 2022) • COMAF 11 of 2022 (already disclosed in 2022) • COMAF 49 of 2022 (already disclosed in 2022) • COMAF 63 of 2022 (already disclosed in 2022) • COMAF 35 of 2022 (disclosure amount for 35.1) • COMAF 51 of 2021 • COMAF 57 of 2021 • COMAF 9 of 2020 • COMAF 36 of 2020 • COMAF 51 of 2020 • COMAFs 2019
Purchases from members in service of the state	
<p>The Municipality did not include all awards made to members in service of the state in the notes to the financial statements, as required by section 125(2)(f) of the MFMA. This was due to awards amounting to R3.4 million made in members in the service of the state, which were not disclosed as purchases from members in service of the state in note 49.10 to the financial statements.</p>	<p>2022/23:</p> <p>Add suppliers as identified by the AG to quarterly SCM reporting and AFS disclosure</p> <p>2021/22:</p> <p>SCM 22/2021 - Short-term insurance (family member of director advisor at Western Cape Education Department) at to disclosure. This was not part of initially finding of the AG and therefore not corrected in 2021/22, added with the AG's conclusion.</p> <p>Relevant COMAF of previous years</p> <ul style="list-style-type: none"> • COMAF 35 of 2022



CHAPTER 6: AUDITOR-GENERAL OPINION

Main issues raised	Corrective steps implemented / to be implemented
Corresponding figures for 30 June 2021	
Revenue from exchange transactions - Interest earned	
<p>During the 2020/21 financial year, The AG was unable to obtain sufficient and appropriate audit evidence that revenue from exchange transactions - interest earned from service charges had been properly accounted for due to the status of the accounting records. The AG was unable to confirm the revenue from exchange transactions - interest earned from service charges by alternative means. Consequently, The AG was unable to determine whether any adjustment was necessary to the revenue from exchange transactions- interest earned from service charges, stated at R9.6 million in note 31 to the financial statements corresponding figures for 30 June 2022.</p>	<p>Interest not charged on water was corrected and implemented from 1 July 2021. The finding has been addressed for the 2022/23 financial year.</p> <p>Relevant COMAFs of previous years:</p> <ul style="list-style-type: none"> * COMAF 20 of 2021
Trade and other payables from exchange transactions	
<p>During the 2020/21 financial year, the Municipality did not recognise all outstanding amounts meeting the definition of a liability in accordance with GRAP 1, Presentation of financial statements. The Municipality did not have adequate systems to maintain records of trade and other payables from exchange transactions for goods and services received, but not yet paid for. This resulted in trade and other payables from exchange transactions corresponding figures for 30 June 2022 being overstated by R5 million.</p>	<p>Expenditure department to perform monthly creditors reconciliations. Follow up with suppliers where invoices or statements are outstanding or differences identified.</p> <p>Relevant COMAFs of previous years:</p> <ul style="list-style-type: none"> * COMAF 46 of 2021 * COMAF 33 of 2021 * COMAF 9 of 2021
Expenditure	
<p>During the 2020/21 financial year, expenditure was materially misstated by R5.5 million due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:</p> <ul style="list-style-type: none"> • Bulk purchases, contracted services, employee related cost and operational costs was overstated by R4.8 million due to management not having adequate systems to record expenditure transactions. • Contracted services and operational expenditure were in aggregate overstated by R0.7 million due to management not having adequate processes in place to determine the appropriate classification of expenditure transactions. 	<p>Perform a review of transactions recorded to identify misclassifications and process adjustment where required.</p> <p>Expenditure department to perform monthly creditors reconciliations. Follow up with suppliers where invoices or statements are outstanding or differences identified.</p> <p>Relevant COMAFs of previous years</p> <ul style="list-style-type: none"> * COMAF 45 of 2021 * COMAF 46 of 2021 * COMAF 33 of 2021 * COMAF 31 of 2021 * COMAF 53 of 2021
Material uncertainty relating to going concern	
<p>The AG draws attention to the statement of financial performance, which indicates that the Municipality incurred a net loss of R10.3 million (2020/21: net loss of R32.4 million) during the year ended 30 June 2022 and, as of that date, the Municipality's current liabilities exceeded its current assets by R56.5 million (2020/21: R58.6 million). These events or conditions, along with other matters as stated in disclosure note 55 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Municipality's ability to continue as a going concern.</p>	<p>The Municipality is currently part of financial recovery process. Part of the process is to improve cash flow of the Municipality</p>



CHAPTER 6: AUDITOR-GENERAL OPINION

Main issues raised	Corrective steps implemented / to be implemented
Emphasis of matters	
Restatement to corresponding figures	
<p>As disclosed in note 43 to the annual financial statements, the corresponding figures for 30 June 2021 were restated as a result of errors identified in the financial statements of the Municipality at, and for the year ended, 30 June 2022.</p> <p>As disclosed in note 10 to the annual financial statements, the Municipality provided for the impairment of receivables from exchange transactions amounting to R109.8 million (2020/21: R85.9 million).</p> <p>As disclosed in note 1 to the annual financial statements, the Municipality provided for the impairment of receivables from non-exchange transactions amounting to R235.5 million (2020/21: R232.9 million).</p>	<p>Management to minimize prior year corrections with implementation of proper reconciliations and review for the AFS.</p> <p>Strengthen the implementation of credit control and debt collection policy, to improve collection from debtors</p>
Material Losses	
<p>As disclosed in note 49.8 to the financial statements, material electricity losses of 18 731 951 kWh (2020-2021: 8 164 594 kWh) was incurred, which represents 35.42% (2020/21: 14.77%) of total electricity purchased. Electricity losses are due to electricity theft on pre-paid meters.</p>	<p>Repair and replace electricity meters and maintain the electricity network.</p> <p>Repair and replace water meters and maintain the water network. (e.g., repair of leakages): In 2021/22 financial year Municipality started with the process to prepaid meters where there are no meters to improve revenue collection</p>
Material understatement of capital budget	
<p>As disclosed in the statement of comparison of budget and actual- cash flow statement, the Municipality materially underspent the capital budget by 36% due to unspent conditional grants.</p>	<p>Controls implemented in the 2022/23 financial year to ensure funds are spent as intended</p>

Table 217.

Auditor-General report 2021/22



CHAPTER 6: AUDITOR-GENERAL OPINION

Component B: Auditor-General Opinion 2022/23

6.2 Auditor-General report 2022/23

6.2.1 Audit report status: Qualified

6.2.2 Auditor-General Report on the Financial Statements 2022/23

Main issues raised	Corrective steps implemented / to be implemented
Revenue from exchange transactions – Basic Charges: Electricity	
<p>The Municipality did not adequately account for basic charges on electricity for retail and industrial properties. As a result, some retail and industrial properties were either not adequately charged in line with the Municipality's tariff schedule or not charged at all. Consequently, the AG was unable to determine the impact on revenue from exchange transactions and receivables from exchange transactions as well as the comparative figures, as it was impracticable to do so</p>	<ul style="list-style-type: none"> • Resolving the error is a work in progress. • All three phase meters, industrial and business meters will be subject to a meter-verification that will cover the entire population which will be the only way to be sure that the problem has been eradicated • Tariff corrections can only be done in combination with the meter verification and structuring, descriptions etc. within the MTREF budget • The Municipality's credit control by-laws enable correcting errors in the current year and two preceding years. Anything extending beyond that will be subject to prescription. • The Municipality can correct for the current year and two preceding years • Target Date 31 March 2024
Material uncertainty relating to going concern	
<p>The AG draws attention to Note 54 to the financial statements, which indicates that the Municipality's current liabilities exceeded its current assets by R65.4 million (221/22 R53.2 million). As stated in the note, indicate that a material uncertainty exists that may cast significant doubt on the Municipality's ability to continue as a going concern</p>	<ul style="list-style-type: none"> • Development of funded budget for the oncoming years • Revenue enhancement and protection strategies in place • Development of long-term financial plan for the municipality to be completed • Outstanding AOD's for all creditors developed and put in place • The reduction of Municipality's creditors will improve the current ratio • Implementation of infrastructure projects will also improve asset value
Emphasis of matters	
Restatement to corresponding figures	
<p>As disclosed in note 43 to the annual financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors identified in the financial statements of the Municipality at, and for the year ended, 30 June 2023</p>	<ul style="list-style-type: none"> • Interim Financial Statements will be prepared as at 31 March 2023 • Development of an audit action plan where all issues raised will be tracked and progress against implementation of the recommendation will be tracked monthly



CHAPTER 6: AUDITOR-GENERAL OPINION

Main issues raised	Corrective steps implemented / to be implemented
Material impairment	
<p>As disclosed in note 10 to the financial statements, the Municipality provided for the impairment of receivables from exchange transactions amounting to R124.6 million (2021/22 R109.9 million).</p> <p>As disclosed in note 11 to the financial statements, the Municipality provided for the impairment of receivables from non-exchange transactions amounting to R291 million (2021/22 R255.6 million)</p>	<ul style="list-style-type: none"> • Development of funded budget for the oncoming years • The Budget adjustment for the financial year 2023/24 provision for debt impairment will be budgeted for
Material Losses	
<p>As disclosed in note 48.8 to the financial statements, material electricity losses of 6 637 653 kWh (2021/22: 18 731 951 kWh) was incurred, which represents 14.18% (2021/22: 35.42%) of total electricity purchased. Electricity losses are due to electricity theft on pre-paid meters</p> <p>As disclosed in note 48.8 to the financial statements, material water distribution losses of 2 044 082 kl (2021/22: 504 110 kl) was incurred, which represents 63.66% (2021/22: 15.86%) of total water purchased. Water losses are due to pipe bursts and field leakages</p>	<ul style="list-style-type: none"> • Meter audits will be done as from 7 January 2024 • The TID roll over process of prepaid meters will also help in the identification of tampered meters. Progress on the TID rollover process is above 50% • It is envisaged that the project will be completed on 31 March 2024

Table 218.

Auditor-General report 2022/23



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ABBREVIATIONS

List of Abbreviations

AG	Auditor-General	IMFO	Institute for Municipal Finance Officers
BWETT	Beaufort West Empowerment Through Tourism	IRDP	Integrated Residential Development Programme
CAPEX	Capital Expenditure	KPA	Key Performance Area
CBP	Community Based Planning	KPI	Key Performance Indicator
CCMA	Commission for Conciliation, Mediation and Arbitration	LED	Local Economic Development
CFO	Chief Financial Officer	LJOC	Local Joint Organising Committee
CWP	Community Work Programme	LLF	Local Labour Forum
DMA	Disaster Management Act	LRO	Labour Relations Officer
DMR	Disaster Management Regulations	MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
DoL	Department of Labour	MIG	Municipal Infrastructure Grant
DPLG	Department of Provincial and Local Government	MISA	Municipal Infrastructure Support Agent
DR	Disaster Recovery	MM	Municipal Manager
DWAF	Department of Water Affairs and Forestry	MSA	Municipal Systems Act No. 32 of 2000
EE	Employment Equity	MTECH	Medium Term Expenditure Committee
EPWP	Expanded Public Works Programme	MVA	Mega-Volt Ampere
FRP	Financial Recovery Plan	NGO	Non-governmental organisation
GRAP	Generally Recognised Accounting Practice	NT	National Treasury
HR	Human Resources	OHS	Occupational Health and Safety
ICT	Information and Communication Technology	OPEX	Operating expenditure
IDP	Integrated Development Plan	PMS	Performance Management System
IFRS	International Financial Reporting Standards	PPE	Personal Protective Equipment
		PT	Provincial Treasury
		SALGA	South African Local Government Organisation
		SAMDI	South African Management Development Institute



ABBREVIATIONS

SCM	Supply Chain Management
SDA	Skills Development Act
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SPLUMA	Spatial Planning and Land Management Act
WRP	Water Reclamation Plant
WWTW	Waste Water Treatment Works
YCOP	Youth Community Outreach Program

**ANNEXURE A:
AUDITED
FINANCIAL
STATEMENTS**

Beaufort West

MUNICIPALITY



ANNUAL FINANCIAL STATEMENTS

30 JUNE 2023

BEAUFORT WEST LOCAL MUNICIPALITY

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BEAUFORT WES LOCAL MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2023, which are set out on pages 1 to 106 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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

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

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

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

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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

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


D. Welgemoed
Municipal Manager

30 November 2023

BEAUFORT WES LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

GENERAL INFORMATION

NATURE OF BUSINESS

Beaufort West Municipality is a local municipality performing the functions as set out in the Constitution (Act no 108 of 1996).

COUNTRY OF ORIGIN AND LEGAL FORM

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

JURISDICTION

The Beaufort West Municipality includes the following areas:

Beaufort West
Nelspoort
Merweville
Murraysburg

EXECUTIVE MAYOR

A.Sauls

DEPUTY EXECUTIVE MAYOR

L.V.Piti

SPEAKER

N.Constable

EXECUTIVE COUNCILLOR

CL.de Bruin
N.Abrahams

MUNICIPAL MANAGER

D.Welgemoed

CHIEF FINANCIAL OFFICER

Mr.M Nhlengethwa
(acting)

REGISTERED OFFICE

112 Donkin Street
BEAUFORT WEST
6970

ATTORNEYS

Crawford Attorneys, Beaufort West
Van Niekerk Attorneys, Beaufort West

AUDITORS

Office of the Auditor General (WC)

PRIMARY BANKERS

Nedbank, Beaufort West

RELEVANT LEGISLATION

SALGABC Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Systems Amendment Act (Act no 7 of 2011)
Municipal Regulations on Standard Chart of Accounts
Municipal Finance Management Act (Act no 56 of 2003)
Basic Conditions of Employment Act (Act no 75 of 1997)
Municipal Planning and Performance Management Regulations
Remuneration of Public Office Bearers Act (Act no 20 of 1998)
All Local Government Regulations issued by relevant Minister

Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
SALGABC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE BEAUFORT WES LOCAL MUNICIPALITY

WARD	COUNCILLOR	WARD	COUNCILLOR
1	R.Skuza	Proportional	N.Constable
2	JDK.Reynolds	Proportional	S.Essop
3	EF.Botha	Proportional	SM.Meyers
4	CL.de Bruin	Proportional	AM.Slabbert
5	VL.Piti	Proportional	JJ.van der Linde
6	N.Abrahams	Proportional	A.Sauls
7	LB.J.Mdudumani	Proportional	T.Prince

BEAUFORT WES LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2023

	Notes	2023 R	2022 Restated R
ASSETS			
Non-Current Assets		465,707,296	434,400,512
Property, Plant and Equipment	2	452,511,978	423,419,079
Investment Property	3	6,177,304	6,391,284
Intangible Assets	4	1,152,944	138,296
Heritage Assets	5	3,340,000	3,340,000
Non-Current Receivables from Exchange Transactions	6	2,029,753	850,237
Non-Current Receivables from Non-Exchange Transactions	7	495,318	261,616
Current Assets		105,479,272	103,763,475
Inventory	9	4,490,929	3,419,661
Receivables from Exchange Transactions	10	17,762,144	20,806,240
Receivables from Non-exchange Transactions	11	57,033,231	48,393,085
Operating Lease Asset	8	66,417	56,736
VAT receivable	21	10,112,464	12,297,089
Current Portion of Non-Current Receivables	6&7	1,154,295	2,404,783
Cash and Cash Equivalents	12.1	14,859,793	16,385,881
Total Assets		571,186,568	538,163,986
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		50,605,434	50,536,550
Long-term Borrowings	13	3,788,777	4,522,919
Non-current Provisions	14	16,512,347	14,659,321
Non-current Employee Benefits	15	30,304,310	31,354,310
Current Liabilities		170,866,274	156,922,918
Consumer Deposits	16	2,490,411	3,841,525
Current Employee Benefits	18	14,437,907	14,571,137
Trade and Other Payables from Exchange Transactions	19	148,230,617	126,919,725
Unspent Transfers and Subsidies	20	4,973,197	10,831,365
Current Portion of Long-term Borrowings	13	734,141	759,166
Total Liabilities		221,471,708	207,459,468
Net Assets		349,714,860	330,704,518
Housing Development Fund	22	3,789,518	3,789,518
Self Insurance Reserve	22	314,827	314,827
Accumulated Surplus		345,610,516	326,600,173
Total Net Assets and Liabilities		571,186,568	538,163,986

BEAUFORT WES LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 R	2022 Restated R
REVENUE			
Revenue from Non-exchange Transactions		240,527,751	169,742,114
Taxation Revenue		45,596,846	40,235,240
Property Rates	23	45,596,846	40,235,240
Transfer Revenue		147,494,178	97,248,902
Government Grants and Subsidies - Capital	24	52,732,178	14,852,792
Government Grants and Subsidies - Operating	24	91,796,737	81,602,115
Contributed Property, Plant and Equipment	25	2,965,264	793,995
Other Revenue		47,436,727	32,257,972
Fines, Penalties and Forfeits		44,668,173	30,509,289
Interest Earned - Non-exchange Transactions		2,587,362	1,628,231
Licences and Permits	26	181,192	120,452
Revenue from Exchange Transactions		143,363,298	143,075,672
Service Charges	27	127,430,969	130,708,883
Sales of Goods and Rendering of Services	28	809,533	660,477
Rental from Fixed Assets	29	1,382,476	1,352,766
Interest Earned - External Investments	30	2,121,363	540,859
Interest Earned - Exchange Transactions	31	7,852,336	6,243,807
Licences and Permits	26	-	209,854
Agency Services		1,179,795	462,007
Operational Revenue	32	2,586,825	2,897,019
Total Revenue		383,891,049	312,817,786
EXPENDITURE			
Employee related costs	33	122,440,789	124,977,211
Remuneration of Councillors	34	6,265,821	6,172,695
Bad Debts Written Off		17,866,012	164,298
Contracted Services	35	21,031,610	13,547,225
Depreciation and Amortisation	36	25,017,601	24,100,218
Finance Costs	37	11,467,866	11,700,687
Bulk Purchases	38	87,019,972	86,429,430
Inventory Consumed	9	4,725,794	4,354,489
Transfers and Subsidies	39	587,700	500,000
Operational Costs	40	33,926,458	23,683,109
Total Expenditure		330,349,622	295,629,360
Operating Surplus/(Deficit) for the Year		53,541,427	17,188,426
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	9.2	171,435	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	41	(42,844,356)	(45,431,727)
Gains/(Loss) on Sale of Fixed Assets	42	-	(1,543,655)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	2	4,170,358	(336,906)
Actuarial gain/(loss)	15	3,966,436	(1,503,600)
NET SURPLUS/(DEFICIT) FOR THE YEAR		19,005,299	(31,627,462)



BEAUFORT WES LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Housing Development Fund R	Self Insurance Reserve R	Accumulated Surplus/ (Deficit) R	Total R
Balance at 1 July 2021	3,789,518	314,827	335,179,221	339,283,566
Correction of Error - note 43			23,048,414	23,048,414
Restated balance 1 July 2021	3,789,518	314,827	358,227,635	362,331,980
Net Surplus/(Deficit) previously reported	-	-	(10,260,336)	(10,260,336)
Correction of Error - note 43			(21,367,126)	(21,367,126)
Net Surplus/(Deficit) restated			(31,627,462)	(31,627,462)
Restated balance 30 June 2022	3,789,518	314,827	326,600,173	330,704,518
Net Surplus/(Deficit) for the year	-	-	19,005,299	19,005,299
Balance at 30 June 2023	3,789,518	314,827	345,605,473	349,709,818
	Note 22	Note 22	Note 43	



BEAUFORT WES LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 R	2022 Restated R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Cash receipts from customers		159,900,344	179,759,726
Government grants		140,837,575	104,268,929
Interest		12,561,061	8,412,897
Cash payments			
Suppliers and Employees		(260,103,713)	(240,074,206)
Finance Charges		(6,089,511)	(7,400,702)
Transfers and Subsidies		(587,700)	(500,000)
Grants repaid		(2,166,828)	(2,772,470)
Net Cash from Operating Activities	44	44,351,228	41,694,173
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(44,044,439)	(15,527,233)
Proceeds on Disposal of Fixed Assets		-	-
Purchase of Investment Properties		0.00	0.21
Purchase of Intangible Assets		(1,073,711)	(0)
Purchase of Heritage Assets		-	-
Decrease/(Increase) in Non-Current Debtors		-	-
Decrease/(Increase) in Other Non-Current Receivables		-	-
Decrease/(Increase) in Non-Current Investments		-	-
Net Cash from Investing Activities		(45,118,150)	(15,527,233)
CASH FLOW FROM FINANCING ACTIVITIES			
Short term Loans (new loans raised)		-	-
Repayment of borrowings		(759,166)	(1,502,533)
Borrowing - Long term/Refinancing		-	-
Net Cash from Financing Activities		(759,166)	(1,502,533)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(1,526,088)	24,664,406
Cash and Cash Equivalents at the beginning of the year		16,385,881	(8,278,526)
Cash and Cash Equivalents at the end of the year	45	14,859,793	16,385,881
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(1,526,088)	24,664,407

DEAF ORT WES LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 APRIL 2023

National Treasury Classification Format	GAP Annual Financial Statement Classification Format	Budget		Variance of Funds (i.e. 2% of approved by the Council)	Final Budget	Actual Outcome	Variance as % of final budget	Explanations for material variances of 5% or more
		Original Budget	Final Adjusted Budget					
ASSETS								
Current Assets								
Cash	Cash and Cash Equivalents	2 000 431	17 430 001	15 429 570	17 136 194	2 647 924	15.3%	Due to financial constraints expenditure was capped in the medium term, resulting in less cash available than expected during the budget period.
	Less: Cash Investment Deposits					12 318 108		
Cash Investment Deposits		630 000	12 274 756	12 604 756	12 800 758	12 518 108	-0.9%	Hope amounts for budget estimates were written off during the year. This was not included in the budget.
Consumer Debtors	Receivables from Exchange Transactions	17 538 817	17 537 000	16 203 808	14 833 259	14 868 875	-12.4%	
	Add: Receivables from Non-Exchange Transactions					17 782 364		
Other Debtors	Receivables from Non-Exchange Transactions	11 578 712	11 518 000	11 888 870	11 888 000	11 888 000	-0.0%	No provision for debt impairment on trade receivables during the previous financial year. Further arrears amounts in budget estimates were written off during the year. None of these items was included in the budget.
	Less: Provision for Non-Exchange Transactions					614 967		
	Add: Operating lease asset					66 647		
	Add: Trade receivables and sundries					10 312 464		
	Add: Finance lease asset					-		
Current portion of long-term liabilities		1 839 900	574 812	2 414 712	2 454 783	1 564 286	-42.80%	Hope amounts of budget estimates were written off during the year. This was not included in the budget period.
Inventory		3 388 941	54 100	3 423 769	3 423 768	4 488 838	31.17%	Due to financial constraints expenditure was limited, resulting in less inventory based on expenditure.
Total Current Assets		51 673 843	47 648 513	53 534 754	53 534 754	55 678 272	-8.77%	
Non-Current Assets								
Long-term Receivables	Non-Current Receivables from Exchange Transactions	4 400 034	3 340 000	1 710 000	1 811 000	2 430 000	34.78%	Due to the current economic climate more consumers entered into payment arrangements on their accounts receivable.
	Non-Current Receivables from Non-Exchange Transactions					2 028 753		
Investments			650 381		650 381			The amount previously recognized as investments was included in the APS as Cash and Cash Equivalents.
Investment Property		3 211 843	(25 890)	6 177 200	6 177 200	6 177 200	9.90%	
Property, Plant and Equipment		583 554 592	(114 229 836)	449 324 756	444 224 928	452 811 878	0.73%	The municipality received donated assets in the value of R2 852 256 that were not budgeted for. The building occupied by the Finance Department (Order No. 885 000) was previously recognized as a Heritage Asset, but due to its usage it was transferred to PPE. The transfer was not included during the budget period.
Intangible	Intangible Assets	199 180	(170 872)	28 817	28 817	1 523 844	282.88%	Programming brought by the municipality of value items was recognized in the budget as PPE, but it is recognized as intangible assets in the actual results.
Other Non-Current Assets	Heritage assets	1 235 000	-	6 235 000	6 235 000	3 240 000	-48.09%	The building occupied by the Finance Department (Order No. 885 000) was previously recognized as a Heritage Asset, but due to its usage it was transferred to PPE. The transfer was not included during the budget period.
Total Non-Current Assets		577 634 758	(115 834 386)	482 231 772	482 111 718	485 797 239	0.73%	
TOTAL ASSETS		899 308 601	(74 186 871)	817 862 926	817 646 472	842 475 511	-3.9%	
LIABILITIES								
Current Liabilities								
Bank Overdraft	Cash and Cash Equivalents (Current Liability)	40 654 786	(10 456 786)	-	-	734 141	2.80%	
Bank overdraft	Current portion of long-term liabilities	8 916 018	312 132	734 141	734 141	734 141	2.92%	
Consumer Debts		3 648 738	(7 895)	3 641 734	3 641 734	2 486 411	-35.19%	Due to reclassification of all deposits received prescribed period as per account and budgeted for.
Trade and Other Payables	Trade and Other Payables from Exchange Transactions	23 709 341	183 285 531	183 275 831	188 279 242	181 203 914	-14.17%	Due to financial constraints expenditure was limited, resulting in less current liabilities.
	Unsettled Teachers and Salaries					68 235 817		
	Transfer and sundries payable					8 875 182		
	Taxes					14 701 336		
	Provisions					18 877 397		
	Provisions (current liability)					36 817 397		
	Current Employee Benefits					6 817 397		
Total Current Liabilities		142 793 935	81 983 588	201 687 333	201 687 333	179 899 274	-11.41%	
Non-Current Liabilities								
Borrowings		1 818 138	1 871 500	3 789 645	3 789 645	3 788 777	-0.02%	Estimate of provision higher than indicated due to provision of interest rates.
Provisions	Non-current Provisions	43 868 874	1 618 871	11 430 143	10 406 143	10 810 587	0.2%	Provision of interest rates.
	Non-current Employee Benefits					16 610 544		
Total Non-Current Liabilities		45 787 012	3 490 371	49 250 788	49 250 788	49 250 788	0.0%	
TOTAL LIABILITIES		188 580 947	85 473 959	250 938 121	250 938 121	229 149 062	-12.68%	
NET ASSETS								
Accumulated Surplus/(Deficit)		496 482 544	(142 295 453)	540 112 845	540 112 845	542 810 511	1.00%	Net effect of reserves above.
Reserves	Reserves	496 482 544	(142 295 453)	540 112 845	540 112 845	542 810 511	1.00%	
	Housing Development Fund					3 788 777		
	Self-Finance Reserve					16 610 544		
TOTAL NET ASSETS		444 566 511	(68 792 455)	344 291 233	344 291 233	349 714 511	1.59%	

BEAUFORT HER LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

National Treasury Classification Form	GRAP Annual Financial Statement Classification Form	Original Budget	Budget Adjustments (A.S. 23 and 43) of the	Final Adjusted Budget	Setting of Funds (A.S. 23 of the MFMA)	Virement (L.O. Council approved by law)	Final Budget	Actual Outcome	Variance as a % of Final Budget	Explanations for material variances of 5% or 10%
REVENUE										
Property Rates	Property Rates	47,608,163	-	47,608,163	-	-	47,608,163	45,566,846	-4.83%	An amount not levied during the previous year was incorrectly included in the budget of the current year but was recognised in the prior year at the actual results.
Service Charges - Electricity Revenue	Service Charges	103,534,556	(1,462,864)	102,071,692	-	-	102,071,692	79,474,982	-22.13%	Understanding rates the main contributor for the reduction of electricity rates.
Service Charges - Water Revenue	Service Charges	23,328,088	(8,286,414)	15,041,674	-	-	15,041,674	16,979,604	+12.89%	Unplanned consumption (leakages) with water
Service Charges - Sanitation Revenue	Service Charges	22,881,543	1,737,900	24,619,443	-	-	24,619,443	22,472,249	-8.90%	Unplanned maintenance
Service Charges - Refuse Revenue	Service Charges	11,141,742	1,194,548	12,336,290	-	-	12,336,290	10,487,836	-14.81%	Overbudget of refuse revenue
Rental of Facilities and Equipment	Rental from Fixed Assets	1,871,923	-	1,871,923	-	-	1,871,923	1,562,476	-17.03%	Due to financial constraints the municipality capped expenditure to the minimum. This resulted in more cash available to be invested.
Interest Earned - External Investments	Interest Earned - External Investments	382,000	1,246,000	1,628,000	-	-	1,628,000	2,121,363	+30.14%	More amounts in budgeted debtors were written off during the year, resulting in less interest being realised on investment amounts.
Interest Earned - Outstanding Debtors	Interest Earned - Outstanding Debtors	7,819,877	1,878,981	9,698,858	-	-	9,698,858	10,438,888	+7.63%	
Interest Earned - Exchange Transactions	Interest Earned - Exchange Transactions	-	-	-	-	-	-	7,352,339	1,807,388	
Fines, penalties and forfeits	Fines, Penalties and Forfeits	48,522,651	-	48,522,651	-	-	48,522,651	44,664,173	-8.02%	The municipality did not expect a revenue provider for tickets from the start of the financial year.
Licences and Permits	Licences and Permits - non-warehouse	225,506	248,188	473,694	-	-	473,694	161,181	-29.37%	
Licences and Permits - Warehouse	Licences and Permits - Warehouse	901,000	300,000	1,201,000	-	-	1,201,000	1,179,769	-1.83%	
Transfers and subsidies	Government Grants and Subsidies - Operating	88,111,466	5,927,453	94,038,919	-	-	94,038,919	81,798,727	-12.81%	Due to the capping of expenditure total grants were not spent, resulting in less revenue recognised.
Other Revenue	Operational Revenue	1,881,148	48,188	1,929,336	-	-	1,929,336	2,509,625	+29.56%	Due to reclassification of old deposits (passed presented grants) as own income not budgeted for
Other Revenue	Sale of Goods and Rendering of Services	-	-	-	-	-	-	899,839		
Grants	Grants/Less on Sale of Fixed Assets	-	-	-	-	-	-	224,435		This is due to an increase in the non-realizable value of property values that was not anticipated during the year.
Transfers	Investment (Write-down)/Reversal of Write-down to Net Realizable Value	-	-	-	-	-	-	174,436		(10.00% of the budget)
Total Revenue (including capital transfers and contributions)		358,904,824	3,354,351	372,259,175	-	-	372,259,175	322,346,042	-13.70%	
EXPENDITURE										
Employee Related Costs	Employee related costs	129,374,436	(552,128)	128,822,307	-	-	128,822,307	122,440,788	-4.93%	Due to financial constraints expenditure were capped to the minimum resulting in vacant positions not being filled.
Remuneration of Councilors	Remuneration of Councilors	6,537,816	(201,443)	6,336,373	-	-	6,336,373	6,295,821	-0.62%	
Debt Impairment	Reversal of Impairment Loss (Impairment Loss) on Receivables	66,981,000	37,802,401	104,783,401	-	-	104,783,401	80,718,306	-23.44%	High amounts in budgeted debtors were written off, resulting in a reversal of expenditure by higher services.
Depreciation and Asset Impairment	Bad Debt Write Off	14,985,578	-	14,985,578	-	-	14,985,578	17,888,212	+19.34%	Overbudgeting of expenditure
Depreciation and Amortisation	Reversal of Impairment Loss (Impairment Loss) on Fixed Assets	-	-	-	-	-	-	14,178,966		
Finance Charges	Finance Costs	802,541	8,175,016	8,977,557	-	-	8,977,557	11,467,886	+27.28%	The increase in finance charges are due to adjusted valuations and calculations on the rehabilitation of landfill sites that were not anticipated during the compilation of the budget.
Bulk Purchases - electricity	Bulk Purchases (Electricity only)	82,872,645	(814,020)	82,058,625	-	-	82,058,625	75,801,710	-7.56%	Due to loadshedding and the impact it had on electricity rates, less electricity had to be purchased.
Inventory consumed	Inventory Consumed	11,388,874	1,008,409	12,397,283	-	-	12,397,283	15,866,236	+27.34%	Due to financial constraints expenditure were capped to the minimum resulting in less inventory being purchased as reported.
Contracted Services	Contracted Services	19,810,722	(3,114,224)	16,696,498	-	-	16,696,498	21,031,810	+25.95%	Significant expenditure for security services not budgeted for.
Transfers and subsidies	Transfer and Subsidies	900,000	350,000	1,250,000	-	-	1,250,000	587,700	-52.97%	Due to financial constraints expenditure were capped to the minimum resulting in less grants paid by the municipality.
Other Expenditure	Operational Costs	35,043,300	8,958,118	43,999,418	-	-	43,999,418	33,928,454	-22.91%	The main contributing item is interest charges for municipal amounts to an amount of R14,712,925 in terms of the Budget-Schedule presented in terms of the MFMA. This item is excluded from the Budget-Schedule.
Losses	Grants/Less on Sale of Fixed Assets	-	-	-	-	-	-	11,888,436		This is actual loss on calculated in the schedule calculations on employee benefits that was not anticipated during the budget compilation.
Transfers	Investment (Write-down)/Reversal of Write-down to Net Realizable Value	-	-	-	-	-	-	11,888,436		
Total Expenditure		382,621,154	48,608,643	431,229,797	-	-	431,229,797	380,957,183	-11.63%	
Surplus/(Deficit)		5,972,870	(14,254,422)	(8,281,552)	-	-	(8,281,552)	(58,611,141)	-706.20%	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	Government Grants and Subsidies - Capital	84,024,360	1,254,887	85,279,247	-	-	85,279,247	52,722,179	-38.81%	Due to the capping of expenditure total grants were not spent, resulting in less revenue recognised.
Transfers and subsidies - capital (non-monetary)	Contributed Property, Plant and Equipment	-	-	-	-	-	-	3,886,264		The municipality received donated assets that were not anticipated during the compilation of the budget.
Surplus/(Deficit) after Capital Transfers & Contributions		58,297,230	(14,029,535)	44,267,695	-	-	44,267,695	(18,006,299)	-40.68%	
Surplus/(Deficit) for the year		58,297,230	(14,029,535)	44,267,695	-	-	44,267,695	(18,006,299)	-40.68%	



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BEAUFORT WES LOCAL MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

National Treasury Classification Format	GRAP Annual Financial Statement Classification Format	Original Budget R	Budget Adjustments (I.L.O. s28 and s31 of the MFMA) R	Final Adjustment Budget R	Shifting of Funds (I.L.O. s31 of the MFMA) R	Virement (I.L.O. Council approved by-law) R	Final Budget R	Actual Outcome R	Variance as a % of final budget	Explanations for material variances of R1m or 10%
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	Cash receipts from customers	40,279,150	537,148	40,816,338	-	-	40,816,338	38,865,918	-5.01%	Due to the current economic climate more consumers entered into payment arrangements on their outstanding accounts, resulting in the collection rate on property rates being lower than anticipated.
Service Charges	Cash receipts from customers	149,742,389	(10,364,739)	139,377,650	-	-	139,377,650	115,720,405	-16.87%	Due to the current economic climate more consumers entered into payment arrangements on their outstanding accounts, resulting in the collection rate on property rates being lower than anticipated.
Other Revenue	Cash receipts from customers	27,328,035	(16,714,104)	10,613,931	-	-	10,613,931	5,314,022	-49.85%	A service provider for the administration of traffic fines was appointed at year-end only, resulting in the collection rate on traffic fines being much lower than anticipated.
Transfers and Subsidies - Operational	Government	88,311,650	2,877,300	92,188,950	-	-	92,188,950	89,594,728	-1.30%	Less grants received than anticipated during the budget completion.
Transfers and Subsidies - Capital	Government	54,024,350	(4,379,426)	49,644,924	-	-	49,644,924	49,847,847	0.40%	Due to financial constraints the municipality capped expenditure to the minimum. This resulted in more cash available to be invested.
Interest Payments	Interest	6,681,760	(5,251,760)	1,630,000	-	-	1,630,000	12,561,061	670.62%	
Suppliers and Employees	Suppliers and Employees	(289,133,786)	7,860,266	(291,273,520)	-	-	(291,273,520)	(260,103,713)	-10.70%	Due to financial constraints expenditure was capped to the minimum, resulting in less cash outflow than anticipated.
Finance charges	Finance Charges	(900,541)	(6,175,016)	(7,075,557)	-	-	(7,075,557)	(6,080,511)	-13.94%	Interest paid on overdue accounts was R885 816 less than budgeted for.
Transfers and Grants	Transfers and Subsidies	(550,000)	(500,000)	(900,000)	-	-	(900,000)	(587,700)	-34.70%	Due to financial constraints expenditure was capped to the minimum resulting in less grants paid by the municipality.
	Grants repaid				-	-		(2,156,628)	100.00%	No provision was made in the budget for the repayment of grants.
Net Cash from/(used) Operating Activities		67,083,047	(31,960,331)	35,122,716	-	-	35,122,716	44,251,228	26.28%	
CASH FLOW FROM INVESTING ACTIVITIES										
Receipts										
Decrease (increase) in non-current receivables	Decrease/(increase) in Other Non-Current Receivables	2	(2)	-	-	-	-	-	0.00%	
Decrease/(increase) in Non-Current Investments	Decrease/(increase) in Non-Current Investments	(11)	11	-	-	-	-	-	0.00%	
Payments		(58,452,193)	7,740,855	(50,711,338)	-	-	(50,711,338)	(45,118,150)	-11.03%	Due to financial constraints expenditure was capped to the minimum.
Capital Assets	Purchase of Property, Plant and Equipment	(58,452,193)	7,740,855	(50,711,338)	-	-	(50,711,338)	(44,044,438)		
	Purchase of Investment Property				-	-		0		
	Purchase of Intangible Assets				-	-		(1,073,711)		
Net Cash from/(used) Investing Activities		(68,452,202)	7,740,884	(50,711,338)	-	-	(101,422,676)	(45,118,150)	-55.51%	
CASH FLOW FROM FINANCING ACTIVITIES										
Receipts										
Increase/(Decrease) in Consumer Deposits	Cash receipts from customers	217,909	(217,909)	-	-	-	-	-	0.00%	
Payments										
Repayment of Borrowing	Repayment of borrowings	(758,299)	-	(758,299)	-	-	(758,299)	(759,166)	0.11%	
Net Cash from/(used) Financing Activities		(540,390)	(217,909)	(758,299)	-	-	(758,299)	(759,166)	0.11%	
NET INCREASE/(DECREASE) IN CASH HELD		8,990,455	(24,437,376)	(16,346,921)	-	-	(87,058,259)	(1,536,983)	-97.72%	Net of reasons listed above
Cash and Cash Equivalents at the year begin:		5,000,000	11,385,882	16,385,882	-	-	16,385,882	16,385,881	0.00%	
Cash and Cash Equivalents at the year end:		(3,990,455)	(13,051,494)	38,981	-	-	(80,672,377)	14,855,793	-129.33%	



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BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

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

The annual financial statements have been prepared in accordance with the Finance Management Act (MFMA) and effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the annual financial statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Property, Plant and Equipment, Investment Property and Intangible Assets where the acquisition cost of an asset could not be determined.

In terms of Directive 11: "Changes in Measurement Bases following the Initial Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality elected to change the measurement bases selected for Property, Plant and Equipment, Investment Property, Intangible Assets and Heritage Assets on the initial adoption of Standards of GRAP.

1.2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand. No foreign exchange transactions are included in the statements.



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1.3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4. COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5. CONSISTENT AND NEW ACCOUNTING POLICIES

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. For the financial year, no new standards became effective.

1.6. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

1.7. PRESENTATION OF BUDGET INFORMATION

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

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

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

Explanations is provided in the budget comparison regarding classification differences between the approved budget and the actual figure.



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Explanations for material differences between the final approved budget amounts and actual amounts are included in the Statement of Comparison between budget and actual amounts.

Explanatory comments are provided for overall growth or decline in the budget and motivations for over or under spending on line items. The municipality considers a variance between the actual and budget of more than 10% of the budgeted value as material or where the amount exceeds R1000 0000.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24.

1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

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

REFERENCE	TOPIC	EFFECTIVE DATE
GRAP 25	<p><u>Employee benefits</u> The objective of this Standard is to prescribe the accounting and disclosure for employee benefits.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	1 April 2023
GRAP 103	<p><u>Heritage assets</u> There are proposed amendments to the classification of mixed-use assets and the fair value accounting.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
GRAP 104	<p><u>Financial Instruments</u> The objective of this Standard is to establish principles for recognising, measuring, presenting, and disclosing financial instruments.</p> <p>The Municipality might need to revise the categories of financial instruments and the impairment model. The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.</p>	1 April 2025
GRAP 1: Materiality	<p><u>Presentation of Financial statements: Materiality</u> The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. The update is to implement minor changes, to implement changes resulting from the Guideline on the application of Materiality.</p>	1 April 2023



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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

REFERENCE	TOPIC	EFFECTIVE DATE
	<p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p> <p>The transitional provisions require adoption of the revised Standard taken as a whole. Partial or incremental adoption is not permitted.</p>	
GRAP 1: Going concern	<p><u>Presentation of Financial statements: Going concern</u></p> <p>The objective of this Standard is to prescribe the basis for presentation of general purpose financial statements, to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities.</p> <p>The update is to implement minor changes, to implement changes resulting from the Guideline on the application of Materiality.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	Unknown
Improvement to the Standards of GRAP	<p><u>Improvement to the Standards of GRAP</u></p> <p>The improvements are to address concerns by prepares and updated wording of selected standards. The changes will improve the application of accounting policies and therefore not major changes expected.</p>	1 April 2023
iGRAP 7	<p><u>The limit on a defined benefit asset, minimum funding requirement and their interaction</u></p> <p>This Interpretation applies to all post-employment defined benefits and other long-term employee defined benefits.</p> <p>No significant impact is expected as the Municipality does not hold any plan assets.</p>	1 April 2023
iGRAP 21	<p><u>The Effect of Past Decisions on Materiality</u></p> <p>This interpretation explains the implications of adopting accounting policies for material items based on GRAP standards as well as alternative accounting treatments for immaterial items. Therefore it is a guide on materiality.</p> <p>No significant impact expected as the Municipality's current treatment is already in line with the Interpretation.</p>	1 April 2023
Guideline	<p><u>Accounting for Landfill sites</u></p> <p>The municipality may have to revise their currently policy on the treatment of such transactions.</p>	1 April 2023
Guideline	<p><u>Application of Materiality of Financial Statements</u></p> <p>The guideline is not authoritative but only encourage.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	No effective date as only encouraged



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1.9. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund.

Housing selling schemes both complete and in progress as at 1 April 1998 were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Interest earned on the investments backing up this fund must be recorded as part of interest earned in surplus or deficit for the year in the Statement of Financial Performance.

Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.10. RESERVES

1.10.1. Self-insurance reserve

A self-insurance reserve was established and, subject to external insurance where deemed necessary, covers claims that might occur. Premiums are charged to the respective services, taking into account the claims history and replacement value of the insured assets.

Contributions to and from the reserve are transferred via the Statement of Changes in Net Assets to the reserve in line with the amount provided for in the operating budget.

1.11. LEASES

1.11.1. Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments (including any indirect costs). The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, and equipment. If there is no reasonable certainty that the lessee will obtain



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ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables. Contingent rents shall be charged as expenses in the periods in which they are incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.11.2. Municipality as Lessor

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

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leases asset is diminished.

1.12. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from government organs. Unspent conditional grants are not considered to be financial instruments as there are no contractual arrangements as required per GRAP 104. The revenue received is driven from



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

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the liability. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.13. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

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

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

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

1.14. PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the reporting date or to transfer it to a third party at that time and are determined by the judgment of the management of the entity, supplemented by experience of similar transactions and, in some cases, reports from independent experts. The evidence considered includes any additional evidence provided by events after the reporting date. Uncertainties surrounding the amount to be recognised as a provision are dealt with by various means according to the circumstances.

Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.



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

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

Estimated long-term environmental provisions, comprising rehabilitation and landfill site closure, are based on the Entity's policy, taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the asset, they are capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset are charged to the Statement of Financial Performance.

1.15. EMPLOYEE BENEFITS

(a) Pension and Retirement Fund Obligations

The Municipality provides retirement benefits for its employees and councillors. Defined contribution plans are post-employment benefit plans under which the Municipality pays fixed contributions into a separate entity (privately administered or public pension fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

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

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

The Municipality contributes to various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. Typically, defined benefit plans define an amount of pension benefit that an employee will



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receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income.

(b) Post-Retirement Health Care Benefit

The Municipality provides post-retirement health care benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Notional interest is charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of Interest Cost in GRAP 25. Interest is capitalised against the liability.

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



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(c) Long Service Awards

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of Interest Cost in GRAP 25.

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

(d) Ex-Gratia Pension Benefits

Ex gratia gratuities are provided to employees that were not previously members of a pension fund. The Municipality's obligation under these plans is valued by independent qualified actuaries and the corresponding liability is raised. Payments made by the Municipality are set-off against the liability, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee related cost upon valuation as it meets the definition of Interest Cost in GRAP 25.

Notional interest is charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of Interest Cost in GRAP 25. Interest is capitalised against the liability.

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

(e) Staff Leave

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end, to a maximum of 48 days, and also on the total remuneration package of the employee.

Accumulated leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave, to a maximum of 48 days, will be paid out to the specific employee at the end of that employee's employment term. Accumulated leave is vesting.



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(f) Staff Bonuses

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

(g) Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is recognised as it accrues to Section 57 employees. The performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.16. PROPERTY, PLANT AND EQUIPMENT

1.16.1. Initial Recognition

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 year.

The following items will be regarded as Property, plant and equipment rather than investment property:

- Owner-occupied property (including held for future use);
- Owner-occupied property held for development;
- Property occupied by employees for housing;
- Owner-occupied property held for disposal;
- Property held by the municipality to fulfil their mandated function rather than rental or capital appreciation and;
- Property held by the municipality for strategic purpose

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

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

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

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

Major spare parts and servicing equipment qualify as property, plant, and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.16.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.16.3. Depreciation and Impairment

Land is not depreciated as it is regarded as having an indefinite useful life. Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset other than land begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The depreciation charge is recognised in the Statement of Financial Performance. The annual depreciation rates are based on the following estimated useful lives in years:

<u>Infrastructure</u>	
Road network	9-102
Electricity network	12-67
Water network	9-105
Refuse network	18-29
Sanitation network	10-105
<u>Community</u>	
Cemeteries	104
Recreation sites	8-104
Community Centurms	14-104
Libraries	20-104
<u>Other</u>	
Buildings	14-104
Machinery & Equipment	3-44



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Furniture and Office equipment	3-34
Computer Equipment	3-39
Transport Assets	5-87

Finance lease assets

Office equipment	3-11
Vehicles	3-6

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

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

1.16.4. De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.16.5. Land and Buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings, the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007. For Other Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2007.

1.16.6. Decommissioning and restoration asset

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required



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to settle the obligation, or a change in the discount rate, shall be accounted for as follows:

The related asset is measured as follows:

- Changes in the liability, shall be added or deducted from the asset cost;
- The amount deducted from the cost of the asset shall not exceed its carrying amount.
- If a decrease in the liability exceeds the carrying amount of the asset, the excess shall be recognised immediately in surplus or deficit.

If the adjustment results in an addition to the cost of an asset, the municipality shall consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the entity shall test the asset for impairment by estimating its recoverable amount or recoverable service amount, and shall account for any impairment loss, in accordance with its impairment policy. Refer to paragraph 1.19 of the policy

1.17. INTANGIBLE ASSETS

1.17.1. Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criteria in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset, or liability, regardless of whether the Municipality intends to do so or;
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

1.17.2. Subsequent Measurement – Cost Model

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

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1.17.3. Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight-line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The amortisation charge is recognised in the Statement of Financial Performance.

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

<u>Intangible Assets</u>	Years
Computer Software	2-4

Changes to the useful life of assets, residual value and amortisation method are reviewed each year to determine if there is an indication that a change may have occurred. If the expectation differs from the previous estimates, the change is accounted for in accordance with GRAP 3 prospectively as a change in accounting estimate.

1.17.4. De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.17.5. Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2007.

1.18. INVESTMENT PROPERTY

1.18.1. Initial Recognition

Investment property shall be recognised as an asset when and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or



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for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or held for sale, the land is regarded as held for capital appreciation);
- A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases;
- A property owned by the municipality and leased out at a below market rental; and
- Property that is being constructed or developed for future use as investment property

At initial recognition, the Municipality measures investment property at cost including transaction cost. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. (including transaction costs)

Transfers are made to or from investment property only when there is a change in use.

For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

For a transfer from investment property to inventory (view sale), the deemed cost for subsequent accounting is the fair value as at date of change.

For a transfer from owner occupied property becomes an investment property measured at fair value, the difference between the carrying value and fair value at the reporting date, shall be recognised in surplus and deficit.

For a transfer from inventory to investment property (operating lease), the difference between the carrying value and the fair value at the reporting date, shall be recognised in surplus and deficit.

1.18.2. Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and accumulated impairment losses.

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1.18.3. Depreciation and Impairment – Cost Model

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Land is not depreciated as it is deemed to have an indefinite useful life.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

<u>Investment Property</u>	Years
Buildings	30-33

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

1.18.4. De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.18.5. Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007.

1.19. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.19.1. Cash generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

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

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



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(a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;
- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance.

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



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An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

1.19.2. Non-cash-generating assets

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

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

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

(a) External sources of information

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

(b) Internal sources of information

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



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

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined by:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

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

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

1.20. INVENTORIES

1.20.1. Initial Recognition

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition.



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Water inventory is being measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

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

1.20.2. Subsequent Measurement

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

Water inventory is measured annually at the reporting date by way of dip readings and the calculated volume in the distribution network.

1.21. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include receivables, cash and cash equivalents, borrowings, and payables from exchange transactions.

1.21.1. Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

1.21.2. Subsequent Measurement



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Financial Assets are categorised according to their nature as either financial assets at fair value or financial assets at amortised cost. Financial Liabilities are categorised as either at fair value or financial liabilities carried at amortised cost. The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.21.2.1. Receivables

Receivables are classified as financial assets at amortised cost and are subsequently measured using the effective interest rate method. Receivables comprise non-current receivables, consumer debtors and other debtors (excluding rates and fines).

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments. If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material.

1.21.2.2. Payables and Borrowings

Financial liabilities consist of trade and other payables and borrowings. They are categorised as financial liabilities held at amortised cost (initial carrying amount, less repayments, plus interest). They are subsequently measured using an effective interest rate.



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1.21.2.3. Cash and Cash Equivalents

Cash includes cash on hand and bank accounts. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

1.21.2.4. Consumer deposits

Consumer deposits are disclosed as a current liability. Consumer deposits are levied in line with council's policy to consumers when services are initially connected. When services are disconnected or terminated, the outstanding deposit is utilised against any arrear accounts the consumer might be liable for on that date. Any excess deposit after all debt is settled is refunded to the specific consumer.

1.21.3. De-recognition

1.21.3.1. Financial Assets

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

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

1.21.3.2. Financial Liabilities

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

1.21.4. Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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1.22. STATUTORY RECEIVABLES

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Receivables that arise due to contractual arrangements are accounted for in terms of the accounting policy on Financial Instruments. Statutory receivables can arise from both exchange and non-exchange transactions.

1.22.1. Initial Recognition and Measurement

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

The Municipality initially measures the statutory receivables at their transaction amount.

1.22.2. Subsequent Measurement

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

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

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk-free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

The municipality considers the following as indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied)

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- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns

An impairment loss recognised in prior periods for a statutory receivable is 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. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The adjustment shall not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised.

The amount of any adjustment is recognised in the Statement of Financial Performance.

1.22.3. Derecognition

The Municipality derecognises a statutory receivable when:

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

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

1.22.4. Transitional Provisions

Every effort is made to ensure compliance with the standard, but due to the risk of omission of some items due to a lack of experience with implementing this standard, the municipality is utilising the transitional provisions contained within Directive 4 that grant the municipality a period of three years in order to finalise the classification and measurement for Statutory Receivables. Over time our understanding and insights as to the requirements of a new standard improves, therefore the municipality is choosing to make use of the transitional provision. The transitional period commences from 1 June 2019 and will be utilised until the period ending 30 June 2022.



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1.23. REVENUE

1.23.1. Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from non-exchange transactions is recognised when:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity and;
- the fair value of the asset can be measured reliably

Revenue is initially measured at fair value.

Government grant and subsidies received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the government grant and subsidy is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition, the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, this would be considered as a subsequent event. Collection charges are recognised when such amounts are legally enforceable. Rebates and discounts are offset against the related revenue, in terms of IGRAP 1, as there is no intention of collecting this revenue.

Fine Revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be



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treated as revenue as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore, the substance of these transactions indicates that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Interest revenue is recognised using the effective interest rate method.

Licences and permits are charged at the approved tariff.

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

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

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

1.23.2. Revenue from Exchange Transactions

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

Revenue is initially measured at fair value (including any trade discounts and volume rebates)

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

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

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

Revenue from the rendering of services is recognised when:

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

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 7 days after date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to refuse removal (waste management) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the recorded number of refuse points per property.



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Service charges from sewerage (waste water management) are recognised on an annual basis in advance by applying the approved tariff to each property that has improvements.

Interest revenue is recognised using the effective interest rate method.

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

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

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

1.24. RELATED PARTIES

A related party is a person or an entity:

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

The following are regarded as related parties of the Municipality:

- (a) A person or a close member of that person's family is related to the Municipality if that person:
- has control or joint control over the Municipality.
 - has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
 - is a member of the management of the Municipality or its controlling entity.
- (b) An entity is related to the Municipality if any of the following conditions apply:
- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
 - both entities are joint ventures of the same third party.
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity.



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- the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
- the entity is controlled or jointly controlled by a person identified in (a).
- a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

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

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

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

- (a) all members of the governing body of the Municipality;
- (b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- (c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- (d) the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- (a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee;
- (b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm's length and not on normal commercial terms are disclosed.

1.25. UNAUTHORISED EXPENDITURE

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

1.26. 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), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27. FRUITLESS AND WASTEFUL EXPENDITURE

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

1.28. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Assets represent possible assets that arise from past events and whose existence will be confirmed only by an occurrence or non-occurrence of one or more uncertain future events not fully within the control of the municipality.



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

1.29. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the carrying amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Post-retirement health care benefits, Long service awards and Ex gratia gratuities

The cost of post-retirement health care benefits, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 15 of the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. The assessment is done per individual debtor and grouped in the Statement of Financial Position.

Impairment of Statutory Receivables

The calculation in respect of the impairment of Statutory Receivables is based on an assessment of the expected recoverability of each individual receivable based



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

on the history of recoverability of such receivables. (such as property rates) When insufficient information is available to assess individual debtors, debtors are grouped into appropriate aggregated grouping levels. (such as fines) Aggregation is based on best practice. Thereafter receivables are assessed based on historical information available.

Property, Plant and Equipment

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

Management referred to the following when making assumptions regarding useful lives and residual values of Property, Plant and Equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Technical estimates of the practical useful lives for different infrastructure types, based on engineering technical knowledge of infrastructure types and services requirements. Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.
- The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time

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

The cost for depreciated replacement cost was determined by using either one of the following:

- Cost of items with a similar nature currently in the Municipality's asset register;
- Cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- Cost as supplied by suppliers.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Componentisation of Infrastructure assets

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition, and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

Intangible Assets

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

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

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

Investment Property

The useful lives of investment property are based on management's estimation.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuers to support the useful life of buildings.
- The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Contingent Liabilities and Contingent Assets

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities and assets.



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Provision for Landfill Sites

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the net present value of the expected future cash flows to rehabilitate the landfill site at year end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset is charged to the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates linked to government bond rate was used to calculate the effect of time value of money.

Provisions are discounted where the time value effect is material.

Provision for Staff leave

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

Provision for Performance bonuses

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

Revenue Recognition

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

The IGRAP 1 amendments did not have any impact on Traffic Fines revenue issued in terms of the current Criminal Proceedings Act system, but will only have an effect on fines issued in terms of the Amended Act (AARTO) that is expected to become effective on 1 July 2022. As the legislation is new, the possible impact cannot at this stage be determined. The legislation itself will significantly increase Traffic Fines revenue based on higher fine amounts being pronounced in Schedule 3 of the Amendment Act.



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The iGRAP 20 interpretation is not regarded as having an effect, as the principals of revising revenue (for e.g., incorrect tariff or appeal) is already applied by the municipality.

Water Inventory

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors, where the level indicates the depth of the water in the reservoir, which is then converted into volumes based on the total capacity of the relevant reservoir. Furthermore, the length and width of all pipes are also taken into account in determining the volume of water on hand at year-end.

1.30. VALUE ADDED TAX

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

Revenue, expenses, and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.31. CAPITAL COMMITMENTS

Capital commitments disclosed in the financial statements represents the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

Capital commitments are not recognised in the statement of financial position as a liability but are included in the disclosure notes in the following cases:

- Approved and contracted commitments, where the expenditure has been approved and the contract has been awarded at the reporting date, where disclosure is required by a specific standard of GRAP.
- Approved but not yet contracted commitments, where the expenditure has been approved and the contract has yet to be awarded or is awaiting finalisation at the reporting date.
- Contracts that are entered into before the reporting date, but goods and services have not yet been received are disclosed in the disclosure notes to the financial statements.
- Other commitments for contracts are non-cancellable or only cancellable at significant cost contracts should relate to something other than the business of the Municipality.

1.32. EVENTS AFTER REPORTING DATE

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the annual financial statements are authorised for issue. Two types of events can be identified:



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

1.33 HERITAGE ASSETS

1.33.1 Initial Recognition

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

A heritage asset is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the asset will flow to the Municipality, and the cost or fair value of the asset can be measured reliably.

A heritage asset that qualifies for recognition as an asset, is measured at its cost. Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

1.33.2 Subsequent Measurement – Cost Model

After recognition as an asset, heritage assets are carried at its cost less any accumulated impairment losses.

1.33.3 Depreciation and Impairment

Heritage assets are not depreciated.

Heritage assets are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment recognised in the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

For possible indicators of impairment reference can be made to the policy on impairment.

1.33.4 De-recognition

BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Heritage assets are derecognised when it is disposed or when there are no further economic benefits expected from the use of the heritage asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value of the heritage asset and is recognised in the Statement of Financial Performance.

1.33.5 Application of deemed cost - Directive 7

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007.

1.34 ACCOUNTING BY PRINCIPALS AND AGENTS

A principal-agent arrangement exists where there is 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).

The municipality can be either the agent or the principal in terms of the circumstances of the arrangement.

Where the municipality is considered the principal, all revenues, expenses, liabilities and assets are recorded in the records of municipality in accordance with the relevant standards of GRAP.

Where the municipality is the agent to the transaction, only the portion of revenue and expenses it receives or incurs in executing the transactions on behalf of the principal is recorded with unspent or moneys due being recorded in terms of GRAP.

Identification

Special consideration is given to the classification of an agreement (once the standard is triggered) to carefully consider whether the municipality is an agent. The considerations include (all of) the following:

- Who determines significant terms?
- Who receives the benefit from the transactions?
- Is the municipality exposed to the variability of the outcome?

If these are not met, but the standard is applicable, the municipality would be regarded as the principal in the transaction.

1.35 SEGMENT REPORTING

A segment is an activity of an entity:

- that generates economic benefits or service potential;
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and



BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- for which separate financial information is available

Management identifies reportable segments in accordance with the monthly section 71 report, which are regularly reviewed by management. Management reviews the performance on an aggregated basis of total revenue and total expenditure.

The municipality manages its assets and liability as a whole and are not reviewed on a segregated basis for each town. Segment reporting per geographical area is not deemed relevant.

The measurement basis per the monthly reports is the same as the annual financial statements.

1.36 TREATMENT OF ADMINISTRATIVE AND OTHER OVERHEAD EXPENSES

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

1.37 BORROWING COST

The Municipality recognises all borrowing costs as an expense in the period in which they are incurred.



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDS 30 JUNE 2023

2.1 PROPERTY, PLANT AND EQUIPMENT
30 JUNE 2022

	2022							2021							2020							
	Opening Balance	Correction of Error	Revised Opening Balance	Additions	Change in Impairment	Transfers	Disposals	Closing Balance	Opening Balance	Correction of Error	Revised Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Correction of Error	Revised Opening Balance	Depreciation	Disposals	Closing Balance	Carrying Value	
Infrastructure																						
Electricity Network	135 148 442.55	-	135 148 442.55	15 288 681.85	-	80 724.81	150 253 620.70	150 312.21	-	-	223 686.63	-	-	331 808.14	41 840 377.28	-	41 840 377.28	2 848 268.95	80 724.81	44 568 212.63	158 521 903.92	
Flexco Networks	89 248.18	-	89 248.18	-	-	-	89 248.18	-	-	-	-	-	-	-	244 416.04	-	244 416.04	22 371.33	-	266 787.34	426 868.72	
Road Network	195 841 205.88	-	195 841 205.88	3 253 644.30	-	-	1 072 838.15	198 121 111.04	-	-	116 863 364.08	-	-	116 863 364.08	116 863 364.08	-	116 863 364.08	5 487 819.53	1 379 838.16	121 408 838.24	77 714 874.80	
Sanitation Network	119 527 084.70	-	119 527 084.70	24 746 038.28	-	-	126 541 203.25	-	-	-	58 537 456.87	-	-	58 537 456.87	58 537 456.87	-	58 537 456.87	4 282 366.97	-	62 780 819.53	44 561 244.17	
Water Network	9 734 025.82	-	9 734 025.82	-	-	-	458 086.15	143 828 203.63	-	-	52 350 727.40	-	-	52 350 727.40	52 350 727.40	-	52 350 727.40	4 036 455.88	458 086.15	56 828 483.13	87 889 548.70	
Landfill Sites	-	-	-	-	-	-	-	-	-	-	-	-	-	-	734 208.83	-	734 208.83	-	-	-	1 000 000.00	
Community Assets																						
Community Centres	7 427 060.02	-	7 427 060.02	-	-	-	7 427 060.02	-	-	-	-	-	-	-	187 276.87	-	187 276.87	330 000.83	-	617 300.48	6 909 758.53	
Community Centres	72 780 866.54	-	72 780 866.54	-	-	-	72 780 866.54	829 474.14	-	-	878 474.29	-	-	878 474.29	32 372 148.79	-	32 372 148.79	2 886 862.82	-	35 274 308.53	51 515 308.09	
Libraries	1 136 226.08	-	1 136 226.08	-	-	-	1 136 226.08	21 470.28	-	-	(21 470.28)	-	-	-	206 108.85	-	206 108.85	-	-	398 802.91	826 307.17	
Recreation Area	4 814 600.00	-	4 814 600.00	-	-	-	4 814 600.00	176 881.46	-	-	188 881.46	-	-	188 881.46	1 218 200.00	-	1 218 200.00	4 120 000.00	-	5 416 881.46	16 112 881.46	
Land and Buildings																						
Land	88 200 189.32	-	88 200 189.32	-	-	-	88 200 189.32	16 441 220.53	-	-	10 338 428.88	-	-	10 338 428.88	11 890 154.88	-	11 890 154.88	8 891 000.00	-	1 078 854.88	37 176 843.12	
Buildings	68 540 875.00	-	68 540 875.00	-	-	-	68 540 875.00	13 889 480.00	-	-	13 889 480.00	-	-	13 889 480.00	11 926 190.00	-	11 926 190.00	1 861 000.00	-	1 021 800.00	28 814 825.00	
Other Assets																						
Highways and Equipment	3 718 880.23	-	3 718 880.23	4 708.48	-	-	46 788.26	3 679 612.23	-	-	-	-	-	-	3 081 407.78	-	3 081 407.78	287 843.42	44 788.26	3 364 458.82	309 447.00	
Furniture and Office Equipment	2 426 267.81	-	2 426 267.81	167 867.22	-	-	86 862.26	2 510 297.09	-	-	-	-	-	-	2 806 811.17	-	2 806 811.17	203 203.89	66 862.26	3 070 077.42	463 720.84	
Computer Equipment	4 712 829.48	-	4 712 829.48	1 410 022.00	-	-	321 478.29	5 801 878.19	-	-	-	-	-	-	2 862 853.84	-	2 862 853.84	139 813.24	321 478.29	3 084 284.83	2 140 086.36	
Transport Assets	2 111 812.67	-	2 111 812.67	8 168 398.51	-	-	1 708 588.00	10 988 799.18	-	-	-	-	-	-	8 168 398.51	-	8 168 398.51	1 152 106.64	1 708 588.00	10 000 000.00	3 878 111.12	
Leases																						
Leased office equipment	1 702 124.86	-	1 702 124.86	-	-	-	1 702 124.86	-	-	-	-	-	-	-	1 805 871.28	-	1 805 871.28	86 463.75	-	1 702 124.86	(0.00)	
Leased office vehicles	762 126.58	-	762 126.58	-	-	-	762 126.58	-	-	-	-	-	-	-	1 805 871.28	-	1 805 871.28	86 463.75	-	1 702 126.58	(0.00)	
Total	78 663 654.47		78 663 654.47	43 887 110.10			82 146 137.10	11 291 300.71			11 718 458.01			12 261 410.38	341 793 478.51		341 793 478.51	342 714 812.42	25 764 107.25	3 864 303.83	362 908 207.17	451 811 803.88



REPUBLIC OF SOUTH AFRICA
 BEAUFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2.2 PROPERTY, PLANT AND EQUIPMENT
 30 JUNE 2022

	Land Reclamation								Municipal Infrastructure								Accumulated Depreciation				Carrying Value
	Opening Balance	Correction of Error (note 43.1)	Restated Opening Balance	Additions	Change in Incubation	Transfers	Disposals	Closing Balance	Opening Balance	Correction of Error (note 43.1)	Restated Opening Balance	Additions	Reversal	Closing Balance	Opening Balance	Correction of Error (note 43.1)	Restated Opening Balance	Depreciation	Disposals	Closing Balance	
Infrastructure	129 422 130.77		129 422 130.77	8 152 313.20			424 960.52	135 449 403.55			261 824.34	152 612.13	168 212.21	59 212 679.85	39 212 679.85	2 706 454.58	371 732.74	41 642 377.26		59 400 788.07	
Electricity Network	894 364.16		894 364.16					894 364.16						221 144.84	221 144.84		22 213.27	186 844.36		544 416.01	
Road Network	189 641 265.85		189 641 265.85					189 641 265.85						111 738 624.26	111 738 624.26		5 243 688.87	186 844 368.00		79 607 848.83	
Sewerage Network	105 241 283.20		105 241 283.20					105 241 283.20						52 046 800.70	52 046 800.70		3 667 600.12	27 208 05		48 800 803.34	
Water Network	115 471 573.32		115 471 573.32	4 264 868.88			28 308.87	119 744 750.00						48 710 033.33	48 710 033.33		3 667 600.12	27 208 05		67 188 987.00	
Landfill Sites	2 714 203.62		2 714 203.62					2 714 203.62						1 766 000.00	1 766 000.00					948 203.62	
Community Assets																					
Commemoratives	2 486 636.95		2 486 636.95	6 640 423.06				7 427 060.02						3 363.79	3 363.79		184 862.68			167 375.87	
Community centres	72 189 886.04		72 189 886.04					72 189 886.04	620 176.14					670 476.14	29 880 183.88	2 880 963.62	29 818.88	31 577 146.70		39 542 073.70	
Libraries	1 138 236.08		1 138 236.08					1 138 236.08	21 470.38					21 470.38	3 280 260.86			286 109.83		1 457 666.78	
Recreation sites	24 623 643.04		24 623 643.04	420 773.98				24 623 643.04	1 420 211.37					1 420 211.37	6 400 731.91	1 036 015.63		8 312 488.45		15 944 119.12	
Other Assets	87 068 616.32	1 016 326.60	88 084 942.92					88 084 942.92	14 844 791.31	14 318 811.81	1 478 410.80			15 641 624.52	5 011 148.12	5 011 148.12		1 016 326.60		94 808 876.25	
Land	71 291 280.00	(2 730 500.00)	68 560 780.00					68 560 780.00	15 146 100.00	(1 208 650.00)	13 408 450.00			13 408 450.00	2 012 188.12	2 012 188.12		3 844 808.88		54 002 152.00	
Buildings	15 777 336.32		15 777 336.32					15 777 336.32	1 698 191.31					1 698 191.31	184 369.80			3 844 808.88		10 900 516.44	
Machinery and Equipment	3 773 365.57		3 773 365.57					3 773 365.57	44 139.34					44 139.34	2 848 841.04	300 761.02	53 824.31	3 297 407.07		622 961.44	
Furniture and Office Equipment	3 482 418.85		3 482 418.85	1 940.00				3 482 418.85	3 439 287.51					3 439 287.51	2 878 806.19	2 878 806.19	45 817.86	3 297 407.07		622 961.44	
Computer Equipment	3 076 125.13		3 076 125.13	39 279.11				3 076 125.13	4 712 828.66					4 712 828.66	5 571 046.71	671 280.28	266 120.11	3 453 646.34		1 626 479.80	
Transport Assets	17 013 807.41		17 013 807.41					17 013 807.41	3 831 811.26					3 831 811.26	2 171 330.44	465 711.50	12 283.25	1 643 807.81		1 818 012.60	
Leases	1 702 124.95		1 702 124.95					1 702 124.95						1 702 124.95	1 078 298.28	597 214.86		1 800 671.28		96 462.87	
Leased office equipment	1 001 068.89		1 001 068.89					1 001 068.89						1 001 068.89	611 116.71	397 411.84		1 800 671.28		96 462.87	
Leased office vehicles	701 056.06		701 056.06					701 056.06						701 056.06	467 181.57	199 792.92		1 800 671.28		96 462.87	
Total	788 334.28	(105 176.60)	718 157.68	14 818 811.14			2 318 888.65	71 643 868.87	12 336 644.56	(3 208 650.00)	1 828 450.00	161 870.31	611 145.11	85 618 006.71	12 171 894.16	518 566.00	10 171 064.88	21 787 377.85	4 896 174.83	101 794 111.82	401 176 361.81



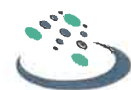
DEPARTMENT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	20 670 233	28 505 114
Roads	4 078 613	6 977 452
Electricity	16 591 620	21 527 663
Water Supply	-	-
Community Assets	3 711 174	1 490 826
Total Property, Plant and Equipment under construction	24 381 407	29 995 941
	2023	2022
	R	R
The movements for the year can be reconciled as follows:		
Balance at beginning of year	20 995 941	39 288 403
Expenditure during the year	2 332 218	15 806 502
Assets abandoned during the year	(7 946 853)	(24 991 965)
Impairment recognised during the year	-	-
Balance at end of year	24 381 407	29 995 941
	2023	2022
	R	R
2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected		
Infrastructure Assets	-	-
Roads	-	-
Electricity	-	-
Water Supply	-	-
Community Assets	-	-
Other Assets	-	-
Total	-	-
	2023	2022
	R	R
2.5 Property, Plant and Equipment where construction or development has been halted:		
Infrastructure Assets	6 977 452	18 841 851
Roads	6 977 452	6 977 452
Storm Water	-	-
Electricity	-	11 864 399
Water Supply	-	-
Community Assets	-	-
Total	6 977 452	18 841 851
The road projects are currently under investigation. The electricity project has been asked due to funding		
	2023	2022
	R	R
2.6 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Contracted Services	1 865 119	1 417 304
Total Repairs and Maintenance	1 865 119	1 417 304
	2023	2022
	R	R
2.7 Assets pledged as security:		
Leased Property, Plant and Equipment of R0 (2022 R96 454) is secured for leases as set out in note 2		
No restrictions have been imposed on the title of Property, Plant and Equipment		
	2023	2022
	R	R
2.8 Third party payments received for losses incurred:		
Payments received (Excludes VAT)	358 901	145 699
	2023	2022
	R	R
2.9 Effect of changes in accounting estimates		
Effect on Property, plant and equipment	2 024	-
The Municipality has reassessed the useful lives and residual values of Property, plant and equipment. This resulted in change in depreciation charge, accumulated depreciation charge and net carrying value of Property, Plant and Equipment. The effect of the change for the current and future periods are discussed on note 2.9		
	2023	2022
	R	R
2.10 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	1 733 863	9 706 108
Infrastructure	1 733 863	9 706 108
Total	1 733 863	9 706 108
This expenditure will be financed from:		
Government Grants	1 733 863	9 706 108
Total	1 733 863	9 706 108
	2023	2022
	R	R
2.11 Impairment losses on Property, Plant and Equipment		
Impairment loss	(4 170 358)	735 906
The impairment loss for the 2021/2022 financial year relate to vandalism that occurred on electric infrastructure		
Balance previously reported	-	-
Reclassification - note 43.2	-	480 518
Correction of error - note 43.1	-	(115 812)
Restated balance	-	364 696
	2023	2022
	R	R
2.12 Reversal of impairment losses of Property, Plant and Equipment		
Reversal of impairment losses on Property, Plant and Equipment recognised in statement of financial performance are as follows:		
Community Assets	878 570	-
Land	2 015 300	-
Other Assets	1 502 176	-
Total Reversal of Impairment losses	4,396 046	-



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	8,391,284	6,656,265
Cost	11,075,824	11,075,824
Accumulated Depreciation	(2,800,840)	(2,800,840)
Accumulated Impairment Loss	(780,700)	(780,700)
Transfers	-	-
Additions	-	-
Disposals - Cost	-	-
Disposals - Accumulated depreciation	-	-
Disposals - Accumulated impairment loss	-	-
Depreciation for the year	(213,881)	(213,881)
Net Carrying amount at 30 June	8,177,403	6,311,284
Cost	11,075,824	11,075,824
Accumulated Depreciation	(4,117,805)	(3,803,840)
Accumulated Impairment Loss	(780,700)	(780,700)
	2023 R	2022 R
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property		
Various properties	1,365,505	(1,321,117)
No expenditure were incurred regarding repairs and maintenance of investment property		
There are no restrictions on the realisability of Investment Property or the realisation of revenue and proceeds of disposal.		
There are no assets pledged as security for liabilities.		
There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements		
Cost of implementation of GRAP 16 was determined by valuation roll of 1 July 2009. Impairment was calculated based on valuation roll of 1 July 2017.		
	2023 R	2022 R
Estimate Fair Value of Investment Property at 30 June	13,280,000	13,280,000
Fair value was determined based on the valuation roll of 1 July 2017. The fair value is disclosed as indicated if impaired is relevant.		
	2023 R	2022 R
4. INTANGIBLE ASSETS		
Computer System & Software		
4.1 Net Carrying amount at 1 July	138,296	257,154
Cost	885,819	1,211,788
Accumulated Amortisation	(721,220)	(864,853)
Accumulated Impairment Loss	-	-
Transfers	-	-
Additions	1,073,711	-
Amortisation	(58,000)	(118,886)
Cost - disposals	-	(346,269)
Transfers	-	-
Amortisation written back on disposal	-	346,269
Impairment Loss/Reversal of Impairment Loss	-	-
Net Carrying amount at 30 June	1,152,864	138,296
Cost	1,828,230	865,819
Accumulated Amortisation	(708,235)	(177,252)
Accumulated Impairment Loss	-	-
	2023 R	2022 R
4.2 All intangible Assets included in the carrying value		
<u>Description</u>	<u>Recovery/Amortisation Period</u>	<u>Carrying Value</u>
Water infrastructure software (SCADA)	1-4 years	1,107,823
No intangible asset was assessed having an indefinite useful life.		
No expenditure were incurred with regards to research or development cost.		
There are no internally generated intangible assets at reporting date.		
There are no intangible assets in process of being constructed or developed.		
There are no intangible assets whose life is restricted.		
There are no intangible assets pledged as security for liabilities.		
There are no contractual commitments for the acquisition of intangible assets.		
	2023 R	2022 R
5. HERITAGE ASSETS		
5.1 Net Carrying amount at 1 July	3,340,000	3,340,000
Cost	3,340,000	3,340,000
Previously reported	-	3,320,000
Less: Finance offices in daily use as office accommodation transferred to Property, Plant and Equipment	-	(1,880,000)
Restated balance	-	3,340,000
Accumulated Impairment Loss	-	-
Additions	-	-
Disposals	-	-
Transfers	-	-
Impairment Loss/Reversal of Impairment Loss	-	-
Net Carrying amount at 30 June	3,340,000	3,340,000
Cost	3,340,000	3,340,000
Accumulated Impairment Loss	-	-
Heritage assets relate to historical buildings.		
There are no restrictions on the use and disposal of Heritage Assets.		
There are no contractual obligations to purchase, construct or develop Heritage Assets.		
There are no Heritage Assets pledged as security for liabilities.		
There are no Heritage Assets that are used by the municipality for more than one purpose.		
No expenditure were incurred for repair and maintain heritage assets.		
No compensation received from third parties for items lost, lost or given up.		



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2023 R	2022 R
6. NON-CURRENT RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Receivables with finance arrangements - At amortised cost	3 872 455	6 558 806
Less: Provision for Debt Impairment	(740 358)	(6 393 427)
Net Non-current receivables from exchange	2 832 098	2 585 489
LESS: Current portion transferred to Receivables from Exchange Transactions - note 10	(902 343)	(1 749 232)
Total Non-Current Receivables from Exchange Transactions	2 028 755	856 257

ARRANGEMENTS

Municipal account holders can make arrangements with the Municipality, agreeing to pay the outstanding accounts over a predetermined period at a fixed monthly instalment. When a monthly instalment is not paid, the account is transferred back to Trade receivables where it will be included in the calculation of Provision for Impairment.

	2023 R	2022 R
Reconciliation of provision for debt impairment		
Balance at beginning of year	6 558 427	5 446 386
Contribution to provision	740 358	947 041
Reversal of provision	(5 603 065)	-
VAT on provision	-	-
	1 488 717	6 393 427

	2023 R	2022 R
7. NON-CURRENT RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Housing Selling Schemes - At amortised cost	484	218 733
Receivables with repay arrangements - At amortised cost	890 035	2 195 680
Less: Provision for Debt Impairment	(142 249)	(1 430 246)
Net Non-current receivables from exchange	742 269	871 167
Less: Current portion transferred to Receivables from Non-Exchange Transactions - note 11	(251 951)	(658 551)
Total Non-Current Receivables from Non-Exchange Transactions	490 318	212 616

HOUSING SELLING SCHEMES

The outstanding amount relates to prior years and is still collectible. General public were entitled to housing loans which attract interest at 13,5% per annum and which are repayable over a maximum period of 30 years. These loans are repayable in the year 2026.

ARRANGEMENTS

Municipal account holders can make arrangements with the Municipality, agreeing to pay the outstanding accounts over a predetermined period at a fixed monthly instalment. When a monthly instalment is not paid, the account is transferred back to Trade receivables where it will be included in the calculation of Provision for Impairment.

	2023 R	2022 R
Reconciliation of provision for debt impairment		
Balance at beginning of year	1 480 216	1 263 838
Contribution to provision	-	236 408
Reversal of provision	(1 246 997)	-
VAT on provision	-	-
	143 219	1 480 246

	2023 R	2022 R
8. OPERATING LEASE ARRANGEMENTS		
8.1 The Municipality as Lessor		
Operating Lease Asset (current)	66 417	56 228

	2023 R	2022 R
Reconciliation		
Balance at the beginning of the year	56 736	144 063
Impaired during the year	9 319	(87 835)
Balance at the end of the year	66 417	56 228

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will pay operating lease income as follows:

	2023 R	2022 R
Up to 1 Year	643 998	343 630
1 to 5 Years	1 915 051	300 096
More than 5 Years	1 178 656	308 386
Total Operating Lease Arrangements	3 338 655	1 641 252

Beaufort West Municipality is leasing land to rent payers for periods of 2 to 99 years with various escalations per year.

The leases are in respect of land being leased out for a period until 2030. The lease agreements do not include contingent rents.

BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
8. INVENTORY		
Consumables and materials	4 370 600	3 370 776
Water	211 320	30 885
Total Inventory	4 581 920	3 401 661
The municipality recognised only purification costs in respect of non-purchased purified water inventory. No inventories were pledged as security for liabilities.		
	2023 R	2022 R
8.1 Inventories recognised as an expense during the year:		
Consumables and materials	295 833	883 277
Materials and Supplies	4 429 960	3 371 212
Water	-	-
Total	4 725 793	4 254 489
	2023 R	2022 R
5.2 Reversal of write down to Net realisable value		
Reversal of write down to Net realisable value. During the annual stock count at year-end adjustments were made to the net realisable value of inventory.	671 835	-
	2023 R	2022 R
10. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Service Receivables		
Electricity	11 063 660	8 824 530
Water	28 371 461	33 279 858
Property Rentals	3 056 132	2 258 931
Waste Management	26 275 751	21 353 440
Waste Water Management	42 684 715	36 029 602
Total Service Receivables	112 251 718	102 747 361
Less: Provision for Debt Impairment	(95 504 007)	(81 722 237)
Net Service Receivables	16 747 711	21 025 124
Other Assets	30 129 169	27 886 251
Total: Other receivables from exchange transactions (before provision)	36 129 169	27 886 251
Less: Provision for Debt Impairment	(28 143 667)	(28 035 335)
Total: Other receivables from exchange transactions (after provision)	8 985 502	(148 083)
Total Net Receivables from Exchange Transactions	11 762 144	20 877 041
Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of all consumer debtors are not performed in terms of GRAP 104 on initial recognition. The fair value of receivables approximate their carrying value. No debtors were pledged as security.		
	2023 R	2022 R
Electricity: Aging		
Current (0 - 30 days)	3 437 851	4 476 474
31 - 60 Days	561 249	568 890
61 - 90 Days	457 787	353 286
> 90 Days	6 666 772	4 701 090
Total	11 083 660	10 099 740
	2023 R	2022 R
Water: Aging		
Current (0 - 30 days)	2 670 153	8 363 967
31 - 60 Days	1 156 092	1 409 365
61 - 90 Days	3 289 814	1 181 511
> 90 Days	24 564 381	24 419 416
Total	28 371 461	33 341 879
	2023 R	2022 R
Property Rentals: Aging		
Current (0 - 30 days)	108 019	115 333
31 - 60 Days	145 635	69 532
61 - 90 Days	79 206	57 280
> 90 Days	2 751 503	2 062 860
Total	3 086 132	2 305 144



BEALFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022		
	R	R		
Waste Management - Group				
Current (0 - 30 days)	1,064,516	765,821		
31 - 60 Days	729,383	531,531		
61 - 90 Days	709,251	500,345		
+ 90 Days	23,772,651	19,529,216		
Total	26,276,811	21,351,613		
Waste Water Management - Group				
Current (0 - 30 days)	1,871,078	1,665,941		
31 - 60 Days	1,174,869	824,520		
61 - 90 Days	1,333,567	860,351		
+ 90 Days	39,505,201	32,577,544		
Total	42,884,715	36,028,356		
Other - Group				
Current (0 - 30 days)	79,827	28,932		
31 - 60 Days	15,688	170,550		
61 - 90 Days	16,147	160,287		
+ 90 Days	30,917,638	27,501,639		
Total	30,129,189	27,861,788		
Trade - Group				
Current (0 - 30 days)	8,231,254	13,436,687		
31 - 60 Days	3,772,936	3,674,668		
61 - 90 Days	2,707,541	3,088,685		
+ 90 Days	125,888,155	110,791,630		
Total	142,499,907	130,989,528		
Summary of Debtors by Customer Classification				
	Other	Residential	Industrial/ Commercial	National and Provincial Government
30 June 2023				
Current (0 - 30 days)	115,691	7,375,057	1,705,438	689,116
31 - 60 Days	46,476	3,252,053	192,603	279,792
61 - 90 Days	67,909	3,139,200	148,818	291,115
+ 90 Days	1,867,205	109,366,133	4,670,843	9,079,937
Sub-total	2,097,181	113,162,443	6,777,721	10,340,560
Less: Provision for Debt Impairment	(1,788,948)	(118,204,000)	(4,586,712)	-
Total debtors by customer classification	311,133	4,888,443	2,242,009	10,340,560
Summary of Debtors by Customer Classification				
	Other	Residential	Industrial/ Commercial	National and Provincial Government
30 June 2022				
Current (0 - 30 days)	887,731	9,517,853	2,284,878	914,915
31 - 60 Days	48,963	2,810,073	329,865	488,602
61 - 90 Days	33,969	2,688,577	145,033	340,088
+ 90 Days	1,207,811	89,488,878	4,797,054	9,288,537
Sub-total	2,178,355	110,375,381	7,096,854	11,033,632
Less: Provision for Debt Impairment	(1,020,474)	(104,847,248)	(4,249,990)	-
Total debtors by customer classification	1,157,758	5,828,333	2,786,819	11,033,632
Reconciliation of Provision for Debt Impairment				
		2023	2022	
		R	R	
Balance at beginning of year		108,817,711	85,921,133	
Transfer from non-current portion		6,393,427	5,446,386	
Contribution to provision		9,234,115	24,843,619	
Reversal of provision		(37,132)	-	
Transfer to non-current portion		(740,358)	(6,393,427)	
Balance at end of year		124,647,763	109,817,711	
The total amount of this provision consist of				
		2023	2022	
		R	R	
Electricity		6,867,741	4,788,617	
Water		23,714,007	25,321,103	
Refuse		29,828,296	19,401,637	
Sanitisation		38,451,208	32,226,693	
Housing		2,642,884	34,426	
Other Areas		29,143,667	28,225,332	
Total Provision for Debt Impairment on Receivables from exchange transactions		124,647,763	109,817,712	
Summary of amounts asset due but not classified				
		2023	2022	
		R	R	
1 month past due		8,530,860	10,161,424	
2+ months past due		8,530,860	10,161,424	
Total		17,061,720	20,322,848	
Summary of amounts asset due and classified				
		2023	2022	
		R	R	
1 month past due		-	-	
2+ months past due		124,647,763	-	
Total		124,647,763	-	

The provision for doubtful debts on receivable assets due to the possibility that not all debts will be recovered. Receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables has not necessitated allowances. Due to these factors, management believes that no additional risk layered amounts provided for collection losses is evident in the municipality's trade receivables.



RELAIFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
11. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Property Rates	38 509 451	32 961 168
Fines	297 910 563	280 515 285
Other Receivables	11 604 240	10 471 586
	<u>348 024 273</u>	<u>323 948 044</u>
LESS: Provision for Debt Impairment	(291 041 043)	(255 554 583)
Total Receivables from non-exchange transactions	<u>57 053 231</u>	<u>68 393 468</u>
Statutory receivables included in receivables from non-exchange transactions		
Property rates	38 509 451	32 961 168
Other receivables - property rates	11 604 240	10 471 586
Fines	297 910 563	280 515 285
	<u>348 024 273</u>	<u>323 948 044</u>

Financial assets included in receivables from non-exchange transactions
 Other receivables

The fair value of other receivables approximates their carrying value

Property Rates are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.
 No debtors were pledged as security

	2023 R	2022 R
Property Rates: Aging		
Current (0 - 30 days)	2 832 981	6 404 691
31 - 60 Days	1 275 156	991 004
61 - 90 Days	1 000 706	646 070
+ 90 Days	33 447 606	25 869 653
Total	<u>38 509 451</u>	<u>38 210 018</u>
Other Receivables: Aging		
Current (0 - 30 days)	(888)	4 523
31 - 60 Days	1 247	32 186
61 - 90 Days	30 478	30 478
+ 90 Days	11 603 866	10 404 110
Total	<u>11 604 240</u>	<u>10 471 297</u>
Fines Aging		
Current (0 - 30 days)	11 653 820	6 638 450
31 - 60 Days	9 473 750	6 424 100
61 - 90 Days	11 105 150	9 888 000
+ 90 Days	285 177 883	245 857 535
Total	<u>297 910 583</u>	<u>280 815 285</u>

Summary of Debtors by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government
30 June 2023				
Current (0 - 30 days)	12 247 537	1 589 189	723 723	225 852
31 - 90 Days	9 901 308	737 206	182 818	238 817
61 - 90 Days	11 227 707	639 856	134 656	106 638
+ 90 Days	281 998 638	2 105 827	4 091 534	3 221 287
Sub-total	315 207 191	23 871 856	5 042 732	3 792 496
LESS: Provision for Debt Impairment	(198 435 488)	(17 710 587)	(3 894 552)	-
Total debtors by customer classification	<u>45 831 683</u>	<u>6 380 883</u>	<u>1 148 180</u>	<u>3 792 496</u>

Summary of Debtors by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government
30 June 2022				
Current (0 - 30 days)	9 738 710	1 689 202	648 129	168 824
31 - 60 Days	8 525 867	861 466	167 767	87 110
61 - 90 Days	6 992 208	579 774	1 116 880	87 864
+ 90 Days	253 250 889	16 968 170	4 286 587	3 065 722
Sub-total	278 507 584	19 898 612	5 188 312	3 353 518
LESS: Provision for Debt Impairment	(236 368 913)	(18 044 027)	(4 292 115)	-
Total debtors by customer classification	<u>39 348 771</u>	<u>4 854 573</u>	<u>936 217</u>	<u>3 353 518</u>



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BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
Reconciliation of Provision for Debt Impairment		
Balance at beginning of year	255,554,903	232,886,137
Transfer from non-current portion	1,490,248	1,293,638
Contribution to provision	33,610,241	22,023,040
VAT contribution to provision	508,642	370,194
Reversal of provision	(143,249)	(1,490,346)
Transfer to non-current portion		
Balance at end of year	291,961,043	255,554,903
	2023 R	2022 R
The total amount of the provision consist of		
Property Rates	39,473,518	35,251,254
Fines	251,567,524	220,293,708
Total Provision for Debt Impairment	291,961,043	255,554,903
	2023 R	2022 R
Analysis of amounts past due but not impaired		
1 month past due	1,374,218	834,636
2+ months past due	40,372,550	35,317,166
	42,247,149	36,149,431
	2023 R	2022 R
Analysis of amounts past due and impaired		
1 month past due	9,575,730	6,512,656
2+ months past due	281,485,313	248,042,307
	291,061,043	254,554,963

The provision for doubtful debts on receivables exists due to the possibility that not all debts will be recovered. Receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of receivables falls within recorded allowances. Due to these factors, management believes that no additional risk based amounts provided for collection losses is warranted in the municipality's receivables.

The outstanding fine receivable balance at year end is reduced to its recoverable amount by recognizing a provision for impairment against the receivable raised. This is considered to be a subsequent event. The provision for impairment is based on current and past collection rates applicable to fines.

	2023 R	2022 R
12. CASH AND CASH EQUIVALENTS		
12.1 Cash and Cash Equivalents		
Current Accounts	2,524,653	2,832,049
Cash Deposits and Investments	12,319,109	13,497,213
Cash On-hand	17,032	16,518
Total Cash and Cash Equivalents	14,859,793	16,345,780

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Call Investment Deposits to an amount of R12,318,108 (2022: R13,437,213) are held to fund Unspent Conditional Grants

An approved bank overdraft of R5 000 000 exists at Nedbank and the Municipality has a facility of R500 000 for Real Carats at Nedbank on 30 June 2023

	2023 R	2022 R
The municipality has the following bank accounts		
Beaufort West MedBank - Account Number 10 7428 0318 (Primary Account)	2,010,264	2,821,384
ABSA Bank - Account Number 409 410 6341	314,389	310,665
	2,324,653	3,132,049

Call Deposits and Investments

	2023 R	2022 R
Investec	1,198,026	896,297
ABSA	4,122,846	-
Standard Bank	6,177,126	7,470,626
Nedbank	832,012	5,071,322
	12,318,110	15,437,214

Details of current accounts are as follow:

	2023 R	2022 R
Beaufort West MedBank - Account Number 10 7428 0318 (Primary Account):		
Cash book balance at beginning of year	2,821,384	(14,903,524)
Cash book balance at end of year	2,010,264	2,821,384
Bank statement balance at beginning of year Nedbank-Account Number 10 7428 0318	2,643,166	(14,562,524)
Bank statement balance at end of year: Nedbank-Account Number 10 7428 0318	1,888,046	2,643,186



BEAUFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	R
Bank statement balance ABSA-Account Number 409 410 8341		
Cash book balance at beginning of year	110,665	52,426
Cash book balance at end of year	<u>814,289</u>	<u>110,665</u>
Bank statement balance at beginning of year ABSA-Account Number 409 410 8341	77,940	79,694
Bank statement balance at end of year ABSA-Account Number 409 410 8341	<u>241,525</u>	<u>77,340</u>
Details of call deposits and investment accounts are as follow		
	2023	2022
	R	R
Investec:		
Cash book balance at beginning of year	695,257	40,521
Cash book balance at end of year	<u>1,198,026</u>	<u>886,257</u>
Bank statement balance at beginning of year	695,257	40,521
Bank statement balance at end of year	<u>1,198,026</u>	<u>886,257</u>
	2023	2022
	R	R
Abca		
Cash book balance at beginning of year	-	1,133,272
Cash book balance at end of year	<u>4,112,946</u>	<u>-</u>
Bank statement balance at beginning of year	-	1,133,272
Bank statement balance at end of year	<u>4,112,946</u>	<u>-</u>
	2023	2022
	R	R
Standard bank		
Cash book balance at beginning of year	7,470,825	4,838,902
Cash book balance at end of year	<u>6,177,126</u>	<u>7,470,628</u>
Bank statement balance at beginning of year	7,470,825	4,838,902
Bank statement balance at end of year	<u>6,177,126</u>	<u>7,470,628</u>
	2023	2022
	R	R
FirstBank		
Cash book balance at beginning of year	5,071,332	144,035
Cash book balance at end of year	<u>632,912</u>	<u>5,071,332</u>
Bank statement balance at beginning of year	5,071,332	144,035
Bank statement balance at end of year	<u>632,912</u>	<u>5,071,332</u>
	2023	2022
	R	R
15. LONG-TERM BORROWINGS		
Amortised Loans - note 13.1	4,522,821	5,194,006
Capitalised Lease Liability - note 13.2	-	89,580
	<u>4,522,821</u>	<u>5,283,586</u>
Less:		
Current Portion Transferred to Current Liabilities	(734,141)	(738,164)
Amortised Loans	(734,141)	(671,086)
Capitalised Lease Liability	-	(10,000)
	<u>3,788,778</u>	<u>4,522,918</u>
Total Long-term Borrowings	<u>3,788,778</u>	<u>4,522,918</u>
Amortised loans at amortised cost is calculated at 6.75%-10.20% interest rate, with last maturity date of 31 December 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. No contingent rents are payable.		
Capitalised lease liability at amortised cost is calculated at 10.25%-10.5% interest rate, with the last maturity date of 31st July 2022. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured. No contingent rents are payable.		
	2023	2022
	R	R
15.1 The obligations under amortised loans are scheduled below:		
	Minimum	Minimum
	annuity payments	annuity payments
Amounts payable under amortised loans		
Payable within one year	1,194,871	1,194,871
Payable within two to five years	3,730,373	4,060,057
Payable after five years	1,348,620	2,247,702
TOTAL:	<u>6,273,864</u>	<u>7,482,629</u>
Less:		
Future finance obligations	(1,780,943)	(2,248,631)
Present value of annuity loans obligations	<u>4,522,821</u>	<u>5,194,007</u>
	2023	2022
	R	R
15.2 The obligations under capitalised lease liability are scheduled below:		
	Minimum	Minimum
	lease payments	lease payments
Amounts payable under finance leases		
Payable within one year	-	89,650
Payable within two to five years	-	-
Payable after five years	-	-
	<u>-</u>	<u>89,650</u>
Less:		
Future finance obligations	-	(1,770)
Present value of capitalised lease obligations	<u>-</u>	<u>88,080</u>



REJUVENATION WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	R
14. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfills sites	16,512,347	14,659,321
Total Non-current Provisions	16,512,347	14,659,321
14.1 Landfill Sites		
Balance 1 July	14,659,321	14,216,167
Increase due to re-measurement	244,671	(641,206)
Unwinding of discounted interest	1,608,355	1,384,360
Expenditure for the year	-	-
Total provision 30 June	16,512,348	14,859,321
Less: Transfer of Current Portion to Current Provisions - Note 17	-	-
Balance 30 June	16,512,348	14,859,321

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Beaufort West	Nelspoort	Murraysburg	Merweville
License fee	0 C/B-	0 C/B-	0 C/B-	0 C/B-
Permits and General (Rand)	3,400,851	606,211	1,050,099	447,622
Site Clearance and Preparation (R2.95/m ²)	66,295	8,674	18,293	7,342
Storm Water Control Measures (Rand)	2,295,004	1,115,762	1,348,563	791,990
Casings (Rand)	18,603,843	2,289,159	4,563,092	1,859,815
Landfill Maintenance (Rand)	-	-	-	-
Fencing (Rand)	701,362	395,834	452,187	246,494
	12,838	12,838	372,639	12,838
Discount Rate used			2023	2022
			%	%
Beaufort West:			12.313%	11.606%
Merweville:			12.295%	11.396%
Murraysburg:			9.454%	9.237%
Nelspoort:			12.144%	11.629%

The discount rate used to calculate the present value of the rehabilitation costs at each reporting period is based on a calculated risk-free rate as determined by the municipality. This rate used is also within the inflation target range (CPI) of the South African Reserve Bank of between 3% to 6%.

In terms of the licensing of the landfills sites, the municipality will incur training and rehabilitation costs of R16 512 348 (2022 R14 659 321) to restore the sites at the end of their useful lives.

Provision has been made for the net present value of the future cost, using the government bond rate that is regarded as a risk-free rate and the average Consumer Price Index from June 2022 to June 2023.

Other assumptions:

	Beaufort West	Nelspoort	Murraysburg	Merweville
Area (m ²)	49,474	6,772	13,851	5,560
Environmental Authorisation (Closure Licence) (Rand)	441,773	441,773	441,773	441,773
Technical ROD (Rand)	223,900	223,900	223,900	223,900
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment) (Rand)	199,418	175,762	197,905	156,307
Landfill Activities (Rand)	147,500	148,515	148,500	148,515
Water use Licence (Rand)	38,000	38,000	38,000	38,000
Topographical Survey (Rand)	17,387	7,560	7,500	7,500
Contingencies (Rand)	2,434,992	443,838	782,419	327,531
Engineering Professional Fees (Rand)	2,852,997	595,518	1,642,312	441,861
Site Supervision (Engineer's Representative) (Rand)	970,910	115,658	293,214	159,092
Site Supervision (Environmental Control Officer & CHS Assent) (Rand)	29,835	32,740	71,137	68,482

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows per asset report:

Location	Estimated decommission date	2023	2022
		R	R
Beaufort West	2049	112 011 849	102 491 295
Murraysburg	2029	14 825 979	12 190 535
Nelspoort	2048	20 374 578	18 177 622
Merweville	2083	198 140 588	85 217 017
		254 453 194	218 076 469

BEAUFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

15. NON-CURRENT EMPLOYEE BENEFITS	2023	2022
	R	R
Past Retirement Benefits	25 348 000	26 348 000
Long Service Awards	4 729 000	4 838 000
Pension Maturities	27 311	27 311
Total Non-current Employee Benefits	30 304 311	31 254 311
	2023	2022
	R	R
<u>Past Retirement Health Care Benefits</u>		
Balance 1 July	27 877 000	23 232 000
Contribution for the year	4 232 000	3 483 000
Expenditure for the year	(1 232 213)	(1 232 874)
Actuarial Loss/(Gain)	(5 570 887)	3 227 874
Total provision 30 June	27 009 000	22 877 000
Less: Transfer of Current Portion to Current Provisions - Note 15	(11 481 000)	(11 288 000)
Balance 30 June	15 528 000	11 589 000
	2023	2022
	R	R
<u>Pension Maturities</u>		
Balance 1 July	27 311	27 311
Expenditure for the year	-	-
Total provision 30 June	27 311	27 311
Less: Transfer of Current Portion to Current Provisions - Note 15	-	-
Balance 30 June	27 311	27 311
	2023	2022
	R	R
<u>Long Service Awards</u>		
Balance 1 July	8 872 000	8 872 000
Contribution for the year	1 068 000	872 000
Expenditure for the year	(733 251)	(402 729)
Actuarial Loss/(Gain)	(290 749)	779 274
Total provision 30 June	5 499 000	5 870 000
Less: Transfer of Current Portion to Current Provisions - Note 15	(480 000)	(781 000)
Balance 30 June	4 729 000	4 838 000
TOTAL NON-CURRENT EMPLOYEE BENEFITS		
Balance 1 July	33 374 311	29 181 311
Contribution for the year	5 300 000	4 355 000
Expenditure for the year	(2 002 564)	(1 638 600)
Actuarial Loss/(Gain)	(3 996 436)	1 961 000
Total employee benefits 30 June	32 675 311	33 374 311
Less: Transfer of Current Portion to Current Provisions - Note 15	(2 341 000)	(2 020 000)
Balance 30 June	30 304 311	31 254 311



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JUNE 2023

	2023	2022	
	R	R	
15.1 Provision for Post Retirement Health Care Benefits			
The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows			
Inservice (employees) members	50	58	
Inservice (employees) non-members	311	331	
Continuation members (e.g. Retirees, widows, orphans)	33	31	
Total Members	400	420	
	2023	2022	
	R	R	
The liability in respect of past service has been estimated to be as follows			
Inservice members	7,671,000	6,782,000	
Inservice non-members	5,948,000	4,928,000	
Continuation members (e.g. Retirees, widows, orphans)	15,492,000	14,070,000	
Total Liability	29,109,000	25,780,000	
The liability in respect of periods commencing prior to the comparative year has been estimated as follows			
	2021	2020	2019
	R	R	R
Inservice members	7,633,000	6,533,000	6,819,756
Inservice non-members	5,948,000	4,934,000	4,969,447
Continuation members	15,355,000	14,501,000	15,391,170
Total Liability	28,936,000	25,968,000	27,170,373
The municipality makes monthly contributions for health care arrangements to the following medical aid schemes			
Sanitas			
LA Health			
SABUKU Medical Aid			
The Current Service Cost for the ensuing year is estimated to be R954 000 and the Interest Cost for the next year is estimated to be R3 227 000			
Key actuarial assumptions used	2023	2022	
	%	%	
i) Rate of interest			
Discount rate	12.27%	11.77%	
CPI	6.34%	6.90%	
Health Care Cost Inflation Rate	7.65%	8.40%	
Net Effective Discount Rate	4.07%	3.11%	
ii) Mortality during employment			
SALES-50 table, adjusted for female lives			
iii) Mortality rates post employment			
The PA 90-1 with 1% mortality improvement from p a from 2010			
iv) Normal retirement age			
The normal retirement age is 60 for males and 59 for females			
v) Average retirement age			
It has been assumed that Inservice members will retire at age 62 for males and 59 for females, which then implicitly allows for expected rates of early and late-life retirement.			
vi) Continuation of membership			
It has been assumed that 10% of Inservice members will continue after retirement. It has been assumed that 10% of eligible Inservice non-members will be on medical scheme by retirement (should not exit before then) and continue with continuity of retirement.			
vii) Proportion with a spouse dependant at retirement			
It has been assumed that 60% of eligible employees on a health care arrangement at retirement will have a spouse dependant on their medical aid			
viii) Withdrawal from Service			
Valuation: 30 June 2023			
Age	Rate		
20-24	9%		
25-29	8%		
30-34	6%		
35-39	6%		
40-44	5%		
45-49	4%		
50-54	3%		
55+	0%		



REPORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R			
The amounts recognised in the Statement of Financial Position are as follows:					
Present value of fund obligations	27,009,000	27,877,000			
Net liability/(asset)	27,009,000	27,877,000			
Reconciliation of present value of fund obligations:					
Present value of fund obligations at the beginning of the year	27,877,000	23,232,000			
Total expenses	2,902,687	2,217,126			
Current services cost	1,048,000	962,000			
Interest Cost	3,186,500	2,871,000			
Benefits Paid	(1,329,313)	(1,235,874)			
Actuarial (gains)/losses	(3,270,687)	1,227,874			
Present value of fund obligations at the end of the year	27,009,000	27,877,000			
Less: Transfer of Current Portion - Note 18	(1,451,000)	(1,280,000)			
Balance 30 June	25,549,000	26,597,000			
Sensitivity Analysis on the Accrued Liability on 30 June 2023					
Assumption		Total liability (R=)			
Central Assumptions		27,009,000			
The effect of movements in the assumptions are as follows:					
Assumption	Change	Total liability (R=)			
Health care inflation	1%	33,821,000			
Health care inflation	-1%	24,061,000			
Discount rate	1%	24,210,000			
Discount rate	-1%	30,403,000			
Post-retirement mortality	1 year	26,242,000			
Post-retirement mortality	(1 year)	27,768,000			
Average retirement age	-1 year	28,181,000			
Continuation of membership at retirement	-10%	25,518,000			
Sensitivity Analysis on Current Service and Interest Cost for the year ending 30 June 2024					
Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	
Central Assumptions		964,000	3,227,000	4,191,000	
Health care inflation	1%	1,150,000	3,658,000	4,814,000	
Health care inflation	-1%	810,000	2,868,000	3,678,000	
Discount rate	1%	820,000	3,118,000	3,944,000	
Discount rate	-1%	1,140,000	3,346,000	4,486,000	
Post-retirement mortality	1 year	843,000	3,133,000	4,076,000	
Post-retirement mortality	(1 year)	885,000	3,320,000	4,205,000	
Average retirement age	(1 year)	885,000	3,372,000	4,256,000	
Continuation of membership at retirement	-10%	840,000	3,044,000	3,884,000	
Experience adjustments were calculated as follows:			2023 R	2022 R	
Liabilities, (Gain) / loss			(40,000)	4,256,000	
Assets, Gain / (loss)			-	-	
The liability in respect of periods commencing prior to the comparative year had been estimated as follows:			2021 R	2020 R	2019 R
Liabilities, (Gain) / loss				668,000	350,000
Assets, Gain / (loss)			(8,843,000)	-	-

BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

15.2	Provision for Long Service Awards	2023 R	2022 R	
<p>A long-service award is awarded to employees who achieve certain pre-determined milestones of service within the Municipality. The award is based on the number of years in service at 31 year end and the following number of employees were eligible for Long Service Bonuses.</p> <p>The Current-service Cost for the ensuing year is estimated to be R455 000 whereas the Interest Cost for the next year is estimated to be R560 000</p>				
		308	392	
<p>Key actuarial assumptions used</p>				
		2023 %	2022 %	
i)	Rate of interest	11.20%	11.03%	
	Discount rate	6.52%	7.33%	
	General Salary Inflation	5.02%	8.35%	
	CPI	4.89%	3.45%	
	Net Effective Discount Rate applied to salary-related Long Service Bonuses			
ii)	Mortality during employment			
	SABS-90 ultimate table, adjusted down for female lives			
iii)	Average Retirement age			
	It has been assumed that male employees will retire at age 62 and female employees will retire at age 59			
iv)	Withdrawal rates			
	Valuation: 30 June 2023			
	Age	Rate		
	20-24	0%		
	25-29	8%		
	30-34	8%		
	35-39	5%		
	40-44	5%		
	45-49	4%		
	50-54	3%		
	55+	0%		
v)	Normal retirement age			
	The normal retirement age is 65 for males and 60 for females			
<p>The amounts recognised in the Statement of Financial Position are as follows:</p>				
		2023 R	2022 R	
Present value of fund obligations		5 659 000	5 670 000	
Net liability (asset)		<u>1 608 000</u>	<u>5 670 000</u>	
<p>Reconciliation of present value of fund obligation</p>				
		2023 R	2022 R	
Present value of fund obligation at the beginning of the year		5 670 000	5 922 000	
Total expenses:		345 749	372 274	
Current service cost		482 000	472 000	
Interest Cost		588 000	403 000	
Benefits Paid		(733 251)	(402 726)	
Actuarial (gain)/losses		(395 749)	(724 274)	
Present value of fund obligation at the end of the year		<u>5 839 600</u>	<u>5 670 000</u>	
Less: Trustee of Current Portion - Note 18		(460 000)	(731 000)	
Balance 30 June		<u>4 739 600</u>	<u>4 839 000</u>	
<p>The liability in respect of periods commencing prior to the comparative year has been estimated as follows:</p>				
		2021 R	2020 R	2019 R
Present value of fund obligations		5 419 000	5 731 000	5 207 000
<p>Sensitivity Analysis on the Accrued Liability on 30 June 2023</p>				
		Change	Liability	
Assumption			5 809 000	
Central assumptions			5 816 000	
General earnings inflation		1%	5 829 000	
General earnings inflation		-1%	5 824 000	
Discount rate		1%	5 827 000	
Discount rate		-1%	6 051 000	
Average retirement age		2 years	4 816 000	
Average retirement age		(2 years)	4 670 000	
Withdrawal rates		32	6 243 000	
Withdrawal rates		40.5		

SEAFORTH WEST MUNICIPALITY
 NOTE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption				
Contrib Assumptions		455,000	560,000	1,015,000
General savings inflation		455,000	615,000	1,070,000
General savings inflation	-1%	425,000	549,000	974,000
Discount rate	1%	425,000	597,000	1,022,000
Discount rate	-1%	454,000	561,000	1,015,000
Average retirement age	2 year	521,000	682,000	1,213,000
Average retirement age	(2 year)	399,000	492,000	891,000
Withdrawal Rate	x2	346,000	475,000	821,000
Withdrawal Rate	x0.5	533,000	651,000	1,184,000

Experience adjustments were calculated as follows

Liabilities (Gain) / loss				(93,746)
Assets (Gain) / (loss)				-

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

Liabilities (Gain) / loss		2021	2020	2019
Assets (Gain) / (loss)				
		R	R	R
		-345,000	879,446	287,811

15.3 Multi-Retirement funds

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

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. The only obligation of the municipality in terms of the plan is to make specified contributions.

	2023	2022
	R	R

CONSOLIDATED RETIREMENT FUND (PREVIOUSLY CAPE JOINT RETIREMENT FUND)

The contribution rate paid by the members (9.0%) and Council (18.0%). The last actuarial valuation performed for the year ended 30 June 2022 revealed that the fund is in a sound financial position with a funding level of 100.4% (30 June 2021 - 100.5%).

Contributions paid recognised in the Statement of Financial Performance	11,881,281	12,186,254
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LA RETIREMENT FUND (PREVIOUSLY CAPE JOINT PENSION FUND)

The contribution rate payable is 6% by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2022 revealed that the fund is in a sound financial position with a funding level of 100.1% (30 June 2021 - 100.5%).

Contributions paid recognised in the Statement of Financial Performance	58,907	89,588
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SALA PENSION FUND

The contribution rate payable is 8.00% by members and 20.75% by Council. The most recent valuation was done on 30 April 2022. The market value of the fund as at 30 April 2022 was R12 819 632 303 (30 April 2021: R13 025 614 096)

Contributions paid recognised in the Statement of Financial Performance	865,676	829,230
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MUNICIPAL RETIREMENT WORKERS FUND

Council contribute to the Municipal Retirement Workers Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. The contribution rate paid by the members (9.0%) and Council (11.0%).

Contributions paid recognised in the Statement of Financial Performance	565,897	589,833
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BEAUFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	R
16. CONSUMER DEPOSITS		
Electricity	1,862,709	1,862,695
Retail Provisions	106,186	177,687
Water	328,029	376,025
Building Plans	631	-
Poisons	387	1,426,616
Refuse	203,490	83,382
Total Consumer Deposits	2,489,611	3,841,823
The fair value of consumer deposits approximates their carrying value. Interest is not paid on these amounts.		
Full guarantees held in lieu of electricity and water deposits refer to note 52.		
	2023	2022
	R	R
17. PROVISIONS		
Current Portion of Rehabilitation of Landfill Sites - Note 14	-	-
Total Provisions	-	-
	2023	2022
	R	R
18. CURRENT EMPLOYEE BENEFITS		
Performance Bonuses	103,190	200,368
Staff Bonuses	3,461,400	3,494,298
Staff Leave	8,532,219	6,806,561
Current Portion of Non-Current Provisions	2,341,000	2,020,000
Current Portion of Post-Retirement Benefits - Note 15	1,461,000	1,288,000
Current Portion of Long-Servicé Provisions - Note 15	680,000	731,000
Total Provisions	14,637,909	14,571,127
The movement in current provisions are reconciled as follows:		
	2023	2022
	R	R
18.1 Performance Bonuses		
Balance at beginning of year	200,368	394,528
Contribution to current portion	3,006	-
Expenditure incurred	(199,182)	(193,660)
Balance at end of year	103,190	200,368
Performance bonuses are being paid to permanent directors after an evaluation of performance by the council. There is no possibility of reimbursement.		
	2023	2022
	R	R
18.2 Staff Bonuses		
Balance at beginning of year	3,494,298	3,480,368
Contribution to current portion	6,296,663	6,259,277
Expenditure incurred	(6,329,551)	(6,249,478)
Balance at end of year	3,461,400	3,480,168
Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.		
	2023	2022
	R	R
18.3 Staff Leave		
Balance at beginning of year	8,858,501	9,301,620
Contribution to current portion	664,988	916,654
Expenditure incurred	(879,151)	(1,280,043)
Balance at end of year	8,532,219	8,898,201
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.		

BEAUFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
19. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Receivable accounts with credit balances	6 960,681	6 250,793
Retention	2 496,054	258 805
Sundry creditors	574,599	625,327
Trade Payables	136 198,514	120 783,704
Total Trade Payables	148 230,817	128 918,725
<p>Payables are being recognised net of any discounts. The required payment period per MPBA is 30 days. Due to financial difficulties experienced by the municipality all payables are not paid within 30 days. Discounting of these and other payables on initial recognition is not deemed necessary. The carrying value of trade and other payables approximates its fair value. All payables are unsecured.</p>		
	2023 R	2022 R
20. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	4 972,197	10 431,365
National Government Grants	3 300,454	6 664,693
Provincial Government Grants	457,369	2 468,656
District Municipality	78,566	200,607
Other Grant Providers	1 120,278	1 400,000
Total Unspent Transfers and Subsidies	4 972,197	10 931,265
<p>Amount available in short term investment deposits - note 12</p>		
	12 318,108	13 437,213
<p>Available Cash for Unspent Conditional Grants and Receipts</p>		
	12 318,108	13 437,213
<p>See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld. Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.</p>		
	2023 R	2022 R
21. VAT RECEIVABLE/PAYABLE		
21.1 Net VAT Receivable(Payable)	10 112,484	12 287,099
<p>VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from dealers.</p>		

REPORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	R
20. NET ASSET RESERVES		
RESERVES	4 104 345	4 104 345
Housing Development Fund	22.1 3 789 618	3 789 618
Self Insurance Reserve	314 627	314 627
Total Net Asset Reserves and Liabilities	4 104 345	4 104 345

22.1 The Housing Development Fund was established in terms of section 15 (3) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/deficit on the Housing Department in the Department of Financial Performance is transferred to the Housing Development Fund.

22.2 The Self Insurance Reserve is used to finance future insurance claims.
The above balances are represented by cash of RA 303 (2022: RA 303) and is included together with the other investments of the municipality (See Note 12).

	2023	2022
	R	R
23. PROPERTY RATES		
Municipal – 1 July 2022		
Rateable Land and Buildings	5 955 020 500	5 658 400 500
Business and Commercial Property	369 822 500	372 183 500
Farm Properties	2 874 398 500	2 874 398 500
Municipal Properties	137 430 000	144 481 000
Public Service Infrastructure Properties	2 306 800	2 306 000
Residential Properties	1 290 421 500	1 238 221 500
State-owned Properties	181 260 000	182 288 000
Vacant	45 607 000	45 838 000
Other Categories	122 310 000	103 366 000
Total Property Rates	8 858 289 300	8 658 400 500

	2023	2022
	R	R
Actual		
Rateable Land and Buildings	62 297 109	57 150 691
Business and Commercial Property	11 804 416	10 779 873
Farm Properties	15 487 008	14 469 876
Municipal Properties	170 148	1 756 272
Residential Properties	29 872 873	24 115 410
State-owned Properties	8 917 327	4 946 864
Vacant Land	950 140	1 043 956
Less: Revenue Forgone	(16 700 264)	(16 919 306)
Total Assessment Rate	45 888 846	40 240 383

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2017. Interest valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to estate development.

Basic Rate	2023	2022
Residential	0.0210896%R	0.020066%R
Business and Industrial	0.029472%R	0.028092%R
Agricultural	0.006281%R	0.005011%R
Public Service Infrastructure Properties (PSI)	0.029472%R	0.028092%R
State-owned	0.029472%R	0.028092%R
National Monuments	0.029472%R	0.028092%R
Vacant land	0.022280%R	0.021079%R

Rates are levied annually and monthly. Monthly rates are payable by the 12th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates granted as below:

Residential	The first R19 000 of the rateable is exempted.
National Monuments	10% rebate based on application and complying specific conditions
Agriculture	70% rebate based on application and complying specific conditions
Parish/overs	Additional rebates based on application and complying specific conditions, for property market value below R750 000
School	20% rebate in respect of public or independent school

Rebates can be deferred as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.



SEAFOURIE WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 R	2021 R
24. GOVERNMENT GRANTS AND SUBSIDIES		
Government Grants and Subsidies - Operations	91,786,737	81,882,118
Equitable Share	77,285,000	89,824,782
Expanded Public Works Programme Integrated Grant (EPWP)	1,288,568	1,285,000
Local Government Financial Management Grant (FMG)	2,065,000	1,814,000
Provincial Treasury - Financial Management Support Grant	-	300,000
Provincial Treasury - Western Cape Financial Management Capacity Building Grant	-	-
Department of Local Government - Local Government Public Employment Support Grant	1,035,734	84,286
Department of Local Government - Thuthung Services Centres Grant (Sustainability, Operational Support Grant)	-	150,000
Department of Local Government - Community Development Workers (CDW) Operational Support Grant	365,804	276,300
Municipal Infrastructure Grant (MIG)	744,133	266,623
Department of Cultural Affairs and Sport - Library Service - Replacement Funding	6,585,742	5,388,778
Human Settlements - Municipal Accreditation and Capacity Building Grant	164,827	249,450
Transport & Public Works - Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	-	-
Department of Local Government - Municipal Drought Relief Grant	-	788,243
Provincial Treasury - Western Cape Municipal Recovery Services Grant	1,959,000	-
Chemical Industries Education & Training Authority	414,641	109,393
Central Karoo District Municipality Services SETA	179,941	-
Department of Local Government - Western Cape Municipal Interventions Grant	175,200	-
Chemical Industries Education & Training Authority	-	-
Government Grants and Subsidies - Capital	52,732,178	14,852,791
Integrated National Electrification Programme Grant (INEP)	16,861,848	486,617
Central Karoo District Municipality	-	1,386,929
Department of Cultural Affairs and Sport - Library Service - Replacement Funding	-	41,175
Municipal Infrastructure Grant (MIG)	5,858,843	12,030,067
Western Cape Municipal Interventions Grant	-	-
Water Services Infrastructure Grant (WSIG)	28,438,288	-
Department of Local Government - Emergency Municipal Used Shading Relief Grant	1,115,000	-
Department of Local Government - Western Cape Municipal Interventions Grant	300,000	-
Services SETA	417,897	-
Total Government Grants and Subsidies	144,528,915	96,734,907
	2022 R	2021 R
Included in above are the following grants and subsidies received:		
Unconditional	77,285,000	89,279,000
Equitable Share	77,285,000	89,279,000
Conditional	14,852,791	34,999,916
Expanded Public Works Programme Integrated Grant (EPWP)	1,288,568	1,285,000
Local Government Financial Management Grant (FMG)	2,065,000	1,814,000
Provincial Treasury - Financial Management Support Grant	-	100,000
Provincial Treasury - Western Cape Financial Management Capacity Building Grant	100,000	250,000
Western Cape Municipal Interventions Grant	480,000	-
Department of Local Government - Local Government Public Employment Support Grant	-	1,100,000
Department of Local Government - Thuthung Services Centres Grant (Sustainability, Operational Support Grant)	-	150,000
Department of Cultural Affairs and Sport - Library Service - Replacement Funding	5,679,000	6,548,000
Community Development Workers (CDW) operational support grant	223,000	226,000
Integrated National Electrification Programme Grant (INEP)	11,056,000	6,100,000
Municipal Infrastructure Grant (MIG)	9,653,000	14,521,000
Human Settlements - Municipal Accreditation and Capacity Building Grant	256,000	-
Transport & Public Works - Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	-	-
Water Services Infrastructure Grant (WSIG)	28,438,288	-
Department of Local Government - Municipal Drought Relief Grant	-	-
Department of Local Government - Emergency Municipal Used Shading Relief Grant	1,115,000	-
Provincial Treasury - Western Cape Municipal Recovery Services Grant	1,803,000	-
Services SETA	-	1,400,000
Chemical Industries Education & Training Authority	313,675	1,366,929
Central Karoo District Municipality	200,000	-
Total Government Grants and Subsidies	142,827,875.00	104,286,922
Government Grants and Subsidies - Capital	52,732,178	14,852,791
Government Grants and Subsidies - Operations	91,796,737	81,882,116
Total Government Grants and Subsidies	144,528,915	96,734,907



BEAUFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JUNE 2023

	2023 R	2022 R
Revenue recognised per vote as required by Section 122 (c) of the MFMA.		
Equitable share	77 285 000	89 624 783
Executive and Council	2 931 279	2 635 130
Corporate services	-	-
Community and social services	478 840	11 421 841
Finance and administration	9 254 120	2 214 000
Planning and development	-	500 422
Road transport	2 085 000	1 285 000
Short and recreation	-	-
Waste water management	-	-
Housing	-	248 450
Waste management	-	-
Public safety	-	-
Energy services	23 185 891	5 881 101
Water management	29 227 584	2 592 699
Total Government Grants and Subsidies	144 520 015	96 456 008
Based on the allocations set out in the Division of Revenue Act (DORA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.		
	2023 R	2022 R
24.1 National Grants		
Opening balance	5 854 693	345 762
Grants received	125 478 000	93 588 000
Transfer from Equitable share - Municipal Infrastructure Grant (MIG) EPWP	-	-
Receivable from National Revenue Fund	(1 040 309)	-
Conditions met - Own Income	(30 883 749)	(1 734 268)
Conditions met - Operating	(50 892 191)	(11 561 231)
Conditions met - Capital	-	-
Conditions still to be met	3 357 454	8 654 493
24.2 Provincial Grants		
Opening balance	2 486 065	5 044 052
Grants received	10 846 000	8 374 000
Receivable from National Revenue Fund	(1 126 519)	(2 772 470)
Conditions met - Own Income	-	-
Conditions met - Operating	(10 223 147)	(8 118 337)
Conditions met - Capital	(1 415 000)	(41 729)
Conditions still to be met	487 409	2 488 089
24.3 District Grants		
Opening balance	290 807	400 000
Grants received	200 000	1 295 929
Conditions met - Own Income	-	(1 620 000)
Conditions met - Operating	(414 641)	(1 195 393)
Conditions met - Capital	-	(1 233 351)
Conditions still to be met	75 846	280 307
24.4 Other Grant Providers		
Opening balance	1 400 000	1 400 000
Grants received	313 076	-
Conditions met - Own Income	-	-
Conditions met - Operating	(175 200)	-
Conditions met - Capital	(417 887)	-
Conditions still to be met	1 125 379	1 400 000
24.4 Equitable Share		
Grants received	77 285 000	69 279 000
Conditions met - Operating	(77 285 000)	(69 624 782)
Conditions still to be met	-	-
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 80 free water and 50kwh free electricity per month, which is funded from this grant.		
All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of free basic services for the geographical area concerned.		
See Appendix E.4. note 20 for a reconciliation of all grants.		
	2023 R	2022 R
24.5 Local Government Financial Management Grant (FMG)		
Opening balance	-	-
Grants received	2 085 000	1 814 000
Conditions met - Operating	(2 085 000)	(1 814 000)
Conditions still to be met	-	-
The Financial Management Grant (FMG) is paid by National Treasury to municipalities to help implement the essential reforms required by the Municipal Finance Management Act (MFMA) 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
	2023 R	2022 R
24.6 Provincial Treasury - Western Cape Municipal Recovery Services Grant		
Grants received	1 993 000	-
Conditions met - Own Income	-	-
Conditions met - Operating	(1 993 000)	-
Conditions still to be met	-	-
To assist the municipalities to perform their functions effectively, including the coordination and integrated functions and support related to improve overall financial governance and financial sustainability within municipalities when there is a municipal intervention.		



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JUNE 2023

	2023 R	2022 R
24.7 Municipal Infrastructure Grant (MIG)		
Opening balance	1,040,310	220,717
Grants received	9,562,000	14,571,000
Transfer to adjustable share	-	(250,718)
Revised to National Revenue Fund	-	-
Conditions met - Own Income	(1,040,309)	(1,671,014)
Conditions met - Operating	(744,153)	(560,623)
Conditions met - Capital	(5,858,543)	(11,559,021)
Conditions still to be met	<u>2,849,304</u>	<u>1,040,310</u>
The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
24.8 Interrelated National Electrification Grant (NIEP)		
Opening balance	5,814,384	33,313
Grants received	11,000,000	6,100,000
Transfer to adjustable share	-	(33,313)
Conditions met - Own Income	-	(62,241)
Conditions met - Capital	(18,801,849)	(432,276)
Conditions still to be met	<u>12,415</u>	<u>5,814,384</u>
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
24.9 Expanded Public Works Programme Interrelated Grant (EPWP)		
Opening balance	-	91,733
Grants received	1,138,000	1,288,000
Transfer to adjustable share	-	(91,733)
Conditions met - Operating	(788,696)	(1,288,000)
Conditions still to be met	<u>349,304</u>	<u>-</u>
To provide funding for job creation in specific focus areas.		
24.10 Department of Local Government - Western Cape Municipal Interventions Grant		
Grants received	400,000	-
Conditions met - Own Income	-	-
Conditions met - Operating	(179,841)	-
Conditions met - Capital	(200,000)	-
Conditions still to be met	<u>85</u>	<u>-</u>
To provide financial assistance to municipalities to improve infrastructure, systems, structures, corporate governance, service delivery and compliance with executive obligations.		
24.11 Human Settlements Development Grant (Beneficiaries) - Housing		
Opening balance	-	710
Revised to National Revenue Fund	-	(710)
Conditions still to be met	<u>-</u>	<u>-</u>
The Housing grant was utilised for the development of urban and the erection of top structures.		
24.12 Human Settlements Development Grant - Acceleration of Housing Delivery (But Services)		
Opening balance	-	203,871
Revised to National Revenue Fund	-	(203,871)
Conditions still to be met	<u>-</u>	<u>-</u>
To fund housing within municipalities that demonstrated capacity to plan and deliver housing rapidly, with emphasis on rural areas.		
24.13 Human Settlements Development Grant - Tale Dade Restoration		
Opening balance	-	705,778
Revised to National Revenue Fund	-	(705,778)
Conditions still to be met	<u>-</u>	<u>-</u>
To assist with the registration backlog in terms of housing projects.		
24.14 Human Settlements - Municipal Accreditation and Capacity Building Grant		
Opening balance	(81,172)	158,277
Grants received	295,000	-
Conditions met - Own Income	-	-
Conditions met - Operating	(164,827)	(249,450)
Conditions still to be met	<u>(81,172)</u>	<u>(81,172)</u>
The purpose of grant is to fund salary of the capacity building clerk for a period of twelve months.		
24.15 Provincial Treasury - Financial Management Capacity Building Grant		
Opening balance	250,000	1,280,000
Grants received	100,000	250,000
Interest received	-	-
Transfer from Financial Management Support Grant	-	-
Revised to National Revenue Fund	-	(1,280,000)
Conditions still to be met	<u>350,000</u>	<u>250,000</u>
To develop practical human capacity within the municipal area to enable a sustainable local financial skills pipeline that is responsive to the municipalities requirement to enable sound and sustainable financial management and good financial governance.		



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
24.18 Provincial Treasury - Financial Management Support Grant		
Opening balance	0	293,000
Grants received	-	100,000
Conditions met - Operating	-	(300,000)
Conditions still to be met	0	0
To provide financial assistance to the municipality to improve overall financial governance. The grant was used for revenue enhancement and asset verifications.		
	2023 R	2022 R
24.17 Transport & Public Works - Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure		
Opening balance	0	0
Correction of Error	0	0
Grants received	0	0
Interest	0	0
Repaid to National Revenue Fund	0	0
Conditions met - own income	0	0
Conditions met - Operating	0	0
Conditions met - Capital	0	0
Conditions still to be met	0	0
To financial assist the municipality with maintenance and construction of municipal main roads, where the municipality is the road authority.		
	2023 R	2022 R
24.18 Department of Cultural Affairs and Sport - Library Services - Replacement Funding		
Opening balance	1,058,401	860,658
Grants received	6,679,000	6,644,000
Repaid to National Revenue Fund	(1,088,401)	-
Conditions met - Operating	(6,043,742)	(6,288,076)
Conditions met - Capital	-	(41,178)
Conditions still to be met	95,258	1,088,481
To support municipal investment in library services and sustain the future professional delivery and development of library services.		
	2023 R	2022 R
24.19 Department of Local Government - Fire Service Capacity Building Grant		
Opening balance	0	154,074
Repaid to National Revenue Fund	-	(154,074)
Conditions still to be met	-	-
To provide financial assistance to municipalities to ensure functional emergency communication, mobilisation systems and fire services		
	2023 R	2022 R
24.20 Department of Local Government - Community Development Workers (CDW) Operational Support Grant		
Opening balance	164,984	315,284
Grants received	233,000	226,000
Conditions met - Operating	(330,304)	(278,200)
Conditions still to be met	22,081	164,984
To provide financial assistance to the municipality to cover operational and capital costs pertaining to the functions of community development workers including supervisors and regional coordinators		
	2023 R	2022 R
24.21 Department of Local Government - Thuzoana Services Centre Grant (Sustainability, Operational Support Grant)		
Opening balance	0	102,387
Grants received	-	150,000
Repaid to National Revenue Fund	-	(102,787)
Conditions met - Operating	-	(150,000)
Conditions still to be met	0	0
To provide financial assistance to the municipality, ensuring the financial sustainability to the Thuzoana Service Centre		
	2023 R	2022 R
24.22 Department of Local Government - Municipal Drought Relief Grant		
Opening balance	28,118	1,125,517
Repaid to National Revenue Fund	(28,118)	(308,164)
Conditions met - Operating	-	(1,088,243)
Conditions still to be met	0	28,118
Drought relief financial assistance to the municipality to augment water supply and bulk infrastructure capacity.		
	2023 R	2022 R
24.23 Water Services Infrastructure Grant (WSIG)		
Grants received	28,455,000	-
Conditions met - own income	(28,433,288)	-
Conditions still to be met	21,712	-
Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities, provide basic and intermittent water and sanitation supply that ensure provision of services to identified and prioritised communities, including spring protection and groundwater development, support municipalities in implementing water conservation and water demand management projects, support the close-out of the existing Bucket Eradication Programme intervention in formal residential areas, support drought relief projects in affected municipalities.		
	2023 R	2022 R
24.24 Fire and Drought Relief		
Opening balance	-	17,087
Repaid to National Revenue Fund	-	(17,087)
Conditions still to be met	-	-
To assist with the impact of climate change in the province.		



BLUFORD WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
24.25 Department of Local Government: Emergency Municipal Load Shedding Relief Grant		
Grants received	1 115 000	-
Conditions met - Operating	(1 115 000)	-
Conditions still to be met	-	-
Provide a financial contribution to municipalities towards the purchase and installation of back-up energy supply (which may include generators, renewable power sources, batteries and all ancillary costs associated with the installation (i.e. switch gear, anti-heating, cabling, etc.) for water and wastewater infrastructure as an immediate response to the protracted load-shedding, thereby mitigating the impact on the provision of basic services and potential health risks.		
	2023 R	2022 R
24.26 Chemical Industries Education & Training Authority		
Grants received	313 876	-
Conditions met - Operating	(175 200)	-
Conditions still to be met	138 676	-
Implementation of learning programmes on a fulltime and uninterrupted basis for a period of 18 months		
	2023 R	2022 R
24.27 Central Karoo District Municipality		
Opening balance	290 807	400 000
Grants received	200 000	1 306 800
Conditions met - own Income	-	(182 078)
Conditions met - Operating	(14 541)	(109 293)
Conditions met - Capital	-	(1 213 881)
Conditions still to be met	73 866	280 627
To provide safety response measures with regard to COVID 19 pandemic		
	2023 R	2022 R
24.28 Department of Local Government: Local Government Public Employment Support Grant		
Opening balance	1 035 734	-
Grants received	-	1 100 000
Conditions met - Operating	(1 035 734)	(184 286)
Conditions still to be met	0	1 035 734
Partnership between local, district and metro municipalities to expand or initiate public employment initiatives in social, infrastructure and environmental sectors to provide financial assistance to mitigate economic challenges arising from COVID 19 pandemic		
	2023 R	2022 R
24.29 Other Grant Provider: Services BETA		
Opening balance	1 400 000	-
Grants received	-	1 400 000
Conditions met - Capital	(147 507)	-
Conditions still to be met	892 503	1 400 000
Financial contribution towards electrical and water infrastructure for completion of the Skills Centre		
	2023 R	2022 R
24.30 Total Grants		
Opening balance	10 831 308	6 788 814
Grants received	149 837 275	104 288 229
Revised to National Revenue Fund	12 168 008	(2 772 705)
Conditions met - own Income	(28 438 288)	(1 916 433)
Conditions met - Operating	(34 359 127)	(89 602 116)
Conditions met - Capital	(23 118 880)	(12 508 288)
Conditions still to be met	2 896 188	10 851 288
	2023 R	2022 R
25. CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT		
Met-substation Bird Street	-	780,996
Department Forestry, Fisheries and the Environment - Waste Compactor Truck	2,501,882	-
Total Computer Services - Computer Equipment	4,300	-
Liaison - Computer Equipment	7,480	-
Department Transport and Public Works - Computer Equipment	401,522	-
Total Contributed Property, Plant and Equipment	2,865,184	780,996
	2023 R	2022 R
26. LICENCES AND PERMITS		
Road and Transport	181,192	330,306
Total Licences and Permits	181,192	330,306
Developed as follows:	2023 R	2022 R
Revenue from Non-Exchange Transactions	181,192	120,452
Revenue from Exchange Transactions	-	209,854
Total Licences and Permits	181,192	330,306
	2023 R	2022 R
27. SERVICES CHARGES		
Electricity	78 474 882	81 687 442
Service Charges	48 756 294	81 846 896
Less: Revenue Forgone	(7 281 513)	(5 104 444)
Water	18 878 804	23 285 572
Service Charges	22 553 030	28 771 280
Less: Revenue Forgone	(3 674 227)	(5 485 708)
Waste Management	10 487 935	7 949 256
Service Charges	14 479 454	11 581 288
Less: Revenue Forgone	(3 991 519)	(3 632 032)
Waste Water Management	29 478 249	17 871 613
Service Charges	28 628 222	23 847 481
Less: Revenue Forgone	(8 150 974)	(5 975 868)
Total Service Charges	127 430 989	130 708 883

Revenue Forgone can be defined as any income that the municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.



DELAFT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
26. SALES OF GOODS AND RENDERING OF SERVICES		
Application Fees for Land Usage	82,200	-
Building Plan Approval	89,749	83,757
Cemetery and Burial	340,859	422,883
Clearance Certificates	50,605	66,184
Drainage Fees	680	320
Establishment Fees	916	916
Entrance Fees	80,106	1,218
Legal Fees	1,001	-
Membership Fees	14,047	11,648
Photocopies and Faxes	18,070	17,600
Sale of Goods	118,413	41,280
Value-on Services	-	14,772
Total Sales of Goods and Rendering of Services	899,633	680,477
	2023 R	2022 R
27. RENTAL FROM FIXED ASSETS		
Investment Property	1,385,506	1,275,304
Property, Plant and Equipment	78,971	77,462
Total Rental from Fixed Assets	1,464,478	1,352,766
	2023 R	2022 R
30. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	2,121,363	540,859
Total Interest Earned - External Investments	2,121,363	540,859
	2023 R	2022 R
31. INTEREST EARNED - EXCHANGE TRANSACTIONS		
Receivables from exchange transactions	7,852,338	8,243,807
Total Interest Earned - Outstanding Receivables	7,852,338	8,243,807
	2023 R	2022 R
32. OPERATIONAL REVENUE		
Administrative Handling Fees and Photocopies	1,930,305	392,191
Donations and Losses Recovered	891	1,722,858
Commission of Insurance	148,824	-
Indicent/ Cash Surpluses	47,699	114,309
Inspection Fees	853	-
Insurance Refund	388,991	278,484
Registration Fees	172,245	74,142
Request for Information	28,012	17,508
Staff Recourses	(314,238)	97,879
Skill development levy refund	185,307	145,259
Sale of Property	20,000	56,387
Total Operational Revenue	2,986,873	2,987,019



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SEAFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	R
33. EMPLOYEE RELATED COSTS		
Acting Allowance	2,170,514	1,208,813
Basic Salaries and Wages	86,326,431	90,498,740
Benefits Council	51,289	52,289
Bonuses	8,090,883	6,651,481
Cell Phone Allowance	234,363	251,274
Essential costs	2,397,036	191,608
Group Insurance	50,834	84,148
Housing Allowances	422,873	433,815
Long Service Awards	-	-
Long Service Bonus	-	-
Medical Aid Contributions	2,016,512	2,015,898
Overtime	3,653,523	2,920,811
Payments in lieu of leave	654,468	818,529
Pension and UIF Contributions	13,998,883	14,419,209
Performance bonus	3,000	44,200
Rural Allowance	-	-
Scarcity allowance	253,685	340,161
Standby Allowances	2,429,883	1,681,908
Transport Allowances	187,014	2,437,000
Unemployment Fund	-	-
Uniform Allowance	80,000	110,000
Post retirement obligations	1,520,000	1,587,884
Current Service Cost - Long Service Awards - Note 15.2	482,000	564,888
Current Service Cost - Medical - Note 15.1	1,048,000	1,003,196
Total Employee Related Costs	122,440,788	128,877,211

KEY MANAGEMENT PERSONNEL

The directors are directly accountable to the Municipal Manager. The Director Corporate services are permanently employed. There are no post-employment or termination benefits payable to them at the end of their service.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

	2023	2022
	R	R
Remuneration of the Municipal Manager: M.J. Pauze		
Acting Allowance	-	-
Basic Salary	405,519	1,141,800
Cellular and Telephone Allowance	6,400	18,000
Contributions, Medical and Pension Funds	886	-
Motor Vehicle Allowance	28,388	78,905
Scarcity Allowance	106,152	-
Payments in lieu of leave	-	-
Total	547,355	1,238,705
Municipal manager for the period: July 2022 to November 2022		

	2023	2022
	R	R
Remuneration of the Acting Municipal Manager: QZ Ntsho		
Acting Allowance	-	86,177
Basic Salary	684,141	407,185
Cellular and Telephone Allowance	9,000	8,857
Contributions, Medical and Pension Funds	1,963	-
Payments in lieu of leave	26,341	-
Scarcity Allowance	41,417	33,838
Total	774,862	546,158
Acting Municipal Manager for the period: July 2022 to February 2023		

	2023	2022
	R	R
Remuneration of the Acting Municipal Manager: RR Linta		
Basic Salary	71,784	-
Cellular and Telephone Allowance	5,613	-
Pension and UIF Contributions	886	-
Scarcity Allowance	5,023	-
Total	83,306	-
Acting Municipal Manager for the period: January 2023 to April 2023		

	2023	2022
	R	R
Remuneration of the Acting Municipal Manager: De Watermood		
Basic Salary	129,812	-
Cellular and Telephone Allowance	9,000	-
Medical Aid Contributions	11,456	-
Motor Vehicle Allowance	20,600	-
Pension and UIF Contributions	10,888	-
Scarcity Allowance	12,026	-
Total	185,772	-
Municipal Manager for the period: May 2023 to June 2023		

	2023	2022
	R	R
Remuneration of Chief Financial Officer: N.Nhangami		
Basic Salary	-	294,854
Cellular and Telephone Allowance	-	18,000
Scarcity Allowance	-	72,823
Motor Vehicle Allowance	-	173,817
Housing Allowance	-	7,200
Contributions, Medical and Pension Funds	-	154,676
Payments in lieu of leave	-	52,018
Total	-	1,185,168
Chief financial officer till June 2022		

	2023	2022
	R	R
Remuneration of Acting Chief Financial Officer: NP Mabhele		
Basic Salary	664,205	88,725
Cellular and Telephone Allowance	12,000	3,857
Scarcity Allowance	38,484	5,211
Payments in lieu of leave	24,581	-
Contributions, Medical and Pension Funds	1,617	-
Total	741,897	98,824
Acting Chief Financial Officer for the period: July 2022 to March 2023		



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
Remuneration of Acting Chief Financial Officer: RA Elson		
Acting Allowance	47,103	-
Scarcity allowance	3,297	-
Cellular and Telephone Allowance	6,000	-
Total	56,400	-
Acting Chief Financial Officer for period March 2023 to June 2023		
	2023 R	2022 R
Remuneration of the Acting Director Community Services: AI Handzeka		
Basic Salary	-	237,737
Cellular and Telephone Allowance	-	4,500
Scarcity allowance	-	16,841
Payments in lieu of leave	-	21,844
Total	-	280,922
Acting Director Community Services for the period August to October 2021		
	2023 R	2022 R
Remuneration of the Acting Director Community Services: MC Phisofo		
Basic Salary	-	70,526
Cellular and Telephone Allowance	-	1,500
Contributions, Medical and Pension Funds	-	-
Scarcity allowance	-	4,837
Total	-	76,863
Acting Director Community Services for the period July 2021		
	2023 R	2022 R
Remuneration of the Director Corporate Services: AC Makedandani		
Basic Salary	842,858	789,183
Cellular and Telephone Allowance	18,000	18,000
Contributions, Medical and Pension Funds	182,281	181,194
Scarcity allowance	72,823	72,823
Payments in lieu of leave	-	22,784
Motor Vehicle Allowance	60,000	60,000
Other benefits and allowances	885	-
Performance Bonus	100,183	-
Total	1,287,324	1,153,974
Remuneration of Director Infrastructure Services: D.C. Van Turhu		
	2023 R	2022 R
Director Infrastructure Services for the period July 2022 to November 2022		
	2023 R	2022 R
Remuneration of Acting Director Infrastructure Services: C.B. Wright		
Acting Allowance	182,383	-
Acting Director Infrastructure for the period July 2022, September 2022 to June 2023		
	2023 R	2022 R
Remuneration of Acting Director Corporate Services: MC Tshabo		
Acting Allowance	103,358	-
Cellular and Telephone Allowance	4,500	-
Scarcity allowance	5,223	-
Total	113,081	-
Acting Director Corporate Services for period September 2022 to December 2022		
	2023 R	2022 R
Remuneration of Acting Director Community Services: MC Tshabo		
Acting Allowance	194,200	-
Cellular and Telephone Allowance	3,900	-
Scarcity Allowance	13,584	-
Total	211,684	-
Acting Director Community Services for period December 2022 to May 2023		
	2023 R	2022 R
Remuneration of Acting Director Infrastructure Services: M.L. Kotze		
Acting Allowance	6,182	-
Acting Director Infrastructure Services for August 2022		
	2023 R	2022 R
Remuneration of Acting Director Community Services: M.L. Kotze		
Acting Allowance	47,008	-
Acting Director Community Services for period September 2022 to November 2022		
	2023 R	2022 R
TOTAL REMUNERATION OF KEY MANAGEMENT PERSONNEL		
	2023 R	2022 R
Acting Allowance	580,241	56,177
Basic Salary	3,109,453	4,270,856
Bonus	-	-
Cellular and Telephone Allowance	81,013	88,744
Contributions, Medical and Pension Funds	284,050	521,889
Housing Allowance	-	7,200
Medical Aid Contributions	11,888	-
Motor Vehicle Allowance	87,500	245,817
Other benefits and allowances	1,611	-
Payments in lieu of leave	175,588	56,726
Pension and UIF Contributions	11,574	-
Performance Bonus	150,163	-
Scarcity allowance	257,695	360,101
Total	4,736,685	5,687,580



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

34. REMUNERATION OF COUNCILLORS	2023 R	2022 R
Total Remuneration of Councillors	5,250,265	5,250,265
Annual Remuneration	529,843	529,843
Telephone Allowance	529,843	529,843
Total Allowance	529,843	529,843
Tools of Trade	46,872	46,750
Passion	192,404	192,899
Medical	2,605	12,125
Total	8,265,821	6,172,655

Remuneration paid to Councillors can be summarised as follows:

2023 financial year	Annual Remuneration	Telephone Allowance	Travel Allowance	Tools of trade	Passion	Medical	Total
Executive Mayor (A Sauls)	337,326	15,843	-	1,372	-	2,605	356,946
Executive Mayor (T Prince)	464,729	23,960	-	2,100	37,429	-	528,218
Deputy Executive Mayor (V Phe)	656,959	40,900	-	3,600	69,829	-	730,088
Speaker (H Constable)	668,686	40,900	-	3,600	-	-	713,086
Executive councillor (C de Bruin)	648,646	40,900	-	3,600	-	-	693,046
Executive councillor (H Abraham)	648,646	40,900	-	3,600	-	-	693,046
R Shua	242,218	40,900	-	3,600	29,612	-	316,330
JDK Reynolds	272,430	40,900	-	3,600	-	-	316,930
EF Botha	258,886	40,900	-	3,600	35,534	-	318,920
LBJ Indatshani	272,430	40,900	-	3,600	-	-	316,930
S Essop	272,430	40,900	-	3,600	-	-	316,930
SA Mnyane	272,430	40,900	-	3,600	-	-	316,930
AM Shabbar	204,322	40,900	88,104	3,600	-	-	316,926
JJ van der Linde	204,322	40,900	88,104	3,600	-	-	316,926
Total Councillors' Remuneration	5,250,265	529,843	138,215	46,872	192,404	2,605	6,172,655

* T Prince was the executive mayor for the period July 2022 to January 2023. A. Sauls was the executive mayor for the period February 2023 to June 2023

2022 financial year	Annual Remuneration	Telephone Allowance	Travel Allowance	Tools of trade	Passion	Medical	Total
Executive Mayor (G Paterson)	469,420	22,893	-	2,020	-	-	494,333
Deputy Executive Mayor (V Phe)	396,890	25,293	-	2,220	37,429	-	461,732
Speaker (H Constable)	656,955	40,900	-	3,600	-	-	701,455
Chief Whip (AM Kham)	146,328	14,507	53,804	1,280	21,054	-	236,973
Executive councillor (C de Bruin)	504,144	40,900	-	3,600	-	-	548,544
Executive councillor (H Abraham)	407,353	26,283	-	2,320	-	-	435,956
R Shua	175,338	26,283	-	2,320	-	-	203,941
Executive councillor (C de Bruin)	504,144	40,900	-	3,600	-	-	548,544
JDK Reynolds	175,338	26,283	-	2,320	-	-	203,941
EF Botha	166,484	26,283	-	2,320	6,884	-	201,967
LBJ Indatshani	175,338	26,283	-	2,320	-	-	203,941
S Essop	175,338	26,283	-	2,320	-	-	203,941
SA Mnyane	175,338	26,283	-	2,320	-	-	203,941
AM Shabbar	204,322	40,900	88,104	3,600	-	-	316,926
JJ van der Linde	204,322	40,900	88,104	3,600	-	-	316,926
CJ Louw	282,954	14,507	-	1,280	-	-	298,741
DE Walgenraad	61,954	14,507	22,703	1,280	-	12,125	112,568
F Mntshali	84,828	14,507	-	1,280	11,845	-	112,568
E Lwansa	84,828	14,507	-	1,280	11,845	-	112,568
C Hamoor	86,781	14,507	-	1,280	-	-	112,568
ZM Lantshani	221,188	14,507	-	1,280	-	-	237,975
L Deyca	206,581	14,507	-	1,280	29,843	-	251,211
L Babelon	96,781	14,507	-	1,280	-	-	112,568
TCl Prince	66,782	2,834	-	250	-	-	69,866
Total Councillors' Remuneration	5,250,265	529,843	212,721	46,750	192,899	12,125	6,172,655

Retired Benefits

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



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
26. CONTRACTED SERVICES		
Consultants and Professional Services	12 427 451	8 011 018
Consultants and Professional Services: Business and Advisory: Accounting and Auditing	3 840 971	2 219 516
Consultants and Professional Services: Business and Advisory: Audit Committee	58 708	87 790
Consultants and Professional Services: Business and Advisory: Business and Financial Management	3 520 261	5 274 043
Consultants and Professional Services: Business and Advisory: Human Resources	-	8 290
Consultants and Professional Services: Business and Advisory: Medical Examinations	-	-
Consultants and Professional Services: Business and Advisory: Occupational Health and Safety	-	2 889
Consultants and Professional Services: Business and Advisory: Organisational	-	-
Consultants and Professional Services: Business and Advisory: Quality Control	-	-
Consultants and Professional Services: Business and Advisory: Research and Advisory	29 745	10 287
Consultants and Professional Services: Business and Advisory: Valuers and Assessors	-	-
Consultants and Professional Services: Infrastructure and Planning: Engineering: Civil	43 127	15 965
Consultants and Professional Services: Infrastructure and Planning: Engineering: Electrical	154 200	-
Consultants and Professional Services: Infrastructure and Planning: Engineering: Geospatial: Services	-	-
Consultants and Professional Services: Infrastructure and Planning: Land and Quantity Surveys	-	9 313
Consultants and Professional Services: Infrastructure and Planning: Town Planner	128 310	16 000
Consultants and Professional Services: Laboratory Services: Water	937 012	153 458
Consultants and Professional Services: Local Cost: Collection	206 630	159
Consultants and Professional Services: Legal Cost: Issue of Summons	3 498 068	711 810
Contractors	2 814 827	1 853 748
Contractors: Building	-	-
Contractors: Catering Services	-	-
Contractors: Electrical	47 888	-
Contractors: Employee Wellness	8 290	10 170
Contractors: Interior Decorator	-	-
Contractors: Maintenance of Buildings and Facilities	298 217	230 711
Contractors: Maintenance of Equipment	1 482 002	868 913
Contractors: Maintenance of Unimproved Assets	404 180	311 278
Contractors: Management of Informal Settlements	-	-
Contractors: Medical Services	-	-
Contractors: Plaster, Tiles and Other Decoratives	88	281
Contractors: Pest control	-	-
Contractors: Physical Electricity Vendors	692 932	426 013
Contractors: Removal of Inorganic Waste	-	-
Contractors: Safeguard and Security	-	-
Contractors: Sourcing Services	-	-
Contractors: Trading Agents and Debt Collectors	-	-
Contractors: Transportation	-	-
Outsourced Services	5 913 331	3 711 411
Outsourced Services: Bural Services	301 554	371 607
Outsourced Services: Business and Advisory: Occupational Health and Safety	-	-
Outsourced Services: Business and Advisory: Valuer	-	-
Outsourced Services: Business and Advisory: Human Resources	-	-
Outsourced Services: Operational services	-	-
Outsourced Services: Business and Advisory: Communications	-	-
Outsourced Services: Cleaning Services	119 043	112 013
Outsourced Services: Other: Linen and Catering	-	587
Outsourced Services: Other: Linen and Catering	129 402	-
Outsourced Services: Internal Auditors	244 209	440 814
Outsourced Services: Meter Management	-	-
Outsourced Services: Personnel and Labour	-	-
Outsourced Services: Printing Services	-	-
Outsourced Services: Private Provision	-	-
Outsourced Services: Security Services	6 130 244	806 648
Outsourced Services: Sewerage Services	11 416	1 285 088
Outsourced Services: Traffic Flow Management	-	-
Total Contracted Services	21 031 610	13 847 278
27. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	24 744 687	23 787 378
Intangible Assets	59 083	118 883
Total Depreciation and Amortisation	25 017 601	24 160 219
28. FINANCE COSTS		
Long-term Borrowings	485 816	653 228
Non-current Provisions - Note 14	1 600 356	1 405 983
Non-current Employee Benefits - Note 15	3 770 000	2 874 000
Overdraft Facilities	5 600 895	6 747 475
Total Finance Costs	11 457 067	11 780 686
29. BULK PURCHASES		
Electricity	75 857 718	75 402 459
Water	1 182 254	10 860 940
Total Bulk Purchases	77 040 972	86 263 400

The depreciation rate of bulk purchases for 2023 is R17,863,011 (4% water, 1% electricity, 16% water) and for 2022: R28,468,366 (8% water, 15% electricity, 15.86%) Refer to note 48.8 for further detail on electricity and water losses



BEAUFORT WEST MUNICIPALITY
NOTE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	R
33. TRANSFERS AND SUBSIDIES		
Monetary Allocations		
Non-profit	175,500	-
Non-profit Institutions (Tourism)	412,600	600,000
Total Transfers and Subsidies	<u>588,100</u>	<u>600,000</u>
	2023	2022
	R	R
40. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	389,182	258,716
Achievements and Awards	3,500	1,500
Audit Fees	7,916,879	3,307,908
Bank Charges, Facility and Card Fees	1,935,994	773,530
Bursaries (Employees)	191,508	7,500
Cleaning Services	317	-
Commission	276	-
Canteen and Canteen Services	239,448	16,054
Communication	2,000,957	2,121,196
Deeds	18,713	18,616
Drivers Licences and Permits	13,393	-
Entertainment	1,714	36
External Computer Service	3,381,370	3,004,554
Freight Services	244,671	-
Hire Charges	4,313,409	3,313,264
Indigent Relief	576,453	532,843
Insurance	1,721,736	852,826
Licences	394,661	352,201
Miscellaneous Services	2,316,338	1,889,268
Personal Agency Fees (Personnel Recruitment Costs)	35,727	-
Printing, Publications and Books	507,450	378,978
Professional Bodies, Membership and Subscription	1,416,336	2,253,853
Registration Fees	3,877	-
Remuneration to Ward Committees	353,000	114,500
Retirement Cost	4,425	-
Research Incentives	4,340	5,000
Skills Development Fund Levy	927,663	-
Toll Gate Fees	179	649
Transport Provided as Part of Departmental Activities	-	1,130
Travel Agency and Visas	-	20,370
Travel and Subsistence	765,400	514,956
Uniform and Protective Clothing	61,817	360,078
Vehicle Testing	14,831	18,908
Ward Fund	3,302,020	2,530,181
Wardwork Compensation Fund	2,172,819	882,039
Total Operational Costs	<u>33,926,458</u>	<u>23,983,108</u>
	2023	2022
	R	R
41. REVERSAL OF IMPAIRMENT LOSS (IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 10	(9,224,115)	(24,843,819)
Receivables from Non-exchange Revenue - Note 11	(33,610,241)	(20,588,108)
Total Reversal of Impairment Loss/Impairment Loss on Receivables	<u>(42,834,356)</u>	<u>(45,431,927)</u>



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BEAUFORT WEST MUNICIPALITY
 NOTE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
42. GAINS/(LOSSES) ON SALE OF FIXED ASSETS		
Property, Plant and Equipment		(4,643,855)
Total Gain/(Loss) on Sale of Fixed Assets		(4,643,855)
Balance previously reported		(450,518)
Reclassification - note 43.2		400,818
Correction of error - note 43.9		(1,543,855)
Restated balance		(1,543,855)
43. CORRECTION OF ERROR IN TERMS OF GRAP 1		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from misstatements occurred in the prior years		
		2022 R
43.1 Property, Plant and Equipment	Note	
Balance previously reported		422,375,455
Cost		(865,305)
The main office building used by the Finance Department was previously recognised as a Heritage Asset. Due to the daily usage of the building as office space for the Finance Department, the recognition of the asset was adjusted to Property, Plant and Equipment starting from 1 July 2021.		
Properties identified for disposal as the municipality no longer have control over the land	43.2	1,885,000
Accumulated depreciation		(2,790,300)
While the above mentioned building was recognised as a Heritage Asset, no depreciation was calculated on the building. With the transfer to Property, Plant and Equipment accumulated depreciation had to be calculated. The accumulated depreciation as at 1 July 2021 had to be captured.		
The depreciation for the 2021/22 financial year on the finance building is as follows	43.6	(168,200)
Accumulated impairment	43.8	(202,830)
During 2021/22 impairment was applied to some electrical infrastructure due to vandalism. Some of these assets could be restored and thus the impairment was reversed on these assets.		
Properties identified for disposal as the municipality no longer have control over the land	43.9	1,360,262
		150,812
		(1,206,850)
Restated Balance		423,411,879
43.2 Heritage Assets		
Balance previously reported		6,226,100
Cost		(1,988,000)
The main office building used by the Finance Department was previously recognised as a Heritage Asset. Due to the daily usage of the building as office space for the Finance Department, the recognition of the asset was adjusted to Property, Plant and Equipment starting from 1 July 2021.		
Restated Balance	43.1	(1,888,000)
		3,340,000
43.3 Inventory		
Balance previously reported		3,423,789
Payables and Accruals corrections in duplication of invoices during 2021/22	43.7	(4,100)
Restated Balance		3,419,689
43.4 Receivables from Exchange Transactions		
Balance previously reported		21,171,614
Service charges incorrectly levied during 2021/22	43.8 & 43.9	(365,374)
Restated Balance		20,806,240
43.5 Receivables from Non-exchange Transactions		
Balance previously reported		73,786,647
No impairment calculation was done for traffic fines during 2021/22. The calculation was done during the current year and applied to the 2021/22 financial year.	43.5	(20,070,400)
Traffic fines were incorrectly recognised during 2021/22, resulting in Receivables from Non-exchange Transactions being overstated.	43.8	(74,313)
VAT calculations on service charges for prior years were incorrectly done with the impairment calculations and included under receivables from non-exchange transactions.	43.6	(3,284,037)
Property rates in of building dispute leases incorrectly levied during 2021/22	43.8	(5,243,706)
Property rates incorrectly levied during 2021/22	43.8	(5,144)
Due to incorrect calculations on the impairment for VAT on outstanding receivables an amount in regards to advance payments was incorrectly included under receivables from non-exchange transactions.	43.5	(970,194)
Correction of allocation relating to provision for impairment of 2020/2021	43.8	3,284,032
Correction of allocation relating to provision for impairment of 2021/2022	43.8	870,154
Restated Balance		48,383,085
43.6 VAT receivable		
Balance previously reported		10,583,044
VAT calculations on service charges for prior years were incorrectly done with the impairment calculations and included under receivables from non-exchange transactions.	43.5	4,154,226
Payables and Accruals corrections in duplication of invoices during 2021/22	43.7	(905,641)
Payables and Accruals corrections in duplication of invoices during 2021/22	43.7	(384,282)
Payables and Accruals corrections in duplication of invoices during 2020/21	43.7	(1,648,466)
Correction of Payables for 2021/2022	43.7	577,707
Restated Balance		12,285,688
43.7 Trade and Other Payables from Exchange Transactions		
Balance previously reported		194,291,132
Payables and Accruals corrections in duplication of invoices during 2021/22	43.6 & 43.8	(10,469,052)
Payables and Accruals corrections in duplication of invoices during 2021/22	43.6 & 43.8	(2,949,844)
Payables and Accruals corrections in duplication of invoices during 2020/21	43.6 & 43.8	(17,200,587)
Correction of Payables for 2021/2022	43.6 & 43.8	7,644,180
Restated Balance		151,256,729
43.8 Accumulated Surplus		
Balance previously reported 1 July 2021		335,178,231
The main office building used by the Finance Department was previously recognised as a Heritage Asset. Due to the daily usage of the building as office space for the Finance Department, the recognition of the asset was adjusted to Property, Plant and Equipment starting from 1 July 2021. While being recognised as a Heritage Asset no depreciation was calculated against the asset. With the transfer to Property, Plant and Equipment depreciation is applicable, the depreciation calculated for periods prior to the 2021/22 financial year has to be recognised against the opening balance of the Accumulated Surplus.	43.1	(188,500)
Payables and Accruals corrections in duplication of invoices prior to 2021/2022	43.7 & 43.9	5,748,384
Payables and Accruals corrections in duplication of invoices prior to 2021/2022	43.7 & 43.9	9,862,789
Correction of allocation relating to provision for impairment of 2020/2021	43.5	3,284,032
Correction of Payables for 2020/2021	43.6 & 43.7	4,941,768
Restated balance 1 July 2021		386,227,833
Deficit for the 2021/2022 financial year as previously reported		(10,240,238)
The depreciation for the building moved from Heritage Assets to Property, Plant and Equipment for 2021/22.	43.1	(82,832)
No impairment calculation was done for traffic fines during 2021/22. The calculation was done during the current year and applied to the 2021/22 financial year.	43.5 & 43.8	(20,070,400)
Traffic fines were incorrectly recognised during 2021/22, resulting in revenue for Fines, Penalties and Forfeits being overstated.	43.6 & 43.9	(74,313)
Correction of allocation relating to provision for impairment of 2021/2022	43.5	870,184
During 2021/22 impairment was applied to some electrical infrastructure due to vandalism. Some of these assets could be restored and thus the impairment was reversed on these assets.	43.1	151,812
Property rates in of building dispute leases incorrectly levied during 2021/22	43.5 & 43.9	(5,243,706)
Property rates and service charges incorrectly levied during 2021/22	43.4 & 43.5	(370,517)
Payables and Accruals corrections in duplication of invoices during 2021/22	43.7 & 43.9	6,476,300
Payables and Accruals corrections in duplication of invoices during 2021/22	43.7 & 43.9	2,565,662
Correction of Payables for 2021/2022	43.7 & 43.9	(7,068,473)
Properties identified for disposal as the municipality no longer have control over the land	43.1 & 43.9	(1,543,855)
Deficit for the 2021/22 financial year as restated		(5,637,482)
Restated Balance		326,600,174



AUDITOR-GENERAL
 SOUTH AFRICA
 30 November 2023
Auditing to build public confidence

BEAUFORT WEST MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

43.9	Changes to Statement of Financial Performance	Note	2023		2022
			Balance previously reported	Adjustments	Restated Balance
	Revenue				
	Property Rates				
	Government Grants and Subsidies - Capital	43.5	45,454,060	(5,240,649)	40,213,410
	Government Grants and Subsidies - Operating		14,652,792	-	14,652,792
	Contributed Property, Plant and Equipment		9,162,115	-	9,162,115
	Fines, Penalties and Forfeits	43.5	793,996	-	793,996
	Interest Earned - Non-Exchange Transactions		30,643,862	(74,313)	30,569,549
	Licences and Permits from Non-Exchange Transactions		153,231	-	153,231
	Service Charges		120,452	-	120,452
	Sale of Goods and Rendering of Services	43.4	13,061,897	(343,014)	12,718,883
	Rental from Fixed Assets		660,477	-	660,477
	Interest Earned - External Investments	43.4	1,388,979	(45,313)	1,343,666
	Interest Earned - Exchange Transactions		640,859	-	640,859
	Licences and Permits from Exchange Transactions		6,243,807	-	6,243,807
	Agency Services		292,884	-	292,884
	Agency Services		482,207	-	482,207
	Operational Revenue	43.4	2,873,566	23,483	2,897,049
	Total		318,508,323	(5,898,538)	312,609,785
	Expenditure				
	Employee related costs		124,977,211	-	124,977,211
	Remuneration of Councilors		8,172,890	-	8,172,890
	Bad Debt Write-off		154,284	-	154,284
	Contracted Services	43.7	14,274,933	(927,708)	13,347,225
	Discretionary and Amortisation	43.1	24,037,384	82,833	24,120,217
	Finance Costs	43.1	11,381,523	317,164	11,700,687
	Buy Purchases		18,425,430	-	18,425,430
	Inventory Consumed	43.7	4,241,545	12,944	4,254,489
	Operating Leases		600,000	-	600,000
	Tourism and Stipends	43.7	28,260,001	(4,576,892)	23,683,109
	Operational Costs				
	Total		308,841,018	(4,811,638)	304,029,380
	Gain and Losses				
	Impairment (Write-down)/Reversal of Write-down in Net Realisable Value		-	-	-
	Reversal of Impairment Loss/(Impairment Loss) on Receivables	43.5	(26,231,621)	(19,200,206)	(45,431,827)
	Gain/(Loss) on Sale of Fixed Assets	43.1	-	(1,543,658)	(1,543,658)
	Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	43.1	(490,518)	53,912	(436,606)
	Actuarial gain/(Losses)		(1,563,600)	-	(1,563,600)
	Total		(28,225,839)	(20,586,948)	(48,812,787)
	Net Surplus/(Deficit) for the year		(10,260,336)	(1,287,138)	(11,547,474)
	43.10 RECLASSIFICATION IN TERMS OF GRAP 3		Balance	Adjustments	Restated Balance
	Statement of Financial Performance				
	Revenue		318,508,323	-	318,508,323
	Expenditure		308,841,018	(0)	308,841,018
	Gain and Losses		-	-	-
	Impairment (Write-down)/Reversal of Write-down in Net Realisable Value		-	-	-
	Reversal of Impairment Loss/(Impairment Loss) on Receivables		(26,231,621)	-	(26,231,621)
	Gain/(Loss) on Sale of Fixed Assets	43.1,3	(490,518)	(990,518)	(1,481,036)
	Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	43.1,3	-	(990,518)	(990,518)
	Actuarial gain/(Losses)		(1,563,600)	-	(1,563,600)
	Total		(28,225,839)	-	(28,225,839)
	Net Surplus/(Deficit) for the year		(10,260,336)	0	(10,260,336)
	Note 43.10.1: The impairment on valuated assets were correctly calculated in the previous financial year. The reason for the reclassification is due to human error where impairment loss was mapped to gain/loss on sale of fixed assets in the 2021/2022 financial year.				
	43.11 Intangible expenditures				
	Balance previously reported				175,641,321
	2022 - EOI procedures not followed with regards to competitive bidding - a communication of audit finding was raised in respect of payments made in excess of event amount				282,730
	Restated Balance				175,924,051
	44. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS				
	Surplus/(Deficit) for the year				
	Adjustments for:		19,005,799		(31,627,462)
	Depreciation		24,956,536		23,581,358
	Amortisation		59,063		118,869
	Loss/(Gain) on Sale of Fixed Assets		-		1,543,658
	Impairment (Write-down)/Reversal of Write-down in Net Realisable Value		(1,771,435)		45,431,787
	Impairment Loss/Reversal of Impairment Loss - Receivables		42,844,358		-
	Impairment Loss/Reversal of Impairment Loss - Fixed assets		(4,170,598)		328,506
	Correction of error - Prior years		-		22,258,314
	Contributed Property, Plant and Equipment		(2,840,264)		(783,959)
	Contribution from/ to provisions - Non-current Employee Benefits - Actuarial losses/gain		(2,966,438)		1,003,600
	Movement in employee benefits		2,245,206		2,078,212
	Bad Debts written off		17,888,012		184,208
	Interest on provisions		1,504,350		1,324,369
	Operating lease income accrued		(9,691)		97,347
	Operating Surplus/(Deficit) before changes in working capital		87,841,828		87,447,178
	Changes in working capital		(57,690,429)		(25,733,059)
	Increase/(Decrease) in Trade and Other Payables (note 2)		19,074,644		21,293,048
	Increase/(Decrease) in Taxes		2,184,624		(2,479,683)
	Increase/(Decrease) in Inventory		(1,071,068)		(192,076)
	Increase/(Decrease) in Current Deposits		(1,351,114)		342,639
	Increase/(Decrease) in Current portion of non-current receivables		1,500,488		(862,019)
	Increase/(Decrease) in Non-current receivables		(1,413,218)		(105,439)
	Increase/(Decrease) in Trade Receivables from Exchange Transactions		(24,006,040)		(25,778,490)
	Increase/(Decrease) in Trade Receivables from Non-Exchange Transactions		(42,266,387)		(23,911,481)
	Increase/(Decrease) in Liabilities: Transfers and Subsidies		(5,656,158)		5,041,851
	Cash generated/(absorbed) by operations		44,581,328		41,844,473
	Note 1 Due to slow payment of debtors with payment arrangements, the movement in long-term debtors were regarded as non-cash. The movement was adjusted against Receivables from exchange and non-exchange.				
	Note 2 Certain Property, Plant and Equipment was purchased on credit with specific suppliers. This was regarded as a non-cash item adjusted against Trade and other payables.				
	45. CASH AND CASH EQUIVALENTS				
	Cash and cash equivalents included in the cash flow statement comprise the following				
	Current Accounts - Note 12		2,524,853		2,932,049
	Call Deposits and Investments - Note 12		12,318,108		12,427,213
	Cash on hand - Note 12		17,032		16,619
	Bank Overdraft - Note 12		-		-
	Total cash and cash equivalents		14,859,993		16,385,881



BEAUFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023 R	2022 R
46. UTILISATION OF LONG-TERM BORROWINGS RECONCILIATION		
Long-term Borrowings - Note 13	4 522,021	5 282,085
Used to finance property, plant and equipment - note 13	(4 522,021)	(5 282,085)
Cash involved for repayment of long-term borrowings	-	-

Long-term borrowings have been utilized in accordance with the Municipal Finance Management Act.

Amorty loans at amortised cost is calculated at 6.75%-10.90% interest rate, with last maturity date of 31 December 2023. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. No contingent rents are payable.

Capitalised lease liability at amortised cost is calculated at 10.25%-10.5% interest rate, with the last maturity date of 31st July 2023. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance. The loans are unsecured. No contingent rents are payable.



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

41. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DEDUCTIBLE	2023	2022
Unauthorised expenditure	R	R
Reconciliation of unauthorised expenditure		
Opening balance	147,785,802	129,377,336
Unauthorised expenditure current year - operational	20,841,837	24,466,572
Unauthorised expenditure current year - capital	57,282	-
Written off by Council	-	-
Unauthorised expenditure awaiting authorisation	188,064,921	147,785,802
	2023	2022
	R	R

Unauthorised expenditure can be summarised as follows:

Incident	Dispositive status/terminal proceedings	2023	2022
Amount of expenditure	Amount		
		21,279,219	24,466,572
		21,279,219	24,466,572

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

	2023 Actual R	2023 Final Budget R	2023 Variance R	2022 Unauthorised R
Unauthorised expenditure current year - operating				
Vote 1 - MUNICIPAL MANAGER	11,609,793	9,345,573	2,264,220	2,264,220
Vote 2 - DIRECTORATE INFRASTRUCTURE SERVICES	173,846,512	219,846,556	(43,999,144)	-
Vote 3 - DIRECTORATE ELECTRO-TECHNICAL SERVICES	-	-	-	-
Vote 4 - DIRECTORATE CORPORATE SERVICES	36,865,262	36,818,187	47,075	(1,147,693)
Vote 5 - DIRECTORATE FINANCIAL SERVICES	61,306,581	42,961,875	18,344,706	18,347,716
Vote 6 - DIRECTORATE COMMUNITY SERVICES	83,392,465	82,762,918	629,547	(18,716,452)
	343,923,613	472,229,229	(128,305,616)	20,841,837

Vote 1 - Municipal Manager: Unauthorised expenditure due to additional cost on employee related cost and contracted services not budgeted for.

Vote 5 - Directorate Financial Services: Unauthorised expenditure mostly relate to bad debts written off on indigenes not budgeted for.

	2023 Actual R	2023 Final Budget R	2023 Variance R	2022 Unauthorised R
Unauthorised expenditure current year - capital				
Vote 1 - MUNICIPAL MANAGER	-	-	-	-
Vote 2 - DIRECTORATE INFRASTRUCTURE SERVICES	44,370,961	44,872,086	(501,125)	-
Vote 3 - DIRECTORATE ELECTRO-TECHNICAL SERVICES	1,405,722	1,561,300	(155,578)	-
Vote 4 - DIRECTORATE CORPORATE SERVICES	38,897	50,000	(11,103)	-
Vote 6 - DIRECTORATE COMMUNITY SERVICES	4,923,226	4,287,847	635,379	637,282
	50,748,806	50,771,333	28,471	637,282

Vote 6 - Directorate Community Services: Unauthorised relating to capital expenditure is mainly due to contributed PPE received that was not budgeted for.

47.2 Fruitless and wasteful expenditure	2023	2022
Reconciliation of fruitless and wasteful expenditure		
Opening balance	10,173,525	12,483,310
Fruitless and wasteful expenditure current year	8,928,175	8,928,215
Written off by Council	-	-
Fruitless and wasteful expenditure awaiting condonement	19,101,700	10,173,525
	2023	2022
	R	R

Fruitless and wasteful expenditure can be summarised as follows:

Incident	Dispositive status/terminal proceedings	2023	2022
2020 - Double payment to supplier - energy meter	None	287,798	287,798
2020 - Interest on overdue accounts - Eason accounts	None	532,867	532,867
2020 - Interest and Penalties on overdue accounts - SARS	None	130,794	130,794
2021 - Interest on overdue accounts - Telkom accounts	None	3,132	3,132
2021 - Interest on overdue accounts - Justice Centre	None	287,383	287,383
2021 - Interest on overdue accounts - Eskom/epi	None	256	256
2021 - Interest on overdue accounts - 1 & 1 Recruitment Firm	None	108	108
2021 - Interest on overdue accounts - Borens Sports Centre	None	2,981	2,981
2021 - Interest and Penalties on overdue accounts - SARS PAYE EMPLOYERS	None	280,863	280,863
2022 - Interest on overdue accounts - SARS PAYE EMPLOYERS	None	409,975	409,975
2022 - Interest on overdue accounts - condition	None	8,430,310	8,430,310
2022 - Excessive and/or unauthorised expenditure	None	1,810,846	1,810,846
2022 - Interest on overdue accounts - creditors	None	8,037,517	-
2022 - Excessive and/or unauthorised expenditure	None	2,924,458	-
		19,101,700	10,173,525

47.3 Irregular expenditure	2023	2022
Reconciliation of irregular expenditure		
Opening balance	175,924,652	187,340,748
Irregular expenditure current year	20,841,837	8,928,215
Irregular expenditure PPR resolutions (471) - COMMAP 41	1,903,713	-
Expenditure substantiated i.e. Section 32 of MFMA	-	-
Written off by Council	-	-
Transfer to recoveries for recovery - not condoned	-	-
Irregular expenditure awaiting further action	209,422,289	175,924,652
	2023	2022
	R	R

Irregular expenditure can be summarised as follows:

Incident	Dispositive status/terminal proceedings	2023	2022
2018 - SCM procedures not followed 2017/2018 - competitive bidding	Expenditure will be re-evaluated in the next financial year	48,397,869	48,397,869
2019 - SCM procedures not followed 2018/2019	Expenditure will be re-evaluated in the next financial year	439,130	439,130
2018 - SCM procedures not followed with regards to quotations	Expenditure will be re-evaluated in the next financial year	1,633,310	1,633,310
2018 - SCM procedures not followed with regards to competitive and open tender, section 32	Expenditure will be re-evaluated in the next financial year	56,789,264	56,789,264
2018 - SCM procedures not followed with appointment letters	Expenditure will be re-evaluated in the next financial year	1,017,883	1,017,883
2018 - SCM procedures not followed with appointment letters	Expenditure will be re-evaluated in the next financial year	496,714	496,714
2021 - SCM procedures not followed with regards to competitive bidding	Expenditure will be re-evaluated in the next financial year	38,626,063	38,626,063
2021 - SCM procedures not followed with regards to quotations	Expenditure will be re-evaluated in the next financial year	1,626,276	1,626,276
2021 - SCM procedures not followed with regards to competitive bidding	Expenditure will be re-evaluated in the next financial year	821,167	821,167
2021 - SCM procedures not followed with regards to appointment letters	Expenditure will be re-evaluated in the next financial year	17,196,960	17,196,960
2021 - SCM procedures not followed with regards to competitive bidding	Expenditure will be re-evaluated in the next financial year	830,808	830,808
2022 - SCM procedures not followed with regards to competitive bidding	Expenditure will be re-evaluated in the next financial year	7,252,497	7,252,497
2022 - SCM procedures not followed with regards to appointment letters	Expenditure will be re-evaluated in the next financial year	7,967,877	-
2022 - SCM procedures not followed with regards to competitive bidding	Expenditure will be re-evaluated in the next financial year	17,967,579	-
2022 - Interest application of PPR resolutions	Refer to note 1	1,803,783	-
		209,422,289	175,924,652

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies for expenditure.

Irregular expenditure is disclosed inclusive of VAT

Note 1: The National Treasury is of the opinion that the municipality is incorrect applying the Preferential Procurement Regulations, 2022. The Auditor-General concluded that this matter will result in irregular expenditure of R1,903,783. The municipality will obtain further legal advice in the 2023/2024 financial year regarding this matter to determine the way forward, as the opinion of National Treasury is disputed.



BEAUFORT WEST MUNICIPALITY
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	2023	2022
	R	R
48 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
48.1 Contributions to organised local environment - (MFMA 125 (1)(b)) - (SALGA CONTRIBUTIONS)		
Opening balance	-	(50)
Council subscriptions	1,324,045	1,303,832
Amount paid - current year	(1,043,309)	(1,003,852)
Amount paid - previous years	-	32
Balance unpaid (included in creditors)	240,736	-
	<u>2023</u>	<u>2022</u>
	R	R
48.2 Audit fees - (MFMA 125 (1)(c))		
Operating balance	9,877,194	7,591,630
Current year audit fee	5,154,960	3,945,564
Current year audit fee	6,154,960	3,945,564
Internal Audit	-	-
Audit Committee	-	-
Amount paid - current year invoice	(36,029)	(1,860,000)
Amount paid - previous year invoice	(1,373,544)	(1,860,000)
Balance unpaid (included in creditors)	13,422,604	9,877,194
	<u>2023</u>	<u>2022</u>
	R	R
48.3 VAT - (MFMA 125 (1)(c))		
VAT	10,112,464	12,297,089
Carrying balance	10,112,464	12,297,089
VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS		
	<u>2023</u>	<u>2022</u>
	R	R
48.4 PAYE, SDL and UIF - (MFMA 125 (1)(c))		
Opening balance	1,288,524	1,370,336
Current year payroll deductions	16,058,081	16,253,467
Amount paid - current year	(14,884,125)	(14,394,942)
Amount paid - previous year	(1,286,524)	(1,379,336)
Balance unpaid (included in creditors)	1,185,854	1,288,524
	<u>2023</u>	<u>2022</u>
	R	R
48.5 Pension and Medical Aid Deductions - (MFMA 125 (1)(c))		
Current year payroll deductions and Council Contributions	23,328,208	23,804,451
Amount paid - current year	(23,328,208)	(23,804,451)
Balance unpaid (included in creditors)	-	-
	<u>2023</u>	<u>2022</u>
	R	R
48.6 Councilor/Member consumer accounts - (MFMA 124 (1)(b))		
The following Councilors had arrears accounts for more than 90 days as at 30 June		
	Outstanding more than 90 days	Outstanding more than 90 days
Executive Mayor (A Smith)	-	202
R Siza (20377)	-	1,340
EP Bosh (2912)	-	455
CL de Bruijn (18414)	43,619	53,337
VE Phe (11008)	62,538	-
S Eason (20140000)	-	148,178
TGJ Pheze (5345)	-	-
Total Councilor/Member Consumer Accounts	106,357	203,511



BEAUFORT WEST MUNICIPALITY
 NOTE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

49.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Formulated by Government Gazette 27328 (dated 30 May 2022)

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

30 JUNE 2021		Type of Deviation			
Amount	Single Supplier	Impossible	Impractical	Emergency	
Jul-21	42,419	-	38,885	-	3,534
Aug-21	231,117	-	72,422	-	158,695
Sep-21	147,678	4,387	135,534	-	3,754
Oct-21	23,521	-	23,521	-	-
Nov-21	12,482	-	12,482	-	-
Dec-21	-	-	-	-	-
Jan-22	224,614	66,832	123,832	-	34,150
Feb-22	5,431	-	5,431	-	-
Mar-22	258,868	-	44,361	-	214,705
Apr-22	53,429	-	6,379	-	45,050
May-22	82,454	-	52,694	-	-
Jun-22	38,258	-	10,566	-	27,700
	1,081,419	71,819	531,812	-	478,288

30 JUNE 2022		Type of Deviation			
Amount	Single Supplier	Impossible	Impractical	Emergency	
Jul-21	60,183	53,158	-	2,505	6,519
Aug-21	10,191	10,191	-	-	-
Sep-21	27,316	22,916	-	5,313	-
Oct-21	47,700	17,814	-	29,886	-
Nov-21	10,620	-	-	10,620	-
Dec-21	-	-	-	-	-
Jan-22	54,855	-	-	-	-
Feb-22	46,136	-	-	-	-
Mar-22	128,420	-	-	117,818	-
Apr-22	24,095	24,095	-	-	-
May-22	-	-	-	-	-
Jun-22	-	-	-	-	-
	496,043	212,371	-	186,148	5,519

Non-Compliance with Chapter 11 of the Municipal Finance Management Act

In terms of section 38 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council.

Range of Deviations approved by Municipal Manager:

Deviation between: 0 - 10 000	Total Deviations	2022/23 Amounts
Deviations between: 10 001 - 50 000	37	187,253
Deviations between: 50 001 - 200 000	12	190,117
Deviations greater than 200 001	-	-
Total deviations	39	1,281,419

Minor breaches in SCM regulations were identified of:

R0-R2 000	Total	2022/23 Amounts
R0000-R10 000	-	-
Deviations are disclosed inclusive of VAT	-	-

49.8

Material losses	2023	2022
Electricity distribution losses	R	R
Units purchased (kWh)	48,808,725	52,647,759
Units lost during distribution (kWh)	6,637,653	10,731,951
Percentage lost during distribution	-14.18%	35.42%
The reason for the electricity losses is due to electricity theft on pvm paid meters. Fines were issued for offenders.		
Water distribution losses	2023	2022
Units purchased (Ml)	3,210,737	3,177,702
Units lost during distribution (Ml)	2,044,082	806,110
Percentage lost during distribution	63.69%	15.86%
The reason for water losses is due to pipe bursts and field leakages. Maintenance on meters is difficult due to limitation in funds.		

The municipality provides water services to indigent consumers. Consumptions used by indigent consumers are more than the free 5Ml water they received. No action was taken to recover the additional consumption from indigent consumers and based on history, outstanding amounts are not paid by indigent consumers.

BEAUFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

48.9 Other non-compliance 2023 R 2022 R
 MFMA Section 45(2)(b)
 Adequate management, accounting and information system was not in place which accounted for creditors
 MFMA Section 45(2)(a)

The municipality had experienced cash flow problems during the year as a result of which creditors were not always paid within 30 days of date of statement of income as required.
 MFMA Section 15

Expenditure was not only incurred in terms of an approved budget and within the limits of the amounts approved for the different votes in an approved budget.
 MFMA Section 32(4)

Report pertaining to unauthorised, irregular, fruitless and wasteful expenditure have not been submitted to all relevant parties
 MFMA Section 62

Expenditure were not adequately monitored in accordance with section 62, resulting in unauthorised, fruitless and wasteful and irregular expenditure
 Supply chain management regulations

Non-compliance with supply chain management regulations results in irregular expenditure
 VAT act Section 28

VAT returns not submitted timeliness by the 28th of each month

48.10 PURCHASES FROM MEMBERS IN SERVICE OF STATE

The following purchases were made during the 2022/23 financial year where Councilors or staff have an interest.

Company Name	Amount	Title/role
Avri Catering	21,150	Son is employed at the Department of Agricultural and the daughter at Department of Social Development
Arnie's Deli	41,000	Husband, Mr A. Staffles is currently employed by the Department of Education
TSCH International Holding	33,004	Spouse, Mr E. Hlongwane, currently employed at City of Cape Town
Q&K Projects	244,172	Spouse, Mrs T De Vries, currently employed at Transnet
Beaufort West Luxury Coaches	6,600	Son works at the Beaufort West Municipality and daughter at Provincial Traffic
Ben Dickie and Company	26,354	Spouse, Mrs M. Daniels, currently employed at SAPS
Jabje Consulting	12,010	Brother, Mr Du Plessis is employed by Department of Education

The following purchases were made during the 2021/22 financial year where Councilors or staff have an interest.

Company Name	Amount	Title/role
Avri Catering	27,276	Son is employed at the Department of Agricultural and daughter at the Department of Social Development
Jabje Consulting	121,061	Brother, Mr Du Plessis is employed by the Department of Education

BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

41. FINANCIAL RISK MANAGEMENT

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

2023
R

2022
R

(a) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates. The municipality analyses its potential exposure to interest rate changes on a continuous basis. The municipality did not hedge against any interest rate risks during the current year.

2023
R

2022
R

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

0.5% (2022: 0.5%) Increase in interest rates	103,198	55,436
0.5% (2022: 0.5%) Decrease in interest rates	103,198	(55,436)

(b) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly for call investment deposits, bank accounts and trade and other receivables.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due to the diversified nature of receivables and prompt return of individual balances. In the case of corporate debtors, the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handing over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further enhanced by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Doubtful, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Judgment, Municipal Workers, Handed over to attorneys and Unsuccessful account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

All debtors are payable within 30 days from invoice date. Refer to note 10 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 6 and 7 for balances included in receivables that were re-negotiated for the period under review.

	2023 %	2023 R	2022 %	2022 R
Non-Current Receivables				
Repayment arrangement	100.00%	4,542,873	100%	11,400,309
Exchange Receivables				
Electricity	7.77%	11,063,960	8%	9,824,620
Water	20.46%	29,177,481	20%	35,270,866
Property Rentals	2.57%	3,585,122	2%	2,269,251
Waste Management	18.45%	26,275,751	18%	21,263,440
Waste Water Management	29.87%	42,684,716	31%	38,079,862
Other	21.15%	30,129,169	21%	27,888,261
	100.00%	142,459,827	100%	130,623,852

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 10 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follows:

Exchange Receivables				
Electricity	5.51%	8,807,741	4%	4,788,917
Water	15.02%	23,714,007	23%	25,211,163
Waste Management	18.12%	23,438,266	18%	19,401,837
Waste Water Management	30.65%	38,453,208	29%	32,238,464
Housing Scheme	7.12%	2,542,824	0%	34,428
Other	23.58%	35,143,667	26%	28,053,335
	100.00%	124,647,763	100%	109,817,212



SEAFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JUNE 2023

The provision for bad debts could be allocated between the different categories of receivables as follows:

	2023 %	2023 R	2022 %	2022 R
Other	1.43%	1 788 049	3%	2 151 013
Industrial	3.54%	4 235 212	4%	3 850 086
Residential	94.93%	118 324 003	93%	85 127 434
	100.00%	124 347 263	100%	85 927 333

Bad debts written off

	2023 R	2022 R
Exchange Receivables		
Services	100%	17 856 012
		164 288

Analysis of amounts past due but not impaired as at balance

	Exchange Receivables	Non-exchange Receivables
2023		
1 month past due	-	-
2+ months past due	8 530 860	-
	8 530 860	-
2022		
1 month past due	-	-
2+ months past due	10 161 424	-
	10 161 424	-

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

The banks utilized by the municipality for current and non-current investments are all listed on the JSE. The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

Non-current receivables and current receivables are individually evaluated annually at end of financial year for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

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

	2023 R	2022 R
Non-Current Receivables from Exchange Transactions	3 672 455	650 237
Non-Current Receivables from Non-Exchange Transactions	890 518	281 816
Receivables from Exchange Transactions	142 406 907	130 623 962
Cash and Cash Equivalents	16 842 151	16 368 261
	161 812 031	148 156 684

(c) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Consumer Deposits are disclosed at the value that could be repayable in the following year. It is unlikely that the full balance would become payable as consumer accounts are expected to remain similar year to year. By implication, if the consumer deposit is paid, a similar receipt from a different customer would be expected. The balance is however disclosed in order to indicate a concentration risk.

The table below analyses the entity's financial liabilities into interest maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 6 and 10 years	More than 10 years
2023				
Long-term Borrowings	1 184 871	3 738 373	1 348 820	-
Trade and Other Payables from exchange transactions	145 230 617	-	-	-
Consumer deposits	2 490 411	-	-	-
	151 915 899	3 738 373	1 348 820	-
2022				
Long-term Borrowings	1 284 721	4 049 057	2 247 702	-
Trade and Other Payables from exchange transactions	126 916 725	-	-	-
Consumer deposits	3 841 525	-	-	-
	152 042 971	4 049 057	2 247 702	-



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
		R	R
50.	FINANCIAL INSTRUMENTS		
In accordance with GRAP 104.45 the financial liabilities and assets of the municipality are classified as follows:			
50.1	Financial Assets	Classification	
		2023	2022
		R	R
Non-Current Receivables			
Non-current receivables		Financial instruments at amortised cost	2,525,042
Non-current receivables from non-exchange Housing		Financial instruments at amortised cost	29
			811,007
			200,846
		2023	2022
		R	R
Receivables from Exchange Transactions			
Trade receivables from exchange transactions		Financial instruments at amortised cost	16,776,641
Other receivables from exchange transactions		Financial instruments at amortised cost	965,502
			20,850,324
			(149,085)
Other receivables from non-exchange transactions		Financial instruments at amortised cost	-
			-
Cash and Cash Equivalents			
Bank Balances		Financial instruments at amortised cost	2,541,664
Call Investment Deposits		Financial instruments at amortised cost	12,318,108
Total Financial Assets			29,485,668
			13,437,213
SUMMARY OF FINANCIAL ASSETS		2023	2022
		R	R
Financial Instruments at amortised cost:			
Non-Current Receivables		Exchange and non-exchange (excluding housing)	2,525,042
Non-Current Receivables from non-exchange Housing		Non-current receivables from non-exchange Housing	29
Trade receivables from exchange transactions		Trade receivables from exchange transactions	16,776,641
Other receivables from exchange transactions		Other receivables from exchange transactions	965,502
Other receivables from non-exchange transactions		Other receivables from non-exchange transactions	-
Cash and Cash Equivalents		Bank Balances	2,541,664
Call Investment Deposits		Call Investment Deposits	12,318,108
Total Financial Assets			35,147,967
			38,263,973
50.2	Financial Liabilities	Classification	
		2023	2022
		R	R
Long-term Borrowings		Financial instruments at amortised cost	3,766,779
Annuity Loans		Financial instruments at amortised cost	4,522,921
Capitalised Lease Liability		Financial instruments at amortised cost	-
Trade and other payables from exchange transactions			
Receivables with credit balances		Financial instruments at amortised cost	-
Retentions		Financial instruments at amortised cost	2,496,054
Sundry creditors		Financial instruments at amortised cost	136,196,914
Trade Payables		Financial instruments at amortised cost	120,783,784
Current Portion of Long-term borrowings			
Annuity Loans		Financial instruments at amortised cost	734,141
Capitalised Lease Liability		Financial instruments at amortised cost	-
Consumer deposits		Financial instruments at fair value	2,496,411
Cash and Cash Equivalents			
Bank Overdraft		Financial instruments at amortised cost	-
SUMMARY OF FINANCIAL LIABILITIES		2023	2022
		R	R
Financial instruments at amortised cost:			
Long-term Borrowings		Annuity Loans	4,522,921
Long-term Borrowings		Capitalised Lease Liability	88,900
Trade and other payables from exchange transactions		Retentions	2,496,054
Trade and other payables from exchange transactions		Trade Payables	120,783,784
Consumer deposits		Consumer deposits	2,496,411
Total Financial Liabilities			147,208,239
			130,187,241



REAFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	R	R
51. STATUTORY RECEIVABLES		
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows.		
Taxes		
VAT Receivable	10 112,464	12 297,089
Receivables from Non-Exchange Transactions	344 074,273	303 844,048
Property rates	38 559,451	32 961 168
Other receivables	11 804,240	10 471 586
Fines	297 810,583	290 515,285
Total Statutory Receivables (before provision)	386 188,728	316 245 138
Less: Provision for Debt Impairment	(289 694,020)	(225 781 371)
Total Statutory Receivables (after provision)	68 492,892	62 463 764
Statutory Receivables arise from the following legislation		
Taxes	- Value Added Tax Act (No 89 of 1991)	
Property rates	- Municipal Property Rates Act (No 6 of 2004)	
Fines	- Criminal Procedure Act	
Statutory receivables are initially measured at transaction value, and subsequently at cost.		
Property Rates: Ageing	2023	2022
	R	R
Current (0 - 30 days)	2 832 881	6 404 891
31 - 60 Days	1 270 156	391 004
61 - 90 Days	1 003 706	846 670
+ 90 Days	33 147 808	29 868 652
Total	38 559,451	39 310 618
Other Receivables: Ageing	2023	2022
	R	R
Current (0 - 30 days)	8961	4 529
31 - 60 Days	1 042	32 186
61 - 90 Days	-	30 176
+ 90 Days	11 603,896	10 404,410
Total	11 604,240	10 471,586
Fines: Ageing	2023	2022
	R	R
Current (0 - 30 days)	11 803,900	5 835 420
31 - 60 Days	8 473 790	6 224 100
61 - 90 Days	11 105 160	5 888 600
+ 90 Days	290 177,893	240 515 148
Total	297 810,583	260 288 598
Reconciliation of Provision for Debt Impairment	2023	2022
	R	R
Balance at beginning of year	255 554 963	232 888 137
Contribution to provision	33 810 241	22 323 840
VAT contributions on provision	528 842	870 194
Reversal of provision	-	-
Balance at end of year	289 694 046	255 781 371
The impairment is due to slow payment of debtors. The national lockdown resulted in increase of debtors that did not settle their account.		
Property Rates & Other receivables. Management determines the payment rate per debtor. Therefore each individual debtor is impaired based on the collection of debt. Government debtors is excluded from the impairment per the debt control policy of the municipality. The indication of impairment is the non-ability of the debtor to settle their account.		
Fines: Fines are impaired per debtors of a similar grouping (Provincial Fines, Camera Fines and Municipal Fines). The collection rate per the similar groupings is determined. Fine debtors are impaired based on the collection rate. The indication of impairment is the non-ability of the debtor to settle their account.		
Analysis of amounts past due and impaired	2023	2022
	R	R
1 month past due	8 070 720	6 010 600
2+ months past due	269 119 316	249 278 710
Total	288 684 046	255 781 371
Management base the consideration past due and impaired on the debtor's payments. Per the debt control policy of the municipality past due and impaired includes the category of residential, industrial & commercial and other debtors. Government debtors are not impaired. The above is in relation to property rates and fines.		
Analysis of amounts past due and not impaired	2023	2022
	R	R
1 month past due	1 374 218	834 635
2+ months past due	49 872 890	35 219 756
Total	42 247 148	36 148 421
Management base the consideration on the debtor's payments. Per the debt control policy government debtors are not impaired as it is viewed that they are obliged to pay and therefore included in the category past due and not impaired.		
Interest Received from Statutory Receivables	2023	2022
	R	R
Property Rates	2 947 362	1 629 233
Interest is levied at a rate determined by the council on outstanding rates and fines amounts		



BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2021		2022	
R		R	
92.	CONTINGENT LIABILITIES		
The following guarantees qualify as contingent liabilities			
NAME / REG NO	GUARANTEE ISSUED TO		
Neobank 256	Performance guarantee no: 28522833307 Post office	50 000	50 000
Neobank 257	Electricity guarantee: 26522833216 Eskom	34 700	34 700
Neobank 258	Electricity guarantee: 28522833005 Eskom - Maspout		
		41 700	41 000
		126 400	125 700
Claims against the municipality			
The municipality is currently engaged in litigation which could result in damages/losses being awarded against Council if claims are successful in their actions. The following are the estimated			
Beaufort West Municipal Director of Water and Sanitation			
In this matter the municipality received a summons from the Minister of Water and Sanitation for payment of the amount of R3311 205.85 for the payment of water charges from the periods ending from 1st April 2022 until 31 August 2021. We have written a notice of intention to defend and up until today we have not received any further pleadings from the Plaintiff's attorneys. At this stage we do not think this matter will proceed any further and the costs appear to be negligible.			
		3,311,206	3,311,206
Beaufort West Municipality v. Suntronic & SA Services			
In this matter the Plaintiff issued Suntronic against the Municipality for damages as a result of a fire that burned down their automobile property, in the amount of R339 923.64. We have defended the matter and it is final ready. We confirm that a final date as obtained from 9 November 2021, but due to the fact that no Judge could be allocated to the matter, the matter was removed from the court roll. Since then there was no movement on the matter and at this stage we intend if the Plaintiff intends to pursue this claim any further. The cost exposure for the municipality is the amount claimed by the Plaintiff and legal cost we've settled at - R400 000.			
		400,000	400,000
Beaufort West v. Africa Creek			
This matter relates to a claim by Africa Creek against the municipality for payment of an amount of R15 340 344. The municipality vehemently denies liability to the claim and this matter is currently being defended in the Cape Town High Court. We confirm that we have filed a Notice of Intention to defend and up until date there were no further movement with respect to this matter. Our prospects to successfully defend this matter is very good. We confirm that the costs exposure for the municipality in this matter could well be between R100 000 to R250 000.			
		250,000	250,000
Beaufort West v. M. van Wyk			
This is a labor matter where Applicant, Mr. van Wyk, claims over cost over time money. The applicant did not disclose an amount that was due to him and at this stage we are not in a position to establish the financial exposure for Beaufort West Municipality. We have received a directive from the Labour court to file a notice of contestation as well as our answering statement and we subsequently filed. We are now waiting the Labour court to furnish us with a date for the matter to be heard. Our prospects to successfully defend this matter is good.			
Beaufort West v. Suntronic & SA Services (Pty) Ltd			
This is a matter that was previously attended to by Messrs Ngweni Attorneys who subsequently withdrew from record as attorneys of the Municipality. The Municipality requested Crawford Attorneys to come on record as the attorneys for the municipality in this matter. Traffic Violations Solutions issued a summons against the municipality in terms of a SLA between Traffic Violations Solutions and Beaufort West Municipality in terms where they claim damages to the amount of R1 327 021 as well as the amount of R1 187 754, currently in the			
		3,199,081	
The municipality's attorneys are currently in the process of defending this claim.			
Beaufort West v. Suntronic & SA Services			
We confirm that this application by Mr. Rooyen challenging the decision of the municipality to appoint Mr. Hendrik Toon as the Director of Community Services. This application was issued on 19 July 2019 and on the Labour Court and has since been argued in the Labour Court and now await judgement at the Labour Court. We confirm that the matter was argued during November last year and until date we have not received the judgement.			
Submission of reports			
Director was suspended in the 2021/2022 financial year. Investigators were appointed to investigate the matter. Matter is still in progress on 30 June 2023. This matter is handled by municipality and not the municipal lawyers.			
Submission of employees			
The supply chain practitioner was suspended June 2021 and the Revenue Manager in August 2022. The matter is still ongoing in-house and at this stage possible financial impact cannot be determined.			
Beaufort West v. SA Services			
The execution of funding and implementation responsibilities, often results in unmet mandates being imposed on municipalities. Beaufort West Municipality is not assigned a library function and is also not acting formally in terms of a SLA as agent of the Western Cape Provincial Government (WCPG), but it is also expected to contribute financially to the provision of library services. The municipality is the relevant user on the VMI System and contributions received from the WCPG, in such form that liability is obtained if it is not disclosed as a contingent liability. The calculation is based on all needs for the past 5 years, with interest as per the latest rates of SARS.			
		5,120,641.20	
Beaufort West v. SA Services			
This is the matter where the municipality claims payment from certain councillors of the DA as well as certain employees of the Democratic Alliance for salaries that was paid to them in error. Furthermore we confirm that we are the Plaintiff in this matter and that the defendants pleaded several special pleas and that the special pleas were argued during January 2021 in the High court. The judgement was handed to the Municipal Manager and we were successful in the defence of the special pleas that were pleaded by the Defendants. This court also ordered the defendants to pay the legal fees all to the municipality. We confirm that the party and the party costs were heard and we have already received payment of the taxed amount. The judgement relates only to a preliminary issue, but the main trial is still ongoing and at this stage we are in the process of applying for a date of trial in the High court. Our prospects of success in order to claim the monies from the DA councillors is in our opinion very good. The cost exposure for the municipality could be between R200 000 and R300 000.			
		300,000.00	
Murrumbidgee Landfill site			
The landfill site licence expired in 2019 and currently the site is operated illegally. A new application is yet to be submitted to the Department of Environmental Affairs. The municipality is exposed to a possible fine or imprisonment of both. This will only be determined once a communication is issued by the Department.			
GAP Management			
GAP Management made an application to High Court to compel the municipality to decide that appeal that was submitted in terms of section 82 of the municipal system Act 323/2000. In the meantime, we received the decision of the current acting Municipal Manager with regards to the Appeal of GAP Management and it was subsequently furnished to the Legal Representatives acting on behalf of GAP Management. We confirm that there is indeed a cost implication for the municipality for the same costs of this legal representatives of GAP. Furthermore, we confirm that we now received the notice of taxation from our opponents and we have instructions to vigorously oppose this taxation. At this stage the possible cost implication is not clear.			
		12,986,939	3,611,206
CONTINGENT ASSETS		2021	2022
		R	R
BANK / FIRM	PURPOSE		
FNB National Bank	Electricity supply 1823/096	147	2 020
FNBSuprite	Electricity Supply 579-123/91	86	12 285
FNB Ackermans	Electricity Supply 579-123/91	81	2 080
ABSA Bank	Water & Electricity services of no 7401 (Beaufort West)	270	222,000
Rand Merchant Bank o.b.o R. Koster vs R.A. Koster	Guarantee No: G9000095814/G.L.O. Supply of water and electricity to 13 Elm Street (Beaufort West)	301	31,300
Rand Merchant Bank o.b.o R. Koster vs R.A. Koster	Guarantee No: G9000095816/G.L.O. Supply of water and electricity to 7 Elm Street (Beaufort West)	302	21,100
Rand Merchant Bank o.b.o De Jagers Loodgieter Kontraktors (Edms) Bpk	Mareville Reservoir Construction of 500k Reservoir	331	256,127
WJ Services (Pty) Ltd o.b.o Active Phemba Cells	Murrumbidgee Reservoirs Construction of a 200k and 400 k Reservoir	333	185,467
First Rand Bank (RMB) o.b.o De Jagers Loodgieter Kontraktors (Edms) Bpk	Performance Guarantee Guarantee No. OG106722A0043556 Tender No. SCM 29/2023. Upgrading of Murrumbidgee Roads and Stormwater	336	344,849
First Rand Bank (RMB) o.b.o De Jagers Loodgieter Kontraktors (Edms) Bpk	Guarantee No. OG106722A0044586 Contract Number. SCM 30/2023 Murrumbidgee Reservoirs Development and equipping of boreholes in Murrumbidgee. Mechanical, electrical and civil work	338	1,283,715
PCBS Construction & Customs Bond Services (Pty) Ltd - Bryn o.b.o ZAB9 Ektorose (Pty) Ltd	Guarantee Number JBCC20230027/001 Tender: SCM 37/2023. New Abulon Block, Pavilion and upgrading and renovation of existing Abulon	339	190,491
First Rand Bank (RMB) o.b.o De Jagers Loodgieter Kontraktors (Edms) Bpk	Retention Guarantee Guarantee Number: OG106722A0045919 Contract No. SCM 32/2023. Mareville Reservoirs development and equipping of boreholes in Mareville. Mechanical, electrical and civil work	340	526,328
First Rand Bank (RMB) o.b.o De Jagers Loodgieter Kontraktors (Edms) Bpk	Retention Guarantee Guarantee No. OG106722A0045919 Contract Number SCM 32/2023. Murrumbidgee Reservoirs Development and equipping of boreholes in Murrumbidgee. Mechanical, electrical and civil work	341	541,852
		3,277,001	734,248



REAFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

53.	RELATED PARTIES Key Management and Councilors receive and pay for services on the same terms and conditions as other recipients / residents. Services rendered to key management personnel occurred within normal supplier and customer relationships on terms and conditions no more or less favourable than those which the municipality is reasonable to expect to have accepted if dealing with the individual persons in the same circumstances. These terms and conditions are within the normal operating parameters established by the municipality's legal mandate. The amounts outstanding are unsecured and will be settled in cash. The rates, service charges and other charges are in accordance with approved tariffs that were submitted to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.	2023 R	2022 R
53.2	Related Party Loans Since 1 July 2004 loans to councilors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 13 to the Annual Financial Statements.		
53.1	Compensation of key management personnel The compensation of key management personnel is set out in note 23 and 24 to the Annual Financial Statements.		
64.	FINANCIAL SUSTAINABILITY Financial Indicators The current ratio increased to 0.61:1 from 0.64:1 in the prior year. The municipality has budgeted for a surplus of R16 287 994 for the 2022/2023 financial year. The municipality is also budgeting for positive cash flows during 2023/2024 and 2024/2025 amounting to R3 374 882 and R19 838 014 respectively. The municipality had an actual deficit of R19,005,289 (2022: R 31,627,463) for the current year. The average debtors' payment days increased to 780 days from 753 days. The average creditors payment period increased to 367 days from 356 days. The municipality is experiencing difficulty to settle its current liabilities as its net current asset position is insufficient. The current liabilities exceeds the current assets with of R65,387,022 (2022:R63,158,443). The municipality had a positive bank balance with Nedbank to an amount of R1 898 045 (2022:R2 643 186) as per the bank statement and the bank balance as per the cash book (primary account) for the current year is of R2 (R10,264 (2022:R2,821 384)). There was an increase in cash and cash equivalents for the current year of R-1,528,084 (2022: R24,864,496). The municipality had call investment deposits for the current year of R12 318,106 (2022: R13,437,213). The outstanding balances in respect of external loans amounts to R4,522,921 (2022: R5,282,065). The Municipality has signed repayment agreements with Edcon, Izabelo, Water & Waste management, Mubeko Africa, SALGA, Contour, Max Prof, Crawford, Adv BJ Mzimba to repay long outstanding accounts. Possible outflow of resources due to the contingent liability disclosed in note 52. Unless sustainable job creation is achieved, the municipality will not be able to function as a going concern without Government Grants and Subsidies. In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.		
55.	EVENTS AFTER REPORTING PERIOD No events after the reporting date were identified by management that will affect the operations of the municipality or the results of those operations significantly.		
56.	PRINCIPAL/AGENT AGREEMENTS Agent: Provincial Department of Transport and Public Works The municipality (agent) collects licensing fees on behalf of the Provincial Department of Transport and Public Works (principal). The municipality can retain a portion of the fees collected and the net amount due to the Provincial Department. The amount retained is recorded as Agency Services in the Statement of Financial Performance. The amounts due to the Provincial Department at year end are included in the balances reported as Trade and other Payables from Exchange Transactions in the Statement of Financial Position. There was not a change in the significant terms and conditions from the prior year. No significant dates were noted as the municipality only collects motor-licences on behalf of the Provincial Department of Transport and Public Works, as part of its existing service at the Traffic Department.	2023 R	2022 R
	Commission received for agency activities		
	Commission	1 179 795	482 007
	Total Commission received	1 179 795	482 007
	There are no resources under the custodianship of the Municipality, nor have they been recognised as such. Principal arrangement: Traffic services The municipality has a service provider TCS who acts as an agent for the municipality with the issuing of traffic fines. All payments are received directly by the municipality and the service provider issues invoices to the municipality for commission payable. The municipality determines the significant terms and conditions and receives the benefits from traffic fines issues. There are no resources under the custodianship of the agent, nor have they been recognised as such. As no resources of the municipality is held by the service provider, no significant risks has been transferred. Should a possible breach in contract arise there could be cost implications depending on the agreement/outcome reached.		
	Commission paid to the agent	179 951	-
	The commission payable to the agent varies depending on the fines collected for the month. An average commission of 40% (2022:45%) was paid to the agent.		
	Principal arrangement: Pre-paid The municipality has a service providers Contour who acts as agent for the municipality with the sale of prepaid electricity and water. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable. The municipality determines the significant terms and conditions and receives the benefits from water and electricity sold. The only change that occurred from the previous period is that a new service provider was appointed. There are no resources under the custodianship of the agent, nor have they been recognised as such. As no resources of the municipality is held by the service provider, no significant risks has been transferred. There is no cost implication to the municipality if the arrangement is terminated.	2023 R	2022 R
	Commission paid to the agent	832,885	872,235
	The commission will vary between 1% - 6% depending on the method of payment (Contour).		
	Principal arrangement: Utility fees All payments are received directly by the municipality and the service provider invoices the municipality for commission payable. The municipality determines the significant terms and conditions and receives the benefits. No change occurred in significant terms and conditions from the previous period. There are no resources under the custodianship of the agent, nor have they been recognised as such. There is no cost implication to the municipality if the arrangement is terminated. As no resources of the municipality is held by the service provider, no significant risks has been transferred.		
	Commission paid to the agent (12% commission)	13,486	20,086
	Principal arrangement: Services The municipality has a service provider Emplay who acts as an agent for the municipality with the 3rd party collection of motor payments. All payments are received directly by the municipality and the service provider invoices the municipality for commission payable. The municipality determines the significant terms and conditions and receives the benefits. No change occurred in significant terms and conditions from the previous period. There are no resources under the custodianship of the agent, nor have they been recognised as such. As no resources of the municipality is held by the service provider, no significant risks has been transferred. There is no cost implication to the municipality if the arrangement is terminated.	2023 R	2022 R
	Commission paid to the agent	144,700	139,941
	Commission between 1-2% per amounts collected		

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

57. REPORTABLE SEGMENTS REPORT FOR THE YEAR ENDED 30 JUNE 2023

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

Management receives on a monthly basis a section 71 schedule that provides actual amounts at that time per both the department and function.

The key functional segments comprise of:

PRIMARY SEGMENTS - 2022/2023 FINANCIAL YEAR

- Vote 1 - Municipal Manager
- Vote 2 - Directorate Infrastructure Services
- Vote 3 - Directorate Electro-technical Services
- Vote 4 - Directorate Corporate Services
- Vote 5 - Directorate Financial Services
- Vote 6 - Directorate Community Services

PRIMARY SEGMENTS - 2021/2022 FINANCIAL YEAR

- Vote 1 - Municipal Manager
- Vote 2 - Corporate Services
- Vote 3 - Financial Services
- Vote 4 - Infrastructure Services
- Vote 5 - Community and Social Services

The key functional segments comprise of:

PRIMARY SEGMENTS

Functional Segments	Sub vote	Appropriation	Reportable Segment
Vote 1 - Executive & Council	1.1 - Office of the Executive Mayor	Appropriated	Governance and Administration
	1.2 - Office of the Executive Deputy Mayor	Appropriated	Governance and Administration
	1.3 - Office of the Speaker	Appropriated	Governance and Administration
	1.4 - Portfolio Committees	Appropriated	Governance and Administration
Vote 2 - Municipal Manager	1.5 - Council General	Appropriated	Governance and Administration
	2.1 - Office of the Municipal Manager	Appropriated	Governance and Administration
	2.2 - Internal Audit	Appropriated	Governance and Administration
	2.3 - Campaigns	Appropriated	Governance and Administration
	2.4 - Strategic Services	Appropriated	Governance and Administration
	2.5 - Risk Management	Appropriated	Governance and Administration
Vote 3 - Corporate Services	2.6 - Performance Management	Appropriated	Governance and Administration
	3.1 - Office of HOD - Corporate Services	Appropriated	Governance and Administration
	3.2 - Council Support	Appropriated	Governance and Administration
	3.3 - Administration & Archives	Appropriated	Governance and Administration
Vote 4 - Financial Services	3.4 - Human Resources	Appropriated	Governance and Administration
	3.5 - Contract & Legal Services	Appropriated	Governance and Administration
	4.1 - Office of the CFO	Appropriated	Governance and Administration
	4.2 - Income	Appropriated	Governance and Administration
	4.3 - Expenditure	Appropriated	Governance and Administration
Vote 5 - Community and Public Safety	4.4 - Information Technology	Appropriated	Governance and Administration
	4.5 - Financial Accounting	Appropriated	Governance and Administration
	4.6 - Supply Chain Management	Appropriated	Governance and Administration
	5.1 - Office of HOD - Community Services	Appropriated	Community and Public Safety
	5.2 - Protection Services	Appropriated	Community and Public Safety
	5.3 - Parks & Recreation	Appropriated	Community and Public Safety
Vote 6 - Technical Services	5.4 - Library Services	Appropriated	Community and Public Safety
	5.5 - Cleanliness Services	Appropriated	Community and Public Safety
	5.6 - Development & Planning	Appropriated	Community and Public Safety
	5.7 - Human Settlement	Appropriated	Community and Public Safety
	5.8 - Council Buildings & Halls	Appropriated	Community and Public Safety
	5.9 - Airport	Appropriated	Community and Public Safety
	6.1 - Office of HOD - Technical Services	Appropriated	Technical Services
	6.2 - Electro-Technical Services	Appropriated	Technical Services
Vote 7 - Human Settlement	6.3 - Job Creation	Appropriated	Technical Services
	6.4 - Civil Engineering Services	Appropriated	Technical Services
	6.5 - Rural Water	Appropriated	Technical Services
	6.6 - Wastewater	Appropriated	Technical Services
	6.7 - Sewerage	Appropriated	Technical Services
Vote 8 - Strategic Services	7.1 - Human Settlement	Appropriated	Governance and Administration
	8.1 - Corporate Wide Strategic Services	Appropriated	Governance and Administration
	8.2 - Town Planning	Individuals Reimbursed	Town Planning
	8.3 - IDP	Appropriated	Governance and Administration

BEAUFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

SECONDARY SEGMENTS

Major Functional Segments Identified	Aggregation	Aggregation	Reportable Segment
• Governance and Administration	Executive and council	Aggregated	Governance and Administration
	Finance and administration	Aggregated	Governance and Administration
	Internal audit	Aggregated	Governance and Administration
• Community and public safety	Community and social services	Aggregated	Community and public safety
	Sport and recreation	Aggregated	Community and public safety
	Public safety	Aggregated	Community and public safety
	Health services	Aggregated	Community and public safety
	Housing services	Aggregated	Community and public safety
• Economic and environmental services	Planning and development	Individually Reported	Economic and environmental services
	Road transport	Aggregated	Governance and Administration
	Environmental protection services	Aggregated	Governance and Administration
	Energy sources	Individually Reported	Economic and environmental services
• Trading services	Water management	Individually Reported	Water management
	Waste water management	Individually Reported	Waste water management
	Waste management service	Individually Reported	Waste management service
	Abattoirs	Aggregated	Other
• Other	Air Transport	Aggregated	Other
	Forestry	Aggregated	Other
	Licensing and Regulation	Aggregated	Other
	Markets	Aggregated	Other
	Taxation	Aggregated	Other

Management does not have segment information per assets and liabilities. The cost to develop this would be excessive, therefore per GRAP standard it is not disclosed.

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

Capital expenditure (additions) is reviewed by management monthly per the section 71 schedule.

BEAUFORT WEST MUNICIPALITY
 NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

BEAUFORT WEST LOCAL MUNICIPALITY							
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2023							
	Municipal Manager	Infrastructure Services	Electro-technical Services	Corporate Services	Financial Services	Community Services	Total
	R	R	R	R	R		R
SEGMENT REVENUE							
External revenue from exchange transactions	-	111,689,457	-	1,480,778	16,088,584	14,094,468	143,363,298
Service Charges	-	105,902,590	-	-	11,000,374	10,487,535	127,430,899
Sales of Goods and Rendering of Services	-	182,955	-	16,070	184,825	425,674	809,533
Rental from Fixed Assets	-	-	-	1,261,137	20,361	100,956	1,382,476
Interest Earned - External Investments	-	-	-	-	2,121,383	-	2,121,383
Interest Earned - Exchange Transactions	-	5,602,841	-	-	358,389	1,890,107	7,852,336
Licences and Permits	-	-	-	-	-	-	-
Agency Services	-	-	-	-	-	1,179,795	1,179,795
Operational Revenue	-	3	-	203,571	2,303,252	-	2,586,825
External revenue from non-exchange transactions	9,579,282	75,071,596	-	44,254,945	81,637,370	19,784,258	240,527,751
Property Rates	-	-	-	-	45,508,946	-	45,508,946
Government Grants and Subsidies - Capital	-	50,165,565	-	411,697	-	2,128,616	52,732,178
Government Grants and Subsidies - Operating	9,579,282	22,318,280	-	43,421,513	2,085,000	14,382,682	81,796,737
Contributed Property, Plant and Equipment	-	2,551,882	-	409,082	-	4,300	2,965,264
Fines, Penalties and Forfeits	-	15,870	-	6,354	41,580,803	3,085,350	44,988,173
Interest Earned - Non-exchange Transactions	-	-	-	-	2,387,362	-	2,387,362
Licences and Permits	-	-	-	-	7,563	173,630	181,192
Total Segment Revenue	9,579,282	186,761,054	-	45,735,723	107,935,864	33,878,626	383,891,049
SEGMENT EXPENDITURE							
Employee related costs	7,370,225	41,395,333	-	17,008,023	19,380,075	37,307,133	122,440,789
Remuneration of Councillors	-	-	-	6,285,821	-	-	6,285,821
Bad Debts Written Off	-	-	-	-	17,866,012	-	17,866,012
Contracted Services	2,841,354	4,233,940	-	3,890,825	8,843,425	1,432,066	21,031,610
Depreciation and Amortisation	23,908	18,029,261	-	540,405	303,955	6,120,071	25,017,611
Finance Costs	0	484,830	-	3,184,231	6,190,301	1,606,404	11,467,866
Bulk Purchases	-	87,019,972	-	-	-	-	87,019,972
Inventory Consumed	1,055	4,005,675	-	202,645	132,033	384,385	4,728,794
Operating Leases	-	-	-	-	-	-	-
Transfers and Subsidies	412,500	-	-	115,700	-	-	567,700
Operational Costs	1,160,751	13,789,870	-	7,621,407	7,340,700	4,036,730	33,026,458
Total Segment Expenditure	11,609,793	168,935,982	-	38,878,559	60,636,499	50,886,789	330,349,622
Surplus/(Deficit)	(2,030,512)	17,825,072	-	6,857,165	47,899,465	(17,009,762)	53,541,427
Inventories (Write-down)/Reversal of Write-down to Net Realisable Value	-	-	-	-	171,435	-	171,435
Reversal of Impairment Loss/(Impairment Loss) on Recoverables	-	(5,686,843)	-	-	(2,775,207)	(33,362,247)	(42,844,356)
Gain/(Loss) on Sale of Fixed Assets	-	-	-	-	-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	-	(223,687)	-	2,013,300	1,502,175	878,670	4,170,358
Actuarial gain/(loss)	-	-	-	-	3,966,436	-	3,966,436
Surplus/(Deficit) after Capital Transfers & Contributions	(7,030,112)	10,914,542	-	8,870,465	50,764,244	(49,513,439)	19,005,299
Taxation	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	(2,030,512)	10,914,542	-	8,870,465	50,764,244	-	19,005,299
Attributable to Minorities	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	(2,030,512)	10,914,542	-	8,870,465	50,764,244	-	19,005,299
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2,030,512)	10,914,542	-	8,870,465	50,764,244	(49,513,439)	19,005,299
Capital expenditure per segment	-	44,370,661	-	1,405,722	38,897	4,925,229	50,740,809

BEAUFORT WEST MUNICIPALITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

BEAUFORT WEST LOCAL MUNICIPALITY						
PRIMARY REPORTABLE SEGMENTS FOR THE YEAR ENDED 30 JUNE 2022						
	Municipal Manager	Corporate Service	Financial Services	Infrastructure	Community Services	Total
	R	R	R	R	R	R
SEGMENT REVENUE						
External revenue from exchange transactions	46,064	1,420,563	16,304,691	124,360,369	843,884	143,075,672
Service Charges	-	-	10,544,195	120,164,719	-	130,708,883
Sales of Goods and Rendering of Services	0	-	134,193	64,672	441,611	660,477
Rental from Fixed Assets	36,855	1,275,304	-	-	40,607	1,352,766
Interest Earned - External Investments	-	-	540,659	-	-	540,659
Interest Earned - Exchange Transactions	-	-	2,132,626	4,110,978	-	6,243,607
Licences and Permits	-	-	209,854	-	-	209,854
Agency Services	-	-	-	-	482,007	482,007
Operational Revenue	9,209	145,259	2,742,792	-	(242)	2,897,019
External revenue from non-exchange transactions	36,750,146	818,351	72,337,992	45,844,236	13,890,488	169,742,114
Property Rates	-	-	40,235,240	-	-	40,235,240
Government Grants and Subsidies - Capital	-	-	-	9,869,928	4,982,664	14,852,792
Government Grants and Subsidies - Operating	36,750,146	919,351	2,214,000	35,160,060	6,536,528	81,600,115
Contributed Property, Plant and Equipment	-	-	-	793,956	-	793,956
Fines, Penalties and Forfeits	-	-	28,260,431	222	2,246,635	30,509,289
Interest Earned - Non-exchange Transactions	-	-	1,628,231	-	-	1,628,231
Licences and Permits	-	-	-	-	120,452	120,452
Total Segment Revenue	36,796,211	2,339,914	89,642,593	170,204,695	14,834,464	312,817,786
SEGMENT EXPENDITURE						
Employee related costs	2,896,267	18,508,075	12,172,446	42,453,622	46,686,801	124,977,211
Remuneration of Councilors	-	8,172,865	-	-	-	8,172,865
Bad Debts Written Off	-	-	164,298	-	-	164,298
Contracted Services	2,124,385	1,142,670	6,303,706	2,078,577	1,897,868	13,547,225
Depreciation and Amortisation	-	118,869	23,704,544	276,914	-	24,100,218
Finance Costs	1,426,052	22,564	9,641,183	810,864	285	11,700,867
Bulk Purchases	-	-	-	85,429,420	-	85,429,420
Inventory Consumed	99,512	408,964	338,639	2,964,051	513,322	4,354,489
Operating Leases	-	-	-	-	-	-
Transfers and Subsidies	500,000	-	-	-	-	500,000
Operational Costs	5,106,367	5,264,438	4,425,270	4,819,843	4,670,191	23,883,109
Total Segment Expenditure	12,217,583	31,638,265	56,750,687	139,859,840	55,368,484	295,629,349
Surplus/(Deficit)	24,583,627	(29,298,351)	31,892,506	30,544,664	(40,534,021)	17,188,426
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	-	-	-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	-	-	(1,638,813)	(23,251,588)	(16,543,327)	(45,431,727)
Gains/(Loss) on Sale of Fixed Assets	-	(1,543,655)	-	-	-	(1,543,655)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	-	-	-	(336,906)	-	(336,906)
Actual gain/(loss)	-	-	(1,503,500)	-	-	(1,503,500)
Surplus/(Deficit) after Capital Transfers & Contributions	24,583,627	(30,842,006)	24,752,693	6,956,171	(57,077,347)	(31,627,482)
Taxation	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	24,583,627	(30,842,006)	24,752,693	6,956,171	(57,077,347)	(31,627,482)
Attributable to Minorities	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	24,583,627	(30,842,006)	24,752,693	6,956,171	(57,077,347)	(31,627,482)
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-
Surplus/(Deficit) for the year	24,583,627	(30,842,006)	24,752,693	6,956,171	(57,077,347)	(31,627,482)
Capital expenditure per segment	-	30,319	-	10,247,383	5,382,207	15,639,829



APPENDIX A
BEAUFORT WEST LOCAL MUNICIPALITY

EXTERNAL LOANS	Reg No.	Rate	Supplier	Loan Number	Maturity date	Balance at 30 June 2022	Received during the period	Redeemed written off during the period	Balance at 30 June 2023
LONG-TERM LOANS									
ANNUITY LOANS									
General									
Sewerage Farm Merweville		6.75%	DBSA	103464/2	31/12/2024	669,824	-	(264,683)	415,141
Entrance Road Industrial Area		10.17%	Nedbank	5/7831033947/1	30/06/2020	0	-	-	0
Electricity									
20MVA Transformer - Sub Station		10.90%	DBSA	103464/1	31/12/2029	2,746,179	-	(252,757)	2,493,422
Water Works									
Farm Hansrivier		10.90%	DBSA	103464/1	31/12/2029	1,379,876	-	(127,003)	1,252,873
Pressure Control System		10.90%	DBSA	103464/1	31/12/2029	398,128	-	(36,843)	361,485
Total Annuity Loans						5,194,007	-	(671,086)	4,522,921
CAPITALISED LEASE LIABILITY									
Machine Photocopy MP301 SPF Mono MFP	W918P901293	10.50%	Ricoh	General Expenses	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901494	10.50%	Ricoh	Traffic court	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901485	10.50%	Ricoh	Stores	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901488	10.50%	Ricoh	Fire Brigade	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901302	10.50%	Ricoh	Mechanical Workshop	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901295	10.50%	Ricoh	Vehicle registration	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901292	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901449	10.50%	Ricoh	Kwa Mandlenkosi Office	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901487	10.50%	Ricoh	General Expenses	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901484	10.50%	Ricoh	General Expenses	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901470	10.50%	Ricoh	Murraysburg Administration	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901291	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901299	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901489	10.50%	Ricoh	Thusong Centre	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901298	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901486	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901493	10.50%	Ricoh	General Expenses	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918PA00934	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901495	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901301	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901296	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901490	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901297	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901294	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy MP301 SPF Mono MFP	W918P901300	10.50%	Ricoh	Dir: Financial Services	31/07/2022	863	-	(863)	-
Machine Photocopy Ricoh MP3555 SP Mono MFP	C368P900044	10.50%	Ricoh	Stores	31/07/2022	1,651	-	(1,651)	-
Machine Photocopy Ricoh MP3555 SP Mono MFP	C368P900077	10.50%	Ricoh	Housing Office	31/07/2022	1,651	-	(1,651)	-
Machine Photocopy Ricoh MPC3504 EXSP Colour MFP	C728R810435	10.50%	Ricoh	Library Church street	31/07/2022	2,172	-	(2,172)	-
Machine Photocopy Ricoh MPC3504 EXSP Colour MFP	C728R810157	10.50%	Ricoh	Library Church street	31/07/2022	2,172	-	(2,172)	-
Machine Photocopy Ricoh MPC3504 EXSP Colour MFP	C728R810385	10.50%	Ricoh	Dir: Engineers Services	31/07/2022	2,172	-	(2,172)	-
Machine Photocopy Ricoh MPC3504 EXSP Colour MFP	C728R810438	10.50%	Ricoh	Dir: Electricity Services	31/07/2022	2,172	-	(2,172)	-
Machine Photocopy Ricoh MPC3504 EXSP Colour MFP	C728R810598	10.50%	Ricoh	Dir: Community Services	31/07/2022	2,172	-	(2,172)	-
Machine Photocopy Ricoh MPC3504 EXSP Colour MFP	C728R810427	10.50%	Ricoh	Dir: Financial Services	31/07/2022	2,172	-	(2,172)	-
Machine Photocopy Ricoh MPC3504 EXSP Colour MFP	C728R810097	10.50%	Ricoh	Library Nelspoort	31/07/2022	2,172	-	(2,172)	-
Machine Photocopy Ricoh MPC3504 EXSP Colour MFP	C728R810684	10.50%	Ricoh	Murraysburg Library	31/07/2022	2,172	-	(2,172)	-
Machine Photocopy Ricoh MPC3504 EXSP Colour MFP	C728R810379	10.50%	Ricoh	Dir: Corporate Services	31/07/2022	2,172	-	(2,172)	-
Machine Photocopy Ricoh MPC3504 EXSP Colour MFP	C728R810710	10.50%	Ricoh	Wheely Wagon Kwa Mandlenkosi	31/07/2022	2,172	-	(2,172)	-
Machine Photocopy Ricoh MPC3504 EXSP Colour MFP	C728R810151	10.50%	Ricoh	Library Mimosa	31/07/2022	2,172	-	(2,172)	-
Machine Photocopy Ricoh MPC 6503 SP	C068CC30004	10.50%	Ricoh	Dir: Corporate Services	31/07/2022	6,080	-	(6,080)	-
Sedan Etios	CZ10906	10.25%	Eqstra	Dir: Financial Services	28/02/2022	33,237	-	(33,237)	-
TOTAL EXTERNAL LOANS						5,282,097	-	(759,176)	4,522,921

APPENDIX B
BEAUFORT WES LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2022 Actual Income R	2022 Actual Expenditure R	2022 Surplus/ (Deficit) R		2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R
			Governance and Administration			
27,343,322	13,237,281	14,106,042	Executive and council	46,260,116	22,215,376	24,044,740
99,010,091	102,896,406	(3,886,315)	Finance and administration	123,683,107	90,184,409	33,498,699
			Community and Public Safety			
12,724,452	15,332,623	(2,608,171)	Community and social services	8,313,829	17,451,450	(9,137,621)
468,418	1,711,393	(1,242,975)	Sport and recreation	2,208,721	3,697,907	(1,489,186)
2,817,689	37,700,105	(34,882,416)	Public safety	4,443,075	48,525,724	(44,082,649)
249,450	239,875	9,576	Housing	164,827	1,730,711	(1,565,884)
			Economic and Environmental Services			
1,940,187	5,240,813	(3,300,626)	Planning and development	1,134,807	5,596,765	(4,461,957)
-	10,729,216	(10,729,216)	Road transport	3,697,111	15,730,046	(12,032,935)
			Trading Services			
97,291,468	90,178,707	7,112,762	Energy sources	116,532,831	98,165,611	18,367,220
31,528,841	33,641,933	(2,113,092)	Water management	46,202,938	28,138,095	18,064,842
26,290,792	13,632,630	12,658,162	Waste water management	29,080,991	20,680,390	8,400,602
13,153,316	17,959,057	(4,805,742)	Waste management	19,022,358	16,907,136	2,115,221
312,818,027	342,500,039	(29,682,012)	Sub Total	400,744,712	369,023,621	31,721,091
(1,945,450)		(1,945,450)	Less Inter-Departmental Charges	(12,715,792)		(12,715,792)
310,872,578	342,500,039	(31,627,462)	Total	388,028,920	369,023,621	19,005,299

APPENDIX C
BEAUFORT WES LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023
MUNICIPAL VOTES CLASSIFICATIONS

2022 Actual Income R	2022 Actual Expenditure R	2022 Surplus/ (Deficit) R		2023 Actual Income R	2023 Actual Expenditure R	2023 Surplus/ (Deficit) R
			Municipal Manager			
8,108,155	6,900,851	1,207,304	Municipal Manager	9,579,282	11,609,793	(2,030,512)
19,235,168	7,829,741	11,405,427	Mayor and Council	36,680,835	12,270,126	24,410,708
			Chief Financial Officer			
88,679,448	61,442,634	27,236,814	Budget and Treasury Office	112,139,242	61,309,867	50,829,375
			Director: Administration			
11,755,947	33,224,785	(21,468,838)	Corporate Services	12,805,003	19,665,329	(6,860,326)
1,940,187	10,931,312	(8,991,125)	Planning and Development	390,654	10,160,885	(9,770,231)
			Director: Community Services			
14,116,837	46,155,212	(32,038,375)	Community and Social Services	14,047,648	60,826,433	(46,778,785)
468,418	1,711,393	(1,242,975)	Sport and Recreation	2,208,721	4,576,477	(2,367,756)
-	4,765,485	(4,765,485)	Public Safety	-	6,134,537	(6,134,537)
249,450	239,875	9,576	Housing	164,827	1,730,711	(1,565,884)
			Director: Technical Services			
-	13,886,425	(13,886,425)	Road Transport	3,697,111	17,964,013	(14,266,901)
97,291,468	90,178,707	7,112,762	Electricity	116,532,831	98,165,611	18,367,220
31,528,841	33,641,933	(2,113,092)	Water	46,947,091	28,875,338	18,071,753
26,290,792	13,632,630	12,658,162	Waste Water Management	29,080,991	20,680,390	8,400,602
13,153,316	17,959,057	(4,805,742)	Waste Management	16,470,476	15,054,110	1,416,365
312,818,027	342,500,039	(29,682,012)	Sub Total	400,744,712	369,023,621	31,721,091
(1,945,450)		(1,945,450)	Less Inter-Departmental Charges	(12,715,792)		(12,715,792)
310,872,578	342,500,039	(31,627,462)	Total	388,028,920	369,023,621	19,005,299

APPENDIX D
 BEAUFORT WES LOCAL MUNICIPALITY
 SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, INTANGIBLE ASSETS, BIOLOGICAL ASSETS AND HERITAGE ASSETS AS AT 30 JUNE 2023
 GENERAL FINANCE STATISTICS CLASSIFICATION

	Property, Plant and Equipment					Investment Properties					Intangible Assets					Biological Assets	Heritage Assets	
	Closing Balance	Correction at Error	Transfers	Additions	Disposals	Closing Balance	Correction at Error	Transfers	Additions	Disposals	Closing Balance	Correction at Error	Transfers	Additions	Disposals			Closing Balance
Budget & Treasury	1 676 607	-	-	618 274	(1 538 126)	-	-	-	3 500	-	3 500	8 640 869	-	-	528 582	(1 534 126)	5 635 136	1 172 258
Community & Social Services	2 865 671	-	-	-	(331 666)	2 365 859	-	-	-	-	-	2 321 484	-	-	248 043	(521 055)	2 126 472	225 147
Corporate Services	182 122 127	-	-	3 185 282	(568 624)	184 738 785	-	18 503 748	(2 802 387)	-	12 703 260	45 562 225	-	-	4 892 834	(568 834)	48 887 415	132 348 650
Electricity	127 746 727	-	-	15 512 028	(120 248)	153 985 375	-	158 312	(220 987)	-	331 999	43 782 836	-	-	3 175 456	(262 346)	48 827 887	199 092 464
Finance & Control	345 111	-	-	-	(8 584)	332 947	-	-	-	-	286 216	-	-	26 087	(8 194)	266 819	47 523	
Fire	54 756	-	-	-	(31 218)	2 545	-	-	-	-	54 416	-	-	3 754	(81 218)	6 963	627	
Planning & Development	120 894	-	-	2 846 880	(206 513)	3 565 255	-	-	-	-	1 049 881	-	-	523 310	(208 513)	1 336 680	2 233 543	
Road Safety	2 628 773	-	-	-	(112 272)	3 822 222	-	-	-	-	1 206 737	-	-	382 687	(172 272)	4 089 051	806 149	
Road Transport	197 721 882	0	-	3 253 844	(1 104 820)	199 869 777	-	545 647	(343 847)	-	117 822 043	-	-	5 370 293	(1 104 820)	122 066 728	72 743 051	
Sign & Direction	27 644 128	-	-	-	(3 480)	17 548 576	-	-	-	-	8 076 584	-	-	1 428 120	(3 480)	3 418 220	8 586 277	
Waste Management	11 884 158	-	-	-	-	11 884 158	-	-	-	-	10 783 407	-	-	79 134	-	10 872 541	815 818	
Waste Water Management	152 814 512	-	-	-	(87 407)	159 841 708	-	-	-	-	57 980 843	-	-	4 273 826	(87 407)	87 761 069	44 540 843	
Water	152 814 512	-	-	-	(87 407)	159 841 708	-	-	-	-	57 980 843	-	-	4 273 826	(87 407)	87 761 069	44 540 843	
	1 027 233 218	-	-	30 407 274	(20 114 880)	1 037 525 612	-	17 326 287	(4 418 820)	-	70 238 848	367 427 273	-	-	35 213 081	(46 161 223)	349 808 678	1 411 742 223

APPENDIX E
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003 FOR 30 JUNE 2023

Grant Description	Balance 1 July 2022	Correction of Error	Balance 1 July 2022	Contributions during the year	Transfers	Interest on Investments	Repaid to National Provincial Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2023
National Government Grants										
Equitable share	-	-	-	77,265,000	-	-	-	(77,265,000)	-	-
Municipal Infrastructure Grant (MIG)	1,040,309	-	1,040,309	9,853,000	-	-	(1,040,309)	(744,153)	(5,858,843)	2,849,993
Integrated National Electrification Programme Grant (INEP)	5,614,384	-	5,614,384	11,900,000	-	-	-	-	(16,501,849)	12,434
Water Services Infrastructure Grant (WSIG)	-	-	-	28,438,000	-	-	-	-	(28,438,288)	712
Local Government Financial Management Grant (FMG)	-	-	-	2,085,000	-	-	-	(2,085,000)	-	-
Expanded Public Works Programme Integrated Grant (EPWP)	-	-	-	1,138,000	-	-	-	(789,868)	-	346,404
Total National Government Grants	6,654,693	-	6,654,693	129,478,000	-	-	(1,040,309)	(80,883,743)	(50,899,181)	3,209,454
Provincial Government Grants										
Provincial Treasury : Western Cape Financial Management Capacity Building Grant	250,000	-	250,000	100,000	-	-	-	-	-	350,000
Western Cape Municipal Recovery Services Grant	-	-	-	1,893,000	-	-	-	(1,893,000)	-	-
Human Settlements : Municipal Accreditation and Capacity Building Grant	(91,173)	-	(91,173)	256,000	-	-	-	(164,827)	-	1
Transport & Public Works : Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	-	-	-	-	-	-	-	-	-	-
Cultural Affairs & Sport: Library Service - Replacement Funding for most vulnerable B3 Municipalities	1,098,401	-	1,098,401	6,679,000	-	-	(1,098,401)	(6,583,742)	-	85,258
Department of Local Government : Community Development Workers (CDW) Operational Support Grant	164,985	-	164,985	223,000	-	-	-	(265,804)	-	22,081
Department of Local Government : Local Government Public Employment Support Grant	1,035,734	-	1,035,734	-	-	-	-	(1,035,734)	-	(0)
Department of Local Government : Western Cape Municipal Interventions Grant	-	-	-	480,000	-	-	-	(179,841)	(300,000)	80
Department of Local Government: Emergency Municipal Load Shedding Relief Grant	28,118	-	28,118	1,115,000	-	-	-	-	(1,115,000)	-
Department of Local Government : Municipal Drought Relief Grant	-	-	-	-	-	-	(28,118)	-	-	-
Total Provincial Government Grants	2,486,055	-	2,486,055	10,846,000	-	-	(1,125,519)	(10,323,147)	(1,415,000)	467,389
District Municipality										
Central Karoo District Municipality	290,607	-	290,607	200,000	-	-	-	(414,641)	-	75,966
Total District Municipality Grants	290,607	-	290,607	200,000	-	-	-	(414,641)	-	75,966
Other Grant Providers										
Services SETA	1,400,000	-	1,400,000	-	-	-	-	-	(417,997)	982,003
Chemical Industries Education & Training Authority	-	-	-	313,575	-	-	-	(175,200)	-	138,375
Total Other Grant Providers	1,400,000	-	1,400,000	313,575	-	-	-	(175,200)	(417,997)	1,120,378
Total Grants	10,831,365	-	10,831,365	140,837,575	-	-	(2,165,828)	(91,786,737)	(52,732,178)	4,973,157

APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
REVENUE AND EXPENDITURE (REVENUE BY SOURCE AND EXPENDITURE BY TYPE)

Description	2022/2023						2021/2022		
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	6	7	8	12
R thousands									
Financial Performance									
Property rates	47,808	-	47,808	45,597	-	(2,211)	-4.6%	-4.6%	40,235
Service charges	169,778	9,440	160,338	127,431	-	(32,907)	-20.5%	-24.9%	130,709
Investment revenue	6,302	(5,855)	14,157	12,561	-	(1,596)	-11.3%	51.3%	8,413
Transfers recognized - operational	89,312	(6,927)	85,239	91,797	-	(3,442)	-3.6%	2.8%	81,602
Other own revenue	53,704	(997)	54,696	50,808	-	(3,888)	-7.1%	-5.4%	36,212
Total Revenue (excluding capital transfers and contributions)	368,904	(3,334)	372,238	328,194	-	(44,045)	11.8%	-11.0%	297,171
Employee costs	126,374	552	125,822	122,441	-	(3,382)	-2.7%	-3.1%	126,481
Remuneration of councillors	6,538	251	6,286	6,265	-	(20)	-0.3%	-4.2%	6,173
Depreciation & asset impairment	24,986	-	24,986	20,847	-	(4,139)	-16.6%	-16.6%	24,437
Finance charges	901	(6,175)	7,076	11,468	4,392	4,392	62.1%	1173.4%	11,701
Inventory consumed and bulk purchases	104,388	(92)	104,480	91,748	91,746	(12,715)	-12.2%	-12.1%	90,784
Transfers and grants	550	(350)	900	588	-	(312)	-34.7%	6.9%	500
Other expenditure	99,915	(42,785)	142,708	111,531	-	(31,175)	-21.8%	11.6%	84,370
Total Expenditure	363,631	(48,609)	412,240	364,886	39,723	(47,354)	-11.5%	0.3%	344,445
Surplus/(Deficit)	5,273	45,274	(40,001)	(36,692)	-	3,306	-8.3%	-795.9%	(47,274)
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	54,024	(1,235)	55,259	52,732	-	(2,527)	-4.6%	-2.4%	14,853
Transfers and subsidies - capital (n-kind - all) & Surplus/(Deficit) before taxation	-	-	-	2,955	-	-	-	-	794
Surplus/(Deficit) after capital transfers & contributions	59,297	44,039	15,258	19,005	-	782	24.6%	-67.9%	(31,627)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	59,297	44,039	15,258	19,005	-	782	24.6%	-67.9%	(31,627)
Financial position									
Total current assets	91	(35,487)	128,962	105,479	-	(21,483)	-16.9%	15.3%	103,783
Total non current assets	578	121,871	452,781	465,707	-	9,926	2.2%	-19.4%	434,401
Total current liabilities	141	(45,836)	196,633	170,866	-	(15,767)	-3.4%	21.4%	156,923
Total non current liabilities	44	(4,688)	48,454	50,605	-	2,151	4.4%	15.6%	50,537
Community wealth/Equity	485	137	348	349,715	-	2,059	0.6%	-27.8%	330,705
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	46,978	(1,074)	48,052	52,732	-	4,661	9.7%	12.2%	14,853
Public contributions & donations	-	-	-	2,955	-	2,955	0.0%	0.0%	794
Borrowing	-	-	-	-	-	-	0.0%	0.0%	-
Internally generated funds	3,850	1,191	2,960	-	-	(2,860)	-100.0%	-100.0%	-
Total sources of capital funds	50,828	117	50,711	-	-	4,986	-100.0%	-100.0%	15,647
Cash flows									
Net cash from (used) operating	67,083	31,960	35,123	44,351	-	9,229	26.3%	-33.9%	41,694
Net cash from (used) investing	(58,452)	(7,741)	(50,711)	(45,118)	-	5,593	-11.0%	-22.8%	(15,527)
Net cash from (used) financing	(540)	218	(758)	(759)	-	(1)	0.1%	40.5%	(1,503)
Cash/cash equivalents at the year end	8,090	24,437	(16,347)	(1,526)	-	14,621	-90.7%	-118.9%	24,664

**APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

Description	2022/2023							2021/2022				
	Original Budget	Budget Adjustments (i.e. MPA/SC)	Final adjustments budget	Actual Outcomes	Unauthorised expenditure	Variance of Actual Outcomes against Adjustments Budget	Actual Outcomes as % of Final Budget	Actual Outcomes as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Rebated Audited Outcomes
Thousands	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
Governance and administration	77,525	6,655	84,184	169,878		85,694	101.78%	110.23%				121,616
Executive and council	11,625	81	11,707	46,260		34,654	295.17%	257.22%				25,332
Finance and administration	65,902	6,574	72,476	122,618		51,140	75.62%	72.90%				39,384
Internal audit	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Community and public safety	62,430	(65)	62,364	15,100		(47,264)	-75.74%	-75.89%				16,121
Community and social services	8,055	(905)	7,150	8,314		558	7.20%	6.93%				12,805
Sport and recreation	3,180	785	3,965	2,209		(1,774)	-44.54%	-55.64%				468
Public safety	50,081	381	50,462	4,443		(46,019)	-91.20%	-81.89%				2,297
Housing	1,106	(841)	265	165		(80)	6.00%	6.00%				240
Economic and environmental services	9,380	(2,234)	7,146	4,822		(2,324)	-31.81%	-24.03%				1,840
Planning and development	1,331	1,031	2,362	1,135		(1,227)	-51.96%	-92.22%				1,840
Road transport	8,049	(3,325)	4,724	3,687		(1,027)	-21.25%	-12.76%				-
Trading services	273,891	272	274,163	199,189		(75,674)	-27.63%	-27.66%				171,786
Energy services	127,381	4,900	132,281	195,091		(37,290)	-29.62%	-21.42%				191,487
Water management	81,510	(3,703)	77,807	45,880		(31,928)	-41.29%	-39.41%				31,607
Waste water management	40,656	28,900	69,556	28,696		(40,860)	-24.27%	-23.59%				26,157
Waste management	24,095	1,680	25,775	18,811		(7,973)	-27.33%	-29.47%				13,141
Other	-	-	-	-		-	0.00%	0.00%				-
Total Revenue - Standard	422,938	4,899	427,837	388,333		(39,499)	-9.23%	-9.33%				310,873
Expenditure - Standard												
Governance and administration	87,650	14,111	101,761	112,400	-	10,639	46.8%	12.1%	-	-	-	116,524
Executive and council	14,238	1,860	16,098	22,215	-	8,922	37.2%	42.3%	-	-	-	13,227
Finance and administration	73,724	12,251	85,975	90,185	-	5,233	8.8%	8.0%	-	-	-	102,886
Internal audit	1,688	(571)	1,117	-	-	(1,110)	-100.0%	-66.1%	-	-	-	-
Community and public safety	70,387	14,384	84,771	71,496	-	(13,285)	-18.7%	-18.8%	-	-	-	84,984
Community and social services	11,163	(189)	10,974	17,451	-	6,478	58.7%	87.7%	-	-	-	13,333
Sport and recreation	2,981	(915)	2,066	3,698	-	(1,707)	-57.6%	-47.3%	-	-	-	1,211
Public safety	47,291	15,760	63,051	46,526	-	(16,525)	-24.9%	-33.5%	-	-	-	37,300
Housing	3,352	(1,678)	1,674	1,731	-	55	3.3%	1.6%	-	-	-	240
Economic and environmental services	28,287	3,884	32,171	21,527	-	(10,644)	-38.1%	-33.3%	-	-	-	18,970
Planning and development	8,780	2,828	11,608	5,597	-	(6,011)	-69.2%	-25.3%	-	-	-	5,241
Road transport	19,427	(444)	18,983	15,700	-	(3,283)	-17.6%	-17.3%	-	-	-	10,729
Trading services	177,466	17,829	195,295	163,811	-	(31,484)	-18.7%	-17.2%	-	-	-	185,412
Energy services	194,960	(2,172)	192,788	29,168	-	(16,292)	-8.5%	-8.4%	-	-	-	90,179
Water management	34,983	9,379	44,362	21,138	-	(23,224)	-52.3%	-49.0%	-	-	-	22,642
Waste water management	19,845	6,282	26,127	20,620	-	(5,457)	-20.9%	-27.5%	-	-	-	13,633
Waste management	19,578	3,532	23,110	19,907	-	(3,203)	-16.7%	-28.0%	-	-	-	17,959
Total Expenditure - Standard	363,821	48,898	412,719	353,624	-	(49,121)	-10.5%	-11.8%	-	-	-	342,620
Surplus/(Deficit) for the year	59,117	(43,999)	15,118	34,709	-	10,372	24.6%	6.2%	-	-	-	(31,427)

APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)

Vote Description	2022/2023								2021/2022			
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - MUNICIPAL MANAGER	8,401	1,201	9,601	9,579		-	0.0%	0.0%				31,484
Vote 2 - DIRECTORATE INFRASTRUCTURE SERVICES	259,777	47,366	307,143	188,761		-	0.0%	0.0%				173,749
Vote 3 - DIRECTORATE ELECTRO-TECHNICAL SERVICES	-	-	-	-		-	0.0%	0.0%				-
Vote 4 - DIRECTORATE CORPORATE SERVICES	10,571	2,584	13,155	45,735		-	0.0%	0.0%				2,221
Vote 5 - DIRECTORATE FINANCIAL SERVICES	54,570	(48,382)	6,187	112,074		-	-	-				86,643
Vote 6 - DIRECTORATE COMMUNITY SERVICES	83,610	1,891	85,501	33,679		-	-	-				14,776
Total Revenue by Vote	422,928	4,559	427,488	388,029		-	0.0%	0.0%				316,873
Expenditure by Vote to be appropriated												
Vote 1 - MUNICIPAL MANAGER	7,481	1,834	9,316	11,610	2,294	-	0.0%	0.0%	-	-	-	6,901
Vote 2 - DIRECTORATE INFRASTRUCTURE SERVICES	195,683	24,183	219,866	175,847	-	-	0.0%	0.0%	-	-	-	166,792
Vote 3 - DIRECTORATE ELECTRO-TECHNICAL SERVICES	-	-	-	-	-	-	0.0%	0.0%	-	-	-	-
Vote 4 - DIRECTORATE CORPORATE SERVICES	36,301	1,712	38,013	36,865	-	-	0.0%	0.0%	-	-	-	33,182
Vote 5 - DIRECTORATE FINANCIAL SERVICES	39,911	3,050	42,962	61,310	18,348	-	0.0%	0.0%	-	-	-	63,772
Vote 6 - DIRECTORATE COMMUNITY SERVICES	84,254	17,849	102,103	83,382	-	-	0.0%	0.0%	-	-	-	71,853
Total Expenditure by Vote	353,631	48,608	402,239	368,024	20,642	-	0.0%	0.0%	-	-	-	342,506
Surplus/(Deficit) for the year	59,297	(44,039)	15,289	19,005		-	0.0%	0.0%				(31,627)

**APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
REVENUE AND EXPENDITURE (REVENUE BY SOURCE AND EXPENDITURE BY TYPE)**

Description	2022/2023								2021/2022			
	Original Budget	Budget Adjustments (i.e. MFMA s26)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	47,608	-	47,608	45,597		(2,211)	-4.8%	-4.6%				40,236
Service charges - electricity revenue	103,525	(1,453)	102,062	79,475		(22,587)	-22.1%	-21.8%				61,667
Service charges - water revenue	33,026	(8,396)	24,630	16,960		(7,650)	-31.1%	-23.2%				23,265
Service charges - sanitation revenue	22,082	(798)	21,284	20,478		(806)	-4.1%	-3.9%				17,871
Service charges - refuse revenue	11,146	1,157	12,302	10,458		(1,804)	-14.7%	-16.2%				7,905
Rental of facilities and equipment	1,671	-	1,671	1,382		(289)	-17.3%	-17.3%				1,353
Interest earned - external investments	385	1,245	1,630	2,121		491	30.1%	127.6%				541
Interest earned - outstanding debtors	7,917	4,610	12,527	10,440		(2,087)	-16.7%	-26.4%				7,872
Fines, penalties and forfeits	49,523	-	49,523	44,868		(4,654)	-9.4%	-9.3%				30,505
Licences and permits	226	240	466	181		(4,341)	-89.9%	-2180.0%				330
Agency services	900	300	1,200	1,180		(714)	-59.5%	-72.3%				462
Transfers and subsidies	85,312	5,527	90,839	91,757		90,697	7640.7%	101.4%				81,862
Other revenue	1,385	452	1,837	3,396		(91,843)	-96.4%	-6530.6%				3,557
Grant	-	-	0	-		(1,837)	-100.0%	#DIV/0!				-
Total Revenue (excluding capital transfers and contributions)	388,904	3,334	372,238	328,154		(91,730)	-23.6%	-24.9%				287,171
Expenditure By Type												
Employee related costs	126,374	(552)	125,822	118,474		(7,348)	-5.8%	-5.8%				126,481
Remuneration of councillors	6,538	(251)	6,286	6,265		(20)	-0.3%	-0.3%				6,179
Ord. equipment	45,281	37,851	83,132	42,844		(50,297)	-59.4%	-91.0%				45,437
Ord. equipment & asset impairment	24,986	-	24,986	20,847		(4,139)	-16.6%	-16.6%				24,437
Finance charges	901	6,175	7,076	11,468		4,382	48.3%	487.7%				11,701
Bulk purchases - electricity	82,979	(914)	82,065	87,020		4,955	6.0%	6.0%				86,429
Inventory consumed	21,389	1,005	22,394	4,726		(17,670)	-78.9%	-82.6%				4,354
Contracted services	19,611	(3,114)	16,497	21,032		4,535	27.5%	23.1%				13,547
Transfers and subsidies	550	350	900	586		(312)	-34.7%	-66.8%				550
Other expenditure	25,043	8,059	33,101	51,792		18,691	56.5%	74.6%				23,847
Lesses	-	-	-	(171)		(171)	#DIV/0!	#DIV/0!				1,544
Total Expenditure	363,631	48,608	412,240	364,886	32,574	(47,356)	-11.5%	-13.0%				344,445
Surplus/(Deficit)	5,273	(45,274)	(40,001)	(36,692)		3,309	-8.3%	62.8%				(47,274)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	54,024	1,205	55,269	52,732		(2,527)	-4.6%	-4.7%				14,653
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Houses of Assembly, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	2,965		2,965	#DIV/0!	#DIV/0!				794
Transfers and subsidies - capital (in-kind - all)	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) after capital transfers & contributions	59,297	(44,039)	15,258	15,005		3,747	24.6%	6.3%				(31,627)
Taxation	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) after taxation	59,297	(44,039)	15,258	15,005		3,747	24.6%	6.3%				(31,627)
Attributable to member	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) attributable to municipality	59,297	(44,039)	15,258	15,005		3,747	24.6%	6.3%				(31,627)
Share of surplus/(deficit) of associate	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Surplus/(Deficit) for the year	59,297	(44,039)	15,258	15,005		3,747	24.6%	6.3%				(31,627)

APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING

Vote Description	2022/2023						2021/2022					
	Original Budget	Total Budget Adjustments (i.e. MFMA Act)	Final adjustments budget	Actual Outcomes	Unauthorised expenditure	Variance	Actual Outcomes as % of Final Budget	Actual Outcomes as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 27 of MFMA	Balance to be reversed	Restated Actual Outcomes
	1	2	3	4	5	6	7	8	9	10	11	12
Revised												
Capital expenditure - Vote												
Multiservice expenditure												
Vote 1 - MUNICIPAL MANAGER	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 2 - DIRECTORATE INFRASTRUCTURE SERVICES	32,022	(13 111)	18 912	-	-	(18 912)	-100%	-66%	-	-	-	-
Vote 3 - DIRECTORATE ELECTRO-TECHNICAL SERVICES	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 4 - DIRECTORATE CORPORATE SERVICES	701	300	1,501	-	-	(1,501)	-100%	-214%	-	-	-	-
Vote 5 - DIRECTORATE FINANCIAL SERVICES	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 6 - DIRECTORATE COMMUNITY SERVICES	2 512	626	3,138	-	-	(3,138)	-100%	-188%	-	-	-	-
Capital multi-year expenditure	35,235	(11,884)	23,351	-	-	(23,351)	0%	0%	-	-	-	-
Single-year expenditure												
Vote 1 - MUNICIPAL MANAGER	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 2 - DIRECTORATE INFRASTRUCTURE SERVICES	14,243	11 717	25,960	-	-	(25,960)	-100%	-182%	-	-	-	10,247
Vote 3 - DIRECTORATE ELECTRO-TECHNICAL SERVICES	-	-	-	-	-	-	0%	0%	-	-	-	-
Vote 4 - DIRECTORATE CORPORATE SERVICES	-	-	-	-	-	-	0%	0%	-	-	-	30
Vote 5 - DIRECTORATE FINANCIAL SERVICES	122	(72)	50	-	-	(50)	-100%	-41%	-	-	-	-
Vote 6 - DIRECTORATE COMMUNITY SERVICES	228	(78)	150	-	-	(150)	-100%	-66%	-	-	-	3,962
Capital single-year expenditure	14,593	11,675	26,268	-	-	(26,268)	0%	0%	-	-	-	15,640
Total Capital Expenditure - Vote	49,828	(117)	49,711	-	-	(49,711)	0%	0%	-	-	-	15,640
Capital Expenditure - Standard												
Government and administration	833	728	1,561	-	-	(1,555)	-100%	-187%	-	-	-	5,281
Executive and council	-	-	-	-	-	-	0%	0%	-	-	-	4,940
Finance and administration	823	728	1,551	-	-	(1,551)	-100%	-189%	-	-	-	451
Internal audit	-	-	-	-	-	-	0%	0%	-	-	-	-
Community and public safety	3,748	648	4,299	-	-	(4,288)	-100%	-119%	-	-	-	-
Community and social services	-	-	-	-	-	-	0%	0%	-	-	-	-
Spol and recreation	3,812	826	4,138	-	-	(4,138)	-100%	-119%	-	-	-	-
Public safety	228	(78)	150	-	-	(150)	-100%	-66%	-	-	-	-
Housing	-	-	-	-	-	-	0%	0%	-	-	-	-
Environment and environmental services	1,961	(4,491)	4,863	-	-	(4,665)	-100%	-44%	-	-	-	1
Planning and development	-	-	-	-	-	-	0%	0%	-	-	-	1
Traffic transport	1,501	(2,446)	4,950	-	-	(4,950)	-100%	-64%	-	-	-	-
Travelling services	21,764	2,643	48,817	-	-	(48,807)	-100%	-168%	-	-	-	18,247
Energy services	10,981	3,807	14,808	-	-	(14,806)	-100%	-125%	-	-	-	6,152
Water management	21,726	823	25,639	-	-	(25,639)	-100%	-169%	-	-	-	4,088
Waste management	3,072	(2,773)	200	-	-	(200)	-100%	-10%	-	-	-	-
Other	-	-	-	-	-	-	0%	0%	-	-	-	-
Total Capital Expenditure - Standard	49,828	(117)	49,711	-	-	(49,711)	-100%	-100%	-	-	-	15,640
Funded by:												
National Government	46,878	(157)	46,721	-	-	(46,823)	-100%	-100%	-	-	-	14,840
Provincial Government	-	1,220	1,220	-	-	(1,220)	-100%	0%	-	-	-	-
District Municipality	-	-	-	-	-	-	0%	0%	-	-	-	-
Transfers and subsidies - capital (primary allocations) (federal)	-	-	-	-	-	-	0%	0%	-	-	-	-
Provincial Departmental Agencies (Non-Edulis, Non-profit Institutions)	-	-	-	-	-	-	0%	0%	-	-	-	-
Private Enterprises, Public Corporations, Higher Educational Institutions	-	-	-	-	-	-	0%	0%	-	-	-	-
Transfers (unassigned - capital)	46,878	1,614	48,492	-	-	(48,492)	-100%	-107%	-	-	-	14,840
PSRs contributions & donations	-	-	-	-	-	-	0%	0%	-	-	-	798
Borrowing	-	-	-	-	-	-	0%	0%	-	-	-	-
Income @ transferred funds	3,950	(1,181)	2,669	-	-	(2,669)	-100%	43%	-	-	-	1
Total Capital Funding	49,828	(117)	49,711	-	-	(49,711)	-100%	-100%	-	-	-	15,640

APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
CASH FLOWS

Description	2022/23					2021/22		Restated Audited Outcome
	Original Budget	Budget Adjustments (i.to. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	40,370	537	40,916	38,856	(2,059)	-5.0%	-3.7%	33,556
Service charges	146,742	(14,363)	132,378	115,720	(23,657)	-17.0%	-22.7%	116,962
Other revenue	27,328	(15,714)	10,614	5,314	(5,300)	-49.9%	-80.6%	16,850
Transfers and Subsidies - Operational	85,312	2,877	82,169	50,995	(1,194)	-1.3%	1.9%	83,151
Transfers and Subsidies - Capital	54,024	(4,379)	49,645	49,843	198	0.4%	-7.7%	21,118
Interest	6,882	(5,252)	1,630	12,551	10,921	670.6%	82.5%	8,413
Payments								
Suppliers and employees	(259,134)	7,394	(281,740)	(250,104)	31,636	-10.8%	-13.0%	(226,771)
Finance charges	(911)	(5,175)	(7,076)	(8,090)	968	-13.9%	578.2%	(7,064)
Transfers and Grants	(550)	(350)	(900)	(508)	312	-34.7%	6.9%	(500)
NET CASH FROM/(USED) OPERATING ACTIVITIES	67,083	(32,427)	34,558	48,518	-	34.2%	-30.7%	41,694
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	0.0%	0.0%	-
Decrease (increase) in non-current debtors	-	-	-	-	-	0.0%	0.0%	-
Decrease (increase) other non-current receivables	-	-	-	-	-	0.0%	0.0%	-
Decrease (increase) in non-current investments	-	-	-	-	-	0.0%	0.0%	-
Payments								
Capital assets	(58,452)	7,741	(50,711)	(44,044)	6,667	-13.1%	-24.6%	(15,527)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(58,452)	7,741	(50,711)	(44,044)	-	-13.1%	-24.6%	(15,527)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	0.0%	0.0%	-
Borrowing long term/financing	-	-	-	-	-	0.0%	0.0%	-
Increase (decrease) in consumer deposits	218	(218)	-	-	-	0.0%	-100.0%	-
Payments								
Repayment of borrowing	(758)	-	(758)	(758)	(1)	0.1%	0.1%	(1,502)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(540)	(218)	(758)	(758)	-	0.1%	0.0%	(1,503)
NET INCREASE/(DECREASE) IN CASH HELD	8,090	(24,904)	(16,813)	(11,325)	-	-	-	24,664
Cash/cash equivalents at the year begin	5,000	10,750	15,750	15,388	-	-	-	(8,773)
Cash/cash equivalents at the year end	13,090	(13,952)	39	14,866	14,821	38858.8%	13.8%	16,386

**ANNEXURE A:
AUDITOR-GENERAL
REPORT**

Report of the auditor-general to Western Cape Provincial Parliament and council on Beaufort West Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Beaufort West Municipality set out on pages 3 to 95, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matter described in the basis for qualified opinion section of this report, the financial statements present fairly, in all material respects, the financial position of the Beaufort West municipality as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and Division of Revenue Act 5 of 2022 (Dora).

Basis for qualified opinion

Revenue from exchange transactions – Basic Charges: Electricity

3. The municipality did not adequately account for basic charges on electricity for retail and industrial properties. As a result, some retail and industrial properties were either not adequately charged in line with the municipality's tariff schedule or not charged at all. Consequently, I was unable to determine the impact on revenue from exchange transactions and receivables from exchange transactions as well as the comparative figures, as it was impracticable to do so.

Context for opinion

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

Material uncertainty relating to going concern

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.
8. I draw attention to note 54 to the financial statements, which indicates that the municipality's current liabilities exceeded its current assets by R65,4 million (2021-22: R53,2 million). As stated in the note, these events or conditions, along with the other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matters

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

Restatement of corresponding figures

10. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors identified in the financial statements of the municipality at, and for the year ended, 30 June 2023.

Material impairment

11. As disclosed in note 10 to the financial statements, the municipality provided for the impairment of receivables from exchange transactions amounting to R124,6 million (2021-22: R109,9 million).
12. As disclosed in note 11 to the financial statements, the municipality provided for the impairment of receivables from non-exchange transactions amounting to R291,0 million (2021-22: R255,6 million).

Material losses

13. As disclosed in note 48.8 to the financial statements, material electricity losses of 6 637 653 Kwh (2021-22: 18 731 951 Kwh) was incurred, which represents 14.18% (2021-22: 35.42%) of total electricity purchased. Electricity losses were due to electricity theft on pre-paid meters.
14. As disclosed in note 48.8 to the financial statements, material water distribution losses of 2 044 082 KI (2021-22: 504 110 KI) was incurred, which represents 63.66% (2021-22: 15.86%) of total water purchases. Water losses were due to pipe bursts and field leakages.

Other matters

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

Unaudited disclosure note

16. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particular of non-compliance with the MFMA in the financial statements. The disclosure requirement did not

form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

17. The supplementary information set out on pages 96 to 106 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

18. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the MFMA and Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
19. 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

20. 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.
21. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

22. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected strategic objectives presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
23. I selected the following strategic objective presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected strategic objective that measure the

municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

Strategic Objective	Page numbers	Purpose
Strategic objective 1	6-12	Provide, maintain and expand basic services to all the people in the municipal area

24. I evaluated the reported performance information for the selected strategic objective 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.

25. I performed procedures to test whether:

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

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

27. The material findings on the reported performance information for the selected strategic objective are as follows:

Strategic objective 1 – Provide, maintain and expand basic services to all the people in the municipal area

Various indicators

28. Some supporting evidence was not provided for auditing; and, where it was, I identified material differences between the actual and reported achievements. Consequently, the

achievements might be more or less than reported and were not reliable for determining if the targets had been achieved.

Indicator description	Target	Reported achievement
TL 6 – Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and which are billed for water or have prepaid meters as at 30 June 2023.	11 510	15 341
TL 9 – Number of formal residential properties for which refuse is removed once per week and which are billed for refuse removal as at 30 June 2023.	11 346	11 896
TL 10 – Provide free basic water to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2023.	5 600	6 866
TL 11 - Provide free basic electricity to active indigent households as defined in paragraph 9(1) of the Municipality's Credit Control and Debt Collection Policy as at 30 June 2023.	5 094	4 593

Other matters

29. I draw attention to the matter below.

Achievement of planned targets

30. 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.

Material misstatements

31. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for strategic objective 1 – provide, maintain and expand basic services to all the people in the municipal area. Management did not correct the misstatements and I reported material findings in this regard.

Report on compliance with legislation

32. 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.
33. 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.
34. 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.
35. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual Financial Statements

36. 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 liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/ or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
37. The oversight report adopted by the council on the 2021/22 annual report was not made public, as required by section 129(3) of the MFMA.

Revenue Management

38. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.
39. I was unable to obtain sufficient appropriate audit evidence that revenue due to the municipality was calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

Expenditure Management

40. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
41. Reasonable steps were not taken to prevent irregular expenditure amounting to R203,4 million as disclosed in note 47.3 to the annual financial statements, as required by section 62(1)(d) of the MFMA.

42. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R19,1 million, as disclosed in note 47.2 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.
43. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R169,1 million, as disclosed in note 47.1 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

Consequence Management

44. 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.
45. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
46. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Procurement and Contract Management

47. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM Regulation 22(1) and 22(2).
48. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the prior year.

Other information in the annual report

49. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected strategic objectives presented in the annual performance report that have been specifically reported on in this auditor's report.
50. 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.
51. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected strategic objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
52. I did not receive all the other information prior to the date of this 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 matters to those charged with governance and request that the other

information be corrected. If the other information is not corrected, I may have to report on it in the auditor's report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

53. 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.
54. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
55. Leadership did not provide sufficient oversight over the implementation and monitoring of a sound control environment and the development of policies and procedures.
56. Not all of our audit recommendations made in the prior year were implemented, resulting in similar audit findings being reported on compliance with laws regulations.
57. Leadership was not effective in ensuring that good governance was in place that set the tone of accountability to protect and enhance the interests of the municipality. Instability in the office of the municipal manager and chief financial officer hindered the creation of systems and processes allowing the municipality to build stable capacity, enhance the skills of officials and .create a culture of good financial and performance disciplines and compliance.
58. Governance structures, ie the audit committee and the internal audit, were not effective in ensuring that good governance practices were in place by engaging management to prepare and monitor action plans to address the previous year's audit issues, as well as proper implementation thereof.

Material irregularities

59. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Material irregularities in progress

60. I identified a material irregularity during the prior year audit and notified the accounting officer, as required by material irregularity regulation 3(2). Subsequently, a new accounting officer was permanently appointed on 8 November 2023. By the date of this auditor's report, I had not yet completed the process of evaluating the response from the accounting officer.

Status of previously reported material irregularities

Employee remunerated in excess of the remuneration policy

61. The municipality appointed a Manager: Administrative services for a contract period from 16 July 2018 to 30 November 2019. This manager was not remunerated in accordance with the remuneration policy as determined by the municipal council which is in contravention of section 66(1)(c) of the Municipal Systems Act 32 of 2000. The manager was paid at various rates and hours throughout the contract period (16 July 2018 to 30 November 2019) for both administration services and project management to a total value of R1 456 160.
62. The appointment of the employee is likely to result in a material financial loss as the remuneration paid is significantly higher than the remuneration attached to the position.
63. I recommended that the accounting officer should take the following actions to address the material irregularity, by 14 July 2023.
 - The non-compliance should be investigated to determine if any official might have committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA, for purposes of recovering the loss.
 - That disciplinary proceedings commence, without undue delay, against all officials who have allegedly committed an act of financial misconduct or an offence, as required by section 62(1)(e) of the MFMA and the manner prescribed by the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - If a senior manager of the municipality has allegedly committed an act of financial misconduct, the accounting officer must report the allegation to the municipal council, the Provincial Treasury and the National Treasury as required by Regulation 3(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.
 - If it appears that the municipality suffered the financial loss through criminal acts or possible criminal acts or omission, this must be reported to the South African Police Service, as required by section 32(6) of the MFMA.
 - The financial loss should be quantified and all person(s) liable for the losses should be identified and appropriate action should commence to recover the financial loss. The recovery process should not be unduly delayed.

64. The AGSA's Material Irregularity Committee, duly delegated by the Auditor-General to make decisions on material irregularities, approved an extension to 6 March 2024 for the implementation of the recommendations.

Auditor General

Cape Town

30 November 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

1. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 126(1)(a), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2005	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a) Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a) Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b) Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c) Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43 Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b) Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a) Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)

Legislation	Sections or regulations
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2) Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

No.	Details of Annual Report feedback	Management reply?	Management's determination including actions taken
		<i>(Agree/Disagree)</i>	
1	Page 18 - 1.4.5 Total capital expenditure: • Please limit the spending to 100%? There is no risk of unauthorised expenditure, but it would arguably read better this way; and		
2	• Does that table not contradict the 94% reported at the bottom of pg. 16, i.e. how can that percentage and the 100.06% be true? If there is a difference, can we be clearer concerning how the two percentages are reporting different things?	Disagree	
3	Pg. 18 - 1.5 Auditor-General report: • Last paragraph should read "...their financial statements and annual performance report/reporting information..."; and	Agree	Completed
4	• Definition of unqualified audit with findings should read "...financial statements are free from material misstatements but findings have been raised..."	Agree	Completed
5	Pg. 22 - b) Executive Mayoral Committee: Please update to correct financial period	Agree	Completed
6	Pg. 23 - c) Portfolio Committees: Please update to correct financial period	Agree	Completed
7	Pg. 24 - 2.1.2 Administrative governance structure: Please update to the members who were in office as at 30 June 2023	Agree	Completed
8	Pg. 26 - 2.3 Public meetings: There is a disconnect in that the meeting dates reported appear to relate to the 2023-24 Integrated Development Plan, but the Annual Report concerns the 2022-23 financial period; as such, may need to update dates to reflect the discussions for the 2022-23 IDP	Disagree	Annual Report - These are the public meetings that took place during the financial year 2022/23
9	Pg. 36 - a) Annual audit plan: The phase 1 part of internal audit achievement should be removed as it is not an "audit completed" in the 2022-23 financial year	Agree	Completed
10	Pg. 42 - b) Awards made by the Bid Adjudication Committee: The successful bidder block for the SCM 60/2023 award should read "Zutari (Pty) Ltd as the Preferred Bidder..."	Agree	Completed
11	Pg. 44 - 2.14.2 Deviation from normal procurement processes: • It is not clear what the difference between the information in the "Clause 36(1)(a)(v)" table and that contained in the "Any other exceptional case where it is impossible or impractical" row is, as neither the total numbers nor total values of deviations correspond; and	Disagree	Information as received by Municipality - please provide information
12	• The heading of the "Clause 36(1)(a)(v)" table should read Details of deviation as stating Type is a misnomer, especially as other than the "strip-and-quotes" awards, the others are not deviations. In fact, the procurement from other organs of state is not an award. Rather delete this table altogether unless there is a disclosure requirement necessitating its inclusion	Disagree	Should table be deleted?
13	Pg. 45 - 2.14.3 Logistics management: Should read "...municipal stores amounted to R4 279 609..."	Agree	Completed
14	Pg. 47 - 15.3 Cost containment measure and annual cost saving: Please remove the footer below the table, as its relation to the subject matter is unclear	Agree	Completed
15	Pg. 68 - e) Water service delivery levels: It is not clear why the Total number of households disclosed as 14 961 (2021-22: 14 961) does not reconcile to the 15 341 residential properties (2021-22: 16 523) reported as achievement for the TL6 indicator on page 52	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2023
16	Pg. 69 - f) Access to water: It is not clear why the Number of households with access to water points disclosed as 14 961 (2021-22: 14 961) does not reconcile to the 15 341 residential properties (2021-22: 16 523) reported as achievement for the TL6 indicator on page 52	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2024
17	Pg. 71 - c) Sanitation service delivery levels: It is not clear why the Total number of households disclosed as 14 951 (2021-22: 14 951) does not reconcile to the 12 271 residential properties (2021-22: 16 523) reported as achievement for the TL8 indicator on page 53	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2025
18	Pg. 74 - d) Electricity service delivery levels: It is not clear why the Total number of households disclosed as 12 839 (2021-22: 12 839) does not reconcile to the 11 196 residential properties (2021-22: 16 523) reported as achievement for the TL7 indicator on page 53	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2026
19	Pg. 78 - d) Waste management service delivery levels: It is not clear why the Total number of households disclosed as 12 978 (2021-22: 12 978) does not reconcile to the 11 896 residential properties (2021-22: 16 523) reported as achievement for the TL9 indicator on page 53	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2027
20	Pg. 84 - b) Households: Free basic services: The following inconsistencies have been identified: • The Total no of HH column in the "Number of households" table is inappropriate, as it gives the impression that there were 15 341 households (2021-22: 14 227) which received basic services, which will have an impact on the percentages reported. The numbers have to be changed to the highest number of households for the four basic services OR the column is deleted altogether;	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2023
21	• The No. of HH for indigent households for electricity for the 2021-22 financial year is 6 673 in tables 90 and 91, which does not correspond to the number reported for the TL11 indicator of 4 917. Furthermore, the total households for the 2021-22 financial year in table 91 of 6 673 (6 673 + 0) does not correspond to the 16 523 reported in the TL7 indicator;	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2023
22	• The No. of HH for indigent households for water for the 2021-22 financial year is 6 673 in tables 90 and 92, which does not correspond to the number reported for the TL10 indicator of 2 097. Furthermore, the total households for the 2021-22 financial year in table 92 of 6 673 (6 673 + 0) does not correspond to the 16 523 reported in the TL6 indicator;	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2023
23	• The total households for sanitation for the 2021-22 financial year in table 92 of 4 917 (4 917 + 0) does not correspond to the 16 523 reported in the TL8 indicator, and the total households for the 2022-23 financial year of 15 341 (3 957 + 11 384) does not correspond to the 12 271 reported in the indicator; and	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2023
24	• The No. of HH for indigent households for refusal removal for the 2021-22 financial year is 4 926 in tables 90 and 94, which does not correspond to the number reported for the TL13 indicator of 4 917. Furthermore, the total households for the 2021-22 financial year in table 94 of 4 926 (4 926 + 0) does not correspond to the 16 523 reported in the TL9 indicator, and the total households for the 2022-23 year of 15 341 (3 959 + 11 382) does not correspond to the 11 896 reported in the TL9 indicator	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2023
25	Pg. 92 - EXPANDED PUBLIC WORKS PROGRAMME (EPWP): Should read "...number of work opportunities for the 2020/21, 2021/22..."	Agree	Completed
26	Pg. 93 - JOB CREATION AND TRAINING: Should read "CWP budget allocations details for the 2020/21, 2021/22..."	Agree	Completed
27	Pg. 103 - c) Committee members: Please update to the members who were in office as at 30 June 2023	Agree	Completed
28	Pg. 110 - c) Debt recovery statistics: The Actual for accounts billed in year is much higher than the households included in the annual performance report. Are these the number of accounts billed or how many times those accounts were billed?	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2023
29	Pg. 111 - e) Capital expenditure: Financial Services: The amounts reflected for the Actual expenditure for the "Machinery and Equipment" and the "Furniture and Office Equipment" do not correspond to the amounts disclosed in note 2.1 Property, plant and equipment to the AFS	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2023
30	Pg. 114 - b) Details of deviations for Procurement Services: The "Any contract with an organ of state, a local authority or a public utility corporation or company" and the "Any contract relating to the publication of notice and advertisements by the municipality" awards are not permissible deviations in accordance with SCM regulation 36, and have to be removed from the table. In fact, the former are not even awards and do not fall within the ambit of the SCM system	Disagree	Should we remove? Change to APR as well
31	Pg. 134 - 4.5.1 Personnel expenditure: The following corrections need to be effected to table 182, which will result in the percentages changing: • Total expenditure salary and allowances (2021/22): 131 150 (124 977 + 6 173);	Disagree	
32	• Total operating expenditure (2021/22): 295 629; and	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2023
33	• Total operating expenditure (2022/23): 330 350	Disagree	Information received from Municipality - Please let me know if the figures should change. If so, the Annual Performance Report will also have to be amended as it was submitted with the Financial Statements in August 2023

34	Pg. 150 - 5.3.1 Grant performance: The following corrections need to be effected to table 203, which will result in the percentages changing: • <u>Equitable Share</u> : 69 625 for the 2021/22 financial year;	Agree	Completed
35	• <u>Municipal Infrastructure Grant (MIG) – Project Management Unit</u> : the amounts reflected for both years are much higher than the MIG amounts disclosed in note 24. <u>Government Grants and Subsidies to the AFS</u> ;	Agree	Completed
36	• <u>Integrated National Electrification Programme (INEP)</u> : 486 for the 2021/22 year and 16 602 for the 2022/23 year;	Agree	Completed
37	• <u>Expanded Public Works Programme (EPWP)</u> : 790 for the 2022/23 year;	Agree	Completed
38	• <u>Human Settlements - Municipal Accreditation and Capacity Building Grant</u> : 249 for the 2021/22 year and 165 for the 2022/23 year;	Agree	Completed
39	• <u>Provincial Treasury: Financial Management Capacity Building Grant</u> : 0 for both years;	Agree	Completed
40	• <u>Provincial Treasury: Financial Management Support Grant</u> : 300 for the 2021/22 year;	Agree	Completed
41	• <u>Department of Cultural Affairs and Sport: Library Service: Replacement Funding</u> : 6 289 for the 2021/22 year and 6 584 for the 2022/23 year;	Agree	Completed
42	• <u>Department of Local Government: Community Development Workers (CDW) Operational Support Grant</u> : 279 for the 2021/22 year and 366 for the 2022/23 year;	Agree	Completed
43	• <u>Department of Local Government: Western Cape Municipal Interventions Grant</u> : 180 for the 2022/23 year;	Agree	Completed
44	• <u>Department of Local Government: Local Government Public Employment Support Grant</u> : 64 for the 2021/22 year and 1 036 for the 2022/23 year;	Agree	Completed
45	• <u>Services - Construction Education & Training Authority</u> : 0 for the 2021/22 year;	Agree	Completed
46	• <u>Central Karoo District Municipality</u> : 1 505 for the 2021/22 year and 415 for the 2022/23 year; and	Agree	Completed
47	• <u>Chemical Industries Education & Training Authority</u> : 175 for the 2022/23 year	Agree	Completed
48	Pg. 152 - Level of reliance on grants and subsidies: Please update the totals according to the corrections under the 5.3.1 Grant performance. Also, the heading should rather be " <u>Total grants and subsidies revenue</u> " in order to have an apples-to-apples comparison with operating revenue	Disagree	
49	Pg. 153 - 5.5 Financial ratios based on KPIs: Please update all the ratios according to the audited 2022/23 financial statements, which means that we have the audited outcome for the 2022/23 year and we need to update the 2021/22 year according to the comparatives. Please also change the headings for the 2022/23 financial year by removing the "Pre-"	Disagree	
50	Pg. 160 - CHAPTER 6: AUDITOR-GENERAL OPINION: For both the <u>Component A: Auditor-General Opinion 2021/22</u> and the <u>Component B: Auditor-General Opinion 2022/23</u> , the matters highlighted for the users from the AG opinions inappropriately exclude the matters communicated around the municipality's annual performance report, especially when one considers that management is required to include the " <u>particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d)</u> ", in accordance with section 121(3)(g) of the <u>Municipal Finance Management Act No. 56 of 2003 (MFMA)</u>	Disagree	We can include it if needs be
51	A search through the Annual Report revealed that the recommendations of the audit committee were not included therein, which is non-compliance with <u>MFMA s121(3)(j)</u>	Disagree	
52	A search through the Annual Report also revealed that the municipality had not included any of the <u>matters of public interest</u> (for the purposes of the <u>Division of Revenue Act</u>) as referred to <u>MFMA Circular No. 11 - Annual Report: Guidelines</u> , which is not in compliance with <u>MFMA s121(3)(k)</u> which requires in the Annual Report " <u>any other information as may be prescribed</u> "	Disagree	Circular 10 information needed: *The use of conditional grants, per grant (see example format in chapter 4 below) to include the current year and details of spending on all previous conditional grants, for the previous two financial years. For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects. The Auditor-General will ensure that the audit process includes a proper assessment (and reconciliation) on all national grants received by a municipality; * the extent to which a municipality met the conditions of such grants; * the use of any donor funding support; * agreements, contracts and projects under Private-Public-Partnerships; * service delivery performance on key services provided; * information on long-term contracts ; * information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations. * three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework (see MIG section on page 10 of this circular);



BEAUFORT-WES MUNISIPALITEIT

Kennisgewing // Notice No. .../2024



**VERHURING VAN BESIGHEIDSPERSEEL: ERF 1637, DANIËLSTRAAT 2, RUSTDENE:
BEAUFORT-WES // LEASE OF BUSINESS PROPERTY: ERF 1637, 2 DANIËL STREET,
RUSTDENE: BEAUFORT WEST**

Kennis geskied hiermee dat die Plaaslike Raad vir Beaufort-Wes die onderstaande besigheidsperseel uit die hand uit te huur aanbied. Die eiendom is as Sakesone II gesoneer, soos omskryf in die Soneringskema Verorening van toepassing op Beaufort-Wes:-

Erfnommer	Grootte van erf	Grootte van geboue	Liggingsadres	Minimum Huur per maand BTW ingesluit
1637	± 476 m ²	125 m ²	Daniëlstraat 2	R1,815.00

Die volgende voorwaardes is van toepassing:-

- Die sluitingsdatum is, **2024 om 14:00.**
- Aanbiedinge moet op die voorgeskrewe bodvorm, wat vanaf die ondergetekende verkrygbaar is, gemaak word.
- Aanbiedinge moet in 'n geseëelde koevert en gemerk "**HUUR VAN ERF 1637, BEAUFORT-WES**" per hand of per Koerier afgelewer en in die tenderbus geplaas word by die Kantoor van die Voorsieningskanaal Bestuur, Donkinstraat 112, Beaufort-Wes of gepos word aan die Munisipale Bestuurder, Privaatsak 582, Beaufort-Wes, 6970, om die ondergetekende te bereik voor die sluitingsdatum en tyd.
- Die volgende sal lei tot onmiddellike diskwalifisering:-
 - Aanbiedinge wat deur middel van e-pos, faksimilee, telegram of enige ander manier ingedien word behalwe op die wyse soos genoem in paragrawe 2 en 3 hierbo.
 - Onverseëelde en of ongemerkte aanbiedinge.
 - Aanbiedinge ontvang/ingedien na die sluitingstyd en datum soos vermeld in paragraaf 1 hierbo.
 - Aanbiedinge wat nie op die voorgeskrewe bodvorm ingedien is nie.
- Aanvaarding van aanbiedinge sal geskied op die grondslag van hoogste huuraanbod. In die geval waar gelyke aanbiedinge die hoogste bod is, sal die toekenning beslis word deur die opskiet van 'n muntstuk.
- Die Munisipaliteit sal van die suksesvolle tenderaar vereis om alle kostes verwant tot die transaksie, by ondertekening van die huurkontrak aan die Munisipaliteit te betaal.
- Bodvorms moet op elke bladsy, deur die prinsipaal (huurder) en twee getuies parafeer wees en op die laaste bladsy volledig onderteken word.
- Bodvorms wat nie aan die voormelde vereistes voldoen nie, en of nie vergesel gaan met die vereiste stawende dokumente nie, sal nie oorweeg word nie.
- Enige navrae in verband met hierdie kennisgewing kan gerig word aan die Snr. Bestuurder: Korporatiewe Dienste, Mnr. P. Strümpher by telefoonnommer 023-414-8103 gedurende kantoorure op Maandae tot Vrydae vanaf 07:30 tot 13:00 en 13:45 tot 16:15.

Notice is hereby given that the Local Council for Beaufort West hereby offer the under mentioned business property for lease out of hand. The property is zoned as Business Zone II as stipulated in the Zoning Scheme By-Law applicable to Beaufort West.

Erf No.	Extent of Erf	Extent of Buildings	Address	Minimum Rental per month Including vat
1637	± 476 m ²	125 m ²	2 Daniël Street	R1,815.00

The following conditions apply:-

1. The closing date is **2024 at 14:00.**
2. Bids must be submitted on the prescribed bid document which is available from the undersigned.
3. Bids must be submitted in a *sealed envelope* clearly marked "**LEASE OF BUSINESS PROPERTY: ERF 1637, BEAUFORT WEST**" by hand or per Courier and deposited in the tender box at the Office of the Supply Chain Management, 112 Donkin Street, Beaufort West or mailed to the Municipal Manager, Private Bag 582, Beaufort West.
4. The following will lead to immediate disqualification:-
 - 4.1 Bids submitted by e-mail, fax, telegraph or any other manner than stated in paragraphs 2 and 3 above.
 - 4.2 Unsealed and or unmarked bids.
 - 4.3 Bids received/submitted after the closing time and date stipulated in paragraph 1 above.
 - 4.4 Bids not submitted on the prescribed bid document.
5. Acceptance of bids will be done on the basis of the highest bid. In the event of equal bids being the highest, the bid will be awarded by the tossing of a coin.
6. The Municipality will require from the successful bidder to make full payment to the Municipality of all cost associated to this transaction. Upon the date of signing the deed of lease.
7. Bid forms must be signed on each page, initialled by the principal (Lessee) and two witnesses and signed in full on the last page.
8. Bid forms which does not comply with the aforementioned requirement and or which are not accompanied by the required documentary proof, will not be considered.
9. Enquiries regarding this notice can be directed to the Snr. Manager: Corporative Services, Mr. P Strümpher at telephone no. 023-414-8103 during office hours on Mondays to Fridays from 07:30 - 13:00 and 13:45 to 16:15.

Munisipale Kantore // Municipal Office
Donkinstraat 112 Donkin Street
Beaufort-Wes(t)
6970

D.E. Welgemoed
Wrnde Munisipale Bestuurder
Acting Municipal Manager

Verw. // Ref. No. 7/1/4
Datum // Date:



BEAUFORT-WES MUNISIPALITEIT

Kennisgewing Nr. .../2024


**VERHURING VAN BESIGHEIDSPERSEEL: ERF 1637, DANIËLSTRAAT 2, RUSTDENE:
BEAUFORT-WES**
1. **AANBOD**

Ek, die ondergetekende bied hiermee aan om die onderstaande eiendom te huur vir die bedrag van R _____ (Syfers) [_____]
(Bedrag in woorde)] per maand, BTW ingesluit en verstrek die volgende besonderhede:-

Erfnommer	Grootte van erf	Grootte van geboue	Liggingsadres	Miniumum huur per maand [BTW ingesluit]	Aanbod BTW uitgesluit
1637	± 476 m ²	± 125 m ²	Daniëlstraat 2	R1,1815.00	

Neem asseblief kennis dat indien die aansoek vir 'n organisasie is, bewys van die registrasie van die organisasie, die magtiging van die organisasie om namens die organisasie op te tree asook die finansiële staat van die organisasie aangeheg moet

2. **Volle naam** _____3. **Woonadres** _____
_____4. **Geboortedatum** _____

5. (a) Is u van voorneme om bogemelde perseel kontant te koop?

Ja	Nee
-----------	------------

Indien wel, voorsien as bewys dat u oor die nodige kontant beskik om die volle koopsom eenmalig te delg.

(b) Aansoek om 'n lening by enige ander instansie te doen.

Ja	Nee
-----------	------------

Indien wel, meld naam van instansie

6. **Identiteitsnommer** _____**Identiteitsnommer [Gade]** _____

7. **Huwelikstatus**

Ongetroud	Getroud [Binne gemeenskap van goedere]	Getroud [op Huweliksvoorwaardes]
------------------	--------------------------------------------------	--------------------------------------------

8. **Bruto maandelikse inkomste**

Salaris : R _____

Ander : R _____

[Spesifiseer bron van inkomste]

Let wel:- Bewys van inkomste en bankstate vir afgelope 3 maande moet aangeheg wees moet aangeheg wees.

9. **Bruto maandelikse inkomste van Gade**

Salaris : R _____

Ander : R _____

[Spesifiseer bron van inkomste]

Let wel:- Bewys van inkomste en bankstate vir afgelope 3 maande moet aangeheg wees moet aangeheg wees.

10. **Werkgewer**

Naam	Adres

11. **Was u al ooit insolvent verklaar**

Ja	Nee
----	-----

Indien ja, datum van rehabilitasie

12. **Besit u enige vaste eiendom**

Ja	Nee
----	-----

Indien wel, beskrywing, adres en waardasie van eiendom

Grootte van eiendom _____ m² en bedrag van verband R _____

Waarde van roerende eiendom
[Beleggings, kontant, voertuie, ensovoorts]

Het u enige skulde

Ja	Nee
----	-----

[byvoorbeeld op huurkoop]

Indien wel, totale skuld _____

Ek die ondergetekende verklaar dat:-

- a) Ek vertrou is met die voorwaardes waaronder **Erf 1637, Daniëlstraat 2, Rustdene, Beaufort-Wes** te huur aangebied word, soos vermeld in Kennisgewing No. .../2024 en dat ek sodanige voorwaardes aanvaar;
- b) Die inligting verstrek hierbo waar en korrek is en dat sou die teendeel gevind word dat ek enige wanvoorstelling gemaak het, my aanbod gediskwalifiseer/verwerp kan word; en
- c) Alle korrespondensie aan my gerig moet word per geregistreerde pos by die adres vermeld onder paragraaf 3 en dat alle posstukke en of dokumentasie gerig aan die betrokke adres as voldoende afgelewer en ontvang beskou kan word.

GETUIES:-

1. _____ **HANDTEKENING**

2. _____

Onderteken te _____ op hierdie _____ dag van
_____ 20_____

VIR AMPTELIKE GEBRUIK

AANSOEK TOEGESTAAN/GEWEIER

BESLUIT NR. _____ gedateer _____

D.E.Welgemoed

MUNISIPALE BESTUURDER



BEAUFORT WEST MUNICIPALITY

Notice No./2023



LEASE OF BUSINESS PROPERTY: ERF 1637, 2 DANIEL STREET, RUSTDENE: BEAUFORT WEST

1. **OFFER**

I, the undersigned hereby offer to lease the undermentioned property for the amount of R_____ [figures] [_____ (amount in words) VAT included per month and provide the following details: -

Erf No.	Extent m ²	Location address	Minimum Lease Amount (VAT included)	Lease [VAT included]
1637	± 476 m ²	Daniëlstraat 2	R1,1815.00	

Please note that if the application is for an organization, proof of the registration of the organization, the authorization from the organization to act on behalf of the organization as well as the financial statement of the organization must be attached.

2. **Full Name** _____3. **Residential address** _____
_____4. **Contact Details** _____5. **Date of Birth** _____6. **Period of Residence in Beaufort-Wes Municipal Area** _____ year7. **Identity number** _____**Identity number [Spouse]** _____8. **Marital Status**

Not Married	Married [In Community of property]	Married [On terms of Marriage]
--------------------	----------------------------------------------	------------------------------------------

9. **Dependants**

Sons	Daughters	Other
Number/Age	Number/Age	Number/Age

10. **Bruto Monthly Income**

Salary : R _____

Other : R _____

[Specify source of income]

Note:- Proof of income and bank statements for the past 3 months must be attached must be attached.

11. **Bruto monthly income of Spouse**

Salary : R _____

Other : R _____

[Specify source of income]

Note:- Proof of income and bank statements for the past 3 months must be attached
must be attached.

12. **Employer**

Name	Address

13. **Have you been declared insolvent ?**

Yes	No
-----	----

If yes, date of rehabilitation

14. **Do you have a fixed property**

Yes	No
-----	----

If yes, give description, address and valuation of property

Extent of the property _____ m² and amount of the mortgage
R_____

Value of moveable property

[Investments, cash, vehicles, etc]

Do you have any outstanding debt?

Yes	No
-----	----

[Example Hire purchase]

If yes, total debt _____

I the undersigned declare that:-

- a) I am familiar with the conditions under which Erf 1637, 2 Daniël Street, Rustdene, Beaufort West are being leased, as stated in Notice No. .../2024 and that I accept such conditions;
- b) The information provided above is true and correct and if the contrary is found to be erroneous, my offer may be disqualified / rejected, and
- c) All correspondence sent to me by registered mail at the address mentioned under paragraph 3 and that all postal documents and or documentation addressed to the relevant address can be regarded as adequately delivered and received.

WITNESSES:-

1. _____
SIGNATURE

2. _____

Signed at _____ on this _____ day of _____ 20_____

FOR OFFICIAL USE

APPLICATION GRANTED / REJECTED

DECISION No. _____ dated _____

D.E. Welgemoed
MUNICIPAL MANAGER

HUURKONTRAK

PARTYE

Hierdie ooreenkoms word aangegaan tussen:

- 1.1 **DIE MUNISIPALITEIT VAN BEAUFORT-WES**
 hierin verteenwoordig deur **DERICK ERNEST WELGEMOED** in sy
 hoedanigheid as Wrnde Munisipale Bestuurder

[Hierna genoem die Verhuurder]

Adres : Donkinstraat 112
BEAUFORT-WES
 6970

Telefoonnommer : 023-414 8100

en

- 1.2
ID Nr.:

[Hierna genoem die Huurder]

Adres :

Telefoonnommer :

E-pos adres :

ALGEMEEN

2.1 Omskrywings

In die **OOREENKOMS** tensy die teendeel duidelik uit die samehang blyk, sluit die enkelvoud die meervoud in en omgekeerd, dui enige verwysing na enige geslag ook die ander geslag aan, sluit enige verwysing na natuurlike persone regspersone in en omgekeerd en het die woorde in die eerste kolom die betekenis aangegee in die tweede kolom, naamlik –

- 2.1.1 die **VERHUURDER** : Beaufort-Wes Munisipaliteit
- 2.1.2 die **HUURDER** :
- 2.1.3 die **GEBOU** : Daniëlstraat 2
Beaufort-Wes
- 2.1.4 die **PERSEEL** : Erf 1637
Beaufort-Wes
- 2.1.5 die **EFFEKTIEWE DATUM** :
- 2.1.6 die **PARTYE** : 'n kollektiewe verwysing na die
VERHUURDER en die **HUURDER**.
- 2.1.7 die **OOREENKOMS** : Die Huurooreenkoms uiteengesit in hierdie dokument.

KLOUSULE OPSKRIFTE

- 2.2 Die opskrifte tot die klousules in die **OOREENKOMS** is ingevoeg vir die gerief van die **PARTYE** en word nie in ag geneem by die interpretasie daarvan nie.

GEHELE OOREENKOMS

- 2.3 Die **OOREENKOMS** stel die hele **OOREENKOMS** tussen die **PARTYE** ten opsigte van die sake daarin genoem, daar en die **PARTYE** boekstaaf dat daar geen verstandhoudinge, waarborge of verbintenisse bestaan wat nie in die **OOREENKOMS** uiteengesit is nie.

GEEN WYSIGING

- 2.4 Geen wysiging van die **OOREENKOMS** of ooreengekome kansellasië sal van krag wees tensy dit op skrif gestel en deur die **PARTYE** onderteken word nie.

GEEN VERGUNNING

- 2.5 Geen vergunning of tegemoetkoming wat enige **PARTY** aan die ander **PARTY** mag betoon ten opsigte van die nie nakoming deur daardie ander **PARTY** van enige van sy verpligtinge ingevolge die **OOREENKOMS**, benadeel of stel 'n afstanddoening of novasie van die eersgenoemde party se regte ingevolge die **OOREENKOMS** daar nie.

INLEIDING

Die **PARTYE** boekstaaf die volgende, naamlik -

- 3.1 Die **VERHUURDER** is die eienaar van die **PERSEEL** geleë en die **GEBOU**.
- 3.2 Die **VERHUURDER** het ooreengekom om die **PERSEEL** voetstoots aan die **HUURDER** te verhuur en die **HUURDER** het ooreengekom om dit voetstoots te huur.
- 3.3 Die **OOREENKOMS** tussen die **HUURDER** en die **VERHUURDER** is onderhewig aan die bepalings wat in die **OOREENKOMS** uiteengesit word.

HUURTERMYN

- 4.1 Die huurtermyn neem in aanvang op die en sal van krag bly vir 'n aanvanklike tydperk van **5 (VYF) JAAR** met die opsie om te hernu vir 'n verdere termyn van **5 (VYF) JAAR**. Die **HUURDER** het die reg om gedurende die termyn 6 (SES) kalendermaande vooruit skriftelik kennis te gee van voorneme van beëindiging van die **HUURKONTRAK**, gedurende die termyn.

HUURGELD

- 5.1 Die **HUURDER** betaal die **VERHUURDER** die huurgeld soos hieronder uiteengesit by die adres waarna in Klousule 6 verwys word, of sodanige ander adres as wat die **VERHUURDER** van tyd tot tyd skriftelik mag bepaal.
- 5.2 Die huurgeld is maandeliks vooruitbetaalbaar voor of op die 5de dag van elke en iedere maand sonder enige voorafgaande aanmaning vir sodanige betaling en sonder enige teenvordering of aftrekking hoegenaamd.
- 5.3 Die maandelikse Huurgeld vir die gebou beloop die bedrag van R.....
[..... **Rand**] BTW inklusief.
- 5.4 Die maandelikse huurgeld beskryf in klousule 5.3 hierbo, sal jaarliks eskaleer met die gemiddelde verbruikersprys indeks (VPI) van die voorafgaande twaalf (12) maande.

- 5.5 'n Bedrag gelykstaande aan 1 (een) maand se huur sal deur die Huurder aan die Verhuurder betaal word, synde 'n deposito. Sodanige deposito sal aan die einde van die huurtermyn aan die Huurder terugbetaal word slegs indien die gebou en perseel volgens die uitsluitlike diskresie van die Verhuurder in dieselfde toestand afgegee word as waarin dit ontvang is. Enige koste wat nodig mag wees om verbeterings en/of herstelwerk te doen ten einde hieraan te voldoen, asook enige ander koste en/of betalings ingevolge hierdie Kontrak wat uitstaande mag wees ten tye van beëindiging van die Kontrak sal van sodanige deposito verhaal word, sonder benadeling of inkorting van enige ander regte wat die Verhuurder ingevolge hierdie Kontrak mag hê.
- 5.6 Die **HUURDER** sal verantwoordelik wees vir die maandelikse moniteringsfooi, instandhoudingskoste en verandering van toegangskodes op die alarmstelsel.

DOMICILIUM EN KENNISGEWINGS

- 6.1 Alle kennisgewings wat ingevolge die **OOREENKOMS** deur die **PARTYE** aanmekaar bestel word, word skriftelik bestel en deur middel van vooruitbetaalde geregistreerde pos of telegram gestuur of met die hand afgelewer -
- 6.1.1 Aan die **VERHUURDER** by : Donkinstraat 112, BEAUFORT-WES
- 6.1.2 Aan die **HUURDER** by : Die Perseel hierby verhuur
- 6.2 Dit word ooreengekom deur die **PARTYE** dat hulle respektiewe adresse hierbo uiteengesit, hulle respektiewe **domicilium citandi et executandi** sal wees, met ander woorde die adresse waarheen alle kennisgewings of dokumente gestuur moet word wat betrekking het op die **PARTYE** en vir die betekening van enige regsprosesstuk/e wat voortspruit of enige verband hou met die **OOREENKOMS**.
- 6.3 Die **PARTYE** sal geregtig wees om van tyd tot tyd hulle onderskeie **domicilia citandi et executandi** te verander na ander adresse binne die Republiek van Suid-Afrika (welke adresse egter nie posadresse mag wees nie) deur skriftelike kennis per aangetekende pos te dien effekte aan die ander party te gee, welke kennisgewings van krag sal word by ontvangs daarvan deur die ander party.
- 6.4 'n Kennisgewing deur die **VERHUURDER of HUURDER** -
- 6.4.1 wat per geregistreerde pos gegee word, word geag ontvang te wees 4 (VIER) dae na datum van versending daarvan;

- 6.4.2 wat per telegram gestuur word, word geag ontvang te wees op die dag volgende die dag waarop die teks van die kennisgewing by 'n poskantoor in die Republiek van Suid-Afrika vir deursending ingehandig is;
- 6.4.3 wat per hand afgelewer word, word geag ontvang te wees op die datum van aflewering daarvan.

KONTRAKBREUK

- 7.1 Ingeval die **HURDER** versuim om op die vervaldatum die huurgeld te betaal of enige van die bepalings van die **OOREENKOMS** na te kom sal die **VERHUURDER** of sy agent die reg hê om met **14 (VEERTIEN) DAE** skriftelike kennisgewing volgens klousule 6.4 en by versuim deur die **HURDER** om aan sodanige kennisgewing te voldoen -
- 7.1.1 die **OOREENKOMS** summier te kanselleer deur die afstuur van 'n geregistreerde brief geadresseer aan die **HURDER**, besit te neem van die **GEBOU**, waarna die **HURDER** alle bedrae betaal aan die **VERHUURDER** of sy Agent in terme hiervan sal verbeur sonder benadeling van die **VERHUURDER** se ander regte en remedies en die reg om skadevergoeding te eis; of
- 7.1.2 om onmiddellik betaling van die huurgeld en die voldoening aan al die bepalings van die **OOREENKOMS** te eis.
- 7.2 Die partye kom in besonder ooreen dat enige breuk of nie-nakoming van enige terme of voorwaarde van die **OOREENKOMS** beskou sal word as 'n materiële breuk.
- 7.3 Ingeval van kansellasië van die **OOREENKOMS** -
- 7.3.1 sal die **VERHUURDER** geregtig wees om in ieder geval onmiddellik herbesit van die **GEBOU** te neem en die **HURDER** of enige persoon wat 'n okkupasiereg van die **HURDER** verkry het, sal verplig wees om die **GEBOU** onmiddellik te ontruim of te laat ontruim;
- 7.3.2 moet die **HURDER** indien die **VERHUURDER** dit vereis enige voltooide en/of onvoltooide verbeterings of ander los goed van die **HURDER**

vanaf die **GEBOU** verwyder en die **GEBOU** netjies maak op koste van die **HUURDER** en wel tot bevrediging van die **VERHUURDER**.

GEBRUIK VAN DIE PERSEEL

- 8.1 Die **GEBOU** word aan die **HUURDER** verhuur vir die doeleindes van 'n eie sake onderneming en/of kantoorruimte en vir geen ander doeleindes hoegenaamd sonder die voorafverkreë skriftelike toestemming van die **VERHUURDER** nie.
- 8.2 Die **VERHUURDER** gee geen waarborg hetsy uitdruklik of stilswyend in verband met die geskiktheid van die **GEBOU** en met betrekking tot die doeleindes waarvoor dit verhuur word nie.
- 8.3 Die **HUURDER** mag nie enige handeling verrig of enige gebruike implementeer wat die **GEBOU** of die **PERSEEL** skade berokken aan die voorkoms daarvan af doen of 'n oorlas of gevaar vir enige ander huurders op die **PERSEEL** inhou nie.

VERBETERINGS

- 9.1 Die **HUURDER** is daarop geregtig om op eie koste die nodige verbeterings en struktuurveranderings aan die binnekant van die **GEBOU** aan te bring met die skriftelike toestemming van die **VERHUURDER**. Die **HUURDER** moet vooraf planne en spesifikasies vir sodanige werk aan die **VERHUURDER** voorlê wanneer sodanige skriftelike goedkeuring versoek word.
- 9.2 Behalwe soos in Klousule 10.2 hieronder bepaal, mag geen veranderings, byvoegings, verbeterings en installasies wat deur die **HUURDER** aangebring is, van die **GEBOU** verwyder word voor die verstryking of vroeëre beëindiging van hierdie **OOREENKOMS** sonder die voorafverkreë skriftelike toestemming van die **VERHUURDER** nie.
- 9.3 By die verstryking of vroeëre beëindiging van die **OOREENKOMS** of enige verlenging of hernuwing daarvan, mag die **HUURDER** sodanige veranderings, byvoegings, verbeterings en installasies net in dié mate bepaal in Klousule 10.2 hieronder, verwyder.
- 9.4 Alle sodanige veranderings, byvoegings, verbeterings en installasies wat in die **GEBOU** is of bly by verstryking of vroeëre beëindiging van die **OOREENKOMS**, mag na die keuse van die **VERHUURDER**, die eiendom van die **VERHUURDER**

word en by ontstentenis van 'n ooreenkoms soos vermeld in Klousule 20.2 sonder betaling van enige vergoeding, met dienverstaande dat, die **VERHUURDER** binne 'n redelike tydperk na sodanige verstryking of beëindiging, mag verkies deur skriftelike kennisgewing, om van die **HUURDER** te vereis om op eie koste sodanige veranderings, byvoegings, verbeterings en installasies te verwyder en die verwante skade te herstel.

- 9.5 Versuim van die **HUURDER** om aan enige sodanige kennisgewing te voldoen, lei tot verbeuring van sodanige veranderings, byvoegings, verbeterings en installasies en die **HUURDER** is aanspreeklik vir enige koste aangegaan deur die **VERHUURDER** vir die verwydering van die sodanige veranderings, byvoegings, verbeterings en installasies en die koste van die regstel van enige skade veroorsaak deur sodanige verwydering.

TERUGLEWERING VAN GEBOU

- 10.1 By die verstryking of vroeëre beëindiging van die **OOREENKOMS** moet die **HUURDER** die **GEBOU** in dieselfe goeie orde en toestand as wat die **PERSEEL** by die **EFFEKTIEWE DATUM** van die **OOREENKOMS** was, teruglewer en moet alle sleutels van die **PERSEEL** aan die **VERHUURDER** gegee word by die plek dan bepaal vir betaling van die huurgeld.
- 10.2 Gedurende die laaste dertig dae van die huurtermyn moet die **HUURDER** al sy handelstoebehore, toerusting en persoonlike goedere van die **PERSEEL** verwyder, asook in die mate vereis deur die **VERHUURDER** deur skriftelike kennisgewing, enige ander veranderings, byvoegings, verbeterings en installasies wat ingevolge Klousule 9 hierbo of andersins aangebring is. Die **HUURDER** sal op sy koste alle sodanige skade herstel aan die **GEBOU** wat veroorsaak word deur sodanige verwydering, herstel en regstel van die **GEBOU**.

INSTANDHOUDING VAN PERSEEL

- 11.1 Die **HUURDER** moet die **VERHUURDER** binne 14 (VEERTIEN) dae na die **EFFEKTIEWE DATUM** skriftelik in kennis stel van enige gebreke in die **GEBOU** en indien geen sodanige kennisgewing van die **HUURDER** ontvang word nie, sal aanvaar word dat die **PERSEEL** in goeie toestand van herstel is.
- 11.2 Die **HUURDER** moet die **PERSEEL** in 'n goeie toestand hou. Die **VERHUURDER** mag nie versoek word om herstelwerk van enige aard aan die

GEBOU te doen wat veroorsaak is deur die optrede of nalatigheid van die **HUURDER**, sy agente, werknemers, genooies, kliënte, gelisensieerde of kontrakteurs nie.

- 11.3 Die **HUURDER** moet die **PERSEEL** en elke deel daarvan insluitende die binnekant en alle deure, deurrame, slotte, sleutels, vensters en vensterrame, vaste toebehoorsels en los toebehoorsels, die intern vloere, mure, plafonne en sekuriteit alarm in goeie toestand van herstel hou op die koste van die **HUURDER** alleen. By enige herstelwerk, soos vermeld, moet materiaal van soortgelyke gehalte as wat tans in gebruik is, gebruik word.
- 11.4 Die **HUURDER** moet die **PERSEEL** in 'n skoon, sanitêre en veilige toestand hou en instandhou in ooreenstemming met alle opdragte, reëls en regulasies van die bevoegde owerhede wat jurisdiksie het en/of die redelike opdragte, reëls en regulasies van die **VERHUURDER**, op koste van die **HUURDER** alleen.
- 11.5 Indien die **HUURDER** weier of nalaat om herstelwerk onverwyld en toereikend te begin en te voltooi, mag die **VERHUURDER**, maar word dit nie van hom vereis nie, die herstelwerk soos vermeld in Klousule 11.3 voltooi en die **HUURDER** moet op aanvraag die koste daarvan betaal.
- 11.6 Behalwe vir die normale doeleindes van die aanbring van normale los toebehore, mag die **HUURDER** nie of mag hy nie toelaat dat enige spykers, skroewe of ander instrumente of artikels, behalwe bestaande strukture, in die vloer, mure, of plafonne ingeslaan/geskroef word nie, of enigiets hoegenaamd doen of toelaat wat kan lei tot beskadiging van die vloer, mure of plafon of enige ander deel van die **PERSEEL** nie.
- 11.7 Die **HUURDER** sal verantwoordelik wees vir die instandhouding en skoonmaak van die toilette op die perseel en die **VERHUURDER** sal verantwoordelik wees vir die instandhouding van die gemeenskaplike toilette.
- 11.8 Die **VERHUURDER** sal verantwoordelik wees vir die instandhouding van die gebou aan die buitekant.

VERSEKERINGSEISE EN VRYWARING

- 12.1 Die **HUURDER** moet op eie koste en vir eie rekening, geskikte versekeringspolisse verkry en te alle tye tydens die bestaan van die

OOREENKOMS in stand hou, welke posisie die volgende moet dek, naamlik-

- 12.1.1 Openbare Aanspreeklikheid ten opsigte van alle eise wat redelikerwys teen die **HUURDER** ingestel kan word as gevolg van sy handeldrywe in die **GEBOU**.
 - 12.1.2 Die vervanging van enige spieël- en/of glasvenster in of op die **GEBOU**.
 - 12.1.3 Die verlies of vernietiging teen alle risikos van die **HUURDER** se vaste toebehore en los toebehoorsels, installasies, toerusting, handelsware, boeke, rekords en dokumente in die **PERSEEL**.
- 12.2 Die **HUURDER** is verplig om die **VERHUURDER** op aanvraag te voorsien van volledige skriftelike besonderhede van sodanige versekeringspolis en indien aldus versoek van afskrifte daarvan.
- 12.3 Indien die **HUURDER** weier of nalaat om die versekeringspolis waarna in Klousule 12.1 verwys is, te verkry en in stand te hou, mag die **VERHUURDER**, sonder benadeling van sy ander regte of regs middels wat uit sodanige kontrakbreuk deur die **HUURDER** voortspruit, maar is hy nie verplig om dit te doen nie, sodanige versekeringspolis verkry en in stand hou en die **HUURDER** is verplig om die koste daarvan op aanvraag aan die **VERHUURDER** te betaal.
- 12.4 Die **HUURDER** mag nie enigiets doen of nalaat om te doen of enigiets aanhou, gebruik, verkoop of te koop aanbied in of op die **GEBOU** wat verbode is ingevolge enige brandversekeringspolis wat van tyd tot tyd deur die **VERHUURDER** ten opsigte van die verhuurde **GEBOU** gehou word of wat enige sodanige polis nietig of nietigbaar maak nie, en die **HUURDER** moet in alle opsigte voldoen aan die bepalings van enige sodanige polis, met dien verstande dat indien enige premie betaalbaar ten opsigte van sodanige polis vermeerder word of as gevolg van -
- 12.4.1 die aard of omvang van die saak van die **HUURDER** op die **PERSEEL** ingevolge die ooreenkoms bedryf; of
 - 12.4.2 die tipe handelsware wat in die **PERSEEL** deur die **HUURDER** geberg en/of verkoop word of die **VERHUURDER** tot die bogemelde ingestem het aldan nie; of

- 12.4.3 die feit dat die **HUURDER** nie aan die voormelde bepalings voldoen nie; moet die **HUURDER** sonder benadeling van regte wat die **VERHUURDER** as gevolg daarvan mag hê op aanvraag die bedrag van die addisionele premie aan die **VERHUURDER** terugbetaal.
- 12.5 Die **HUURDER** is nie daarop geregtig om betaling van huur of enige bedrae verskuldig ingevolge die **OOREENKOMS** terug te hou of uit te stel nie as gevolg van -
- 12.5.1 enige verborge of sigbare gebreke aan die **GEBOU**,
- 12.5.2 diefstal uit die **GEBOU**,
- 12.5.3 die **GEBOU** of deel daarvan as synde in 'n defekte toestand of vervalde toestand of enige besondere herstelwerk wat nie betyds of hoegenaamd deur die **VERHUURDER** gedoen is nie;
- 12.5.4 *vis major* of enige ander oorsaak hetsy gedeeltelik of heeltemal buite die **VERHUURDER** se beheer;
- 12.5.5 enige daad of versuim deur enige ander **HUURDER** of eienaar in die **GEBOU**,
- 12.5.6 enige steuring of onderbreking van watter rede ookal, van die geriewe en dienste wat deur die **VERHUURDER** en/of enige Statutêre Owerheid aan die **GEBOU** verskaf word;
- 12.6 Die **HUURDER** vrywaar die **VERHUURDER** en stel hom skadeloos van en teen enige en alle eise, gedinge, skade, aanspreeklikheid en uitgawe in verband met lewensverlies, persoonlike besering en/of beskadiging van eiendom voortspruitend uit of as gevolg van enige gebeurtenis in, op of by die **GEBOU** of die okkupasie of gebruik deur die **HUURDER** van die **GEBOU** of enige deel daarvan of veroorsaak deur, in sy geheel of gedeeltelik deur enige handeling of versuim van die **HUURDER**, sy beampptes, werknemers, agente, begunstigdes, verskaffers, kontrakteurs of kliënte.
- 12.7 Die **HUURDER** moet op sy kostes te alle tye brandblussers, wat in werkende toestand is en wat aan die **VERHUURDER** se voorskrifte voldoen, op die perseel hê.

ONDERVERHUUR EN VERVREEMDING

Gedurende die bestaan van hierdie huurkontrak -

- 13.1 Is die **VERHUURDER** daarop geregtig om te enige tyd sy regte en verpligtinge hierkragtens aan 'n ander persoon te sedgeer en te deleger en die **HUURDER** onderneem hierby om tot sodanige delegasie toe te stem;
- 13.2 Is die **HUURDER** nie daarop geregtig om sonder die voorafverkreë skriftelike toestemming van die **VERHUURDER** enige van sy regte of verpligtinge kragtens die **OOREENKOMS** aan iemand anders te sedgeer of te deleger of om die **PERSEEL** of 'n gedeelte van die **PERSEEL** onder te verhuur nie. In die geval dat die **HUURDER** sy onderneming sou verkoop, onderneem die **VERHUURDER** om met die nuwe eienaar van sodanige onderneming 'n huurkontrak te sluit ten opsigte van die onderhawige **PERSEEL** met dieselfde voorwaardes as van toepassing op die **HUURDER** en onderneem die **HUURDER** om dit 'n uitdruklike voorwaarde van die vervreemding van sy onderneming te maak dat die koper 'n huurooreenkoms met die **VERHUURDER** sal sluit vir die duur van die oorblywende termyn van hierdie kontrak.
- 13.3 Die **HUURDER** moet alle koste en uitgawes betaal wat deur die **VERHUURDER** aangegaan mag word in die prosessering, dokumentasie of administrasie van enige versoek deur die **HUURDER** vir die **VERHUURDER** se toestemming ingevolge Klousule 13.2.
- 13.4 By vervreemding van die eiendom deur die **VERHUURDER**, sal alle huurkontrakte gesedgeer word aan die **KOPER** wie die huurkontrakte gestand sal doen tot verstryking van die huurtermyn.

ELEKTRISITEIT

14.1 Die **HUURDER** sal verantwoordelik wees :

14.1.1 om op eie koste elektrisiteitsaansluiting te verkry by die Munisipaliteit of bevoegde owerheid wat jurisdiksie het in die gebied waar die **GEBOU** geleë is en die nodige deposito betaal wat sodanig vereis mag word;

14.1.2 vir die betaling van sodanige elektrisiteit wat gelewer mag word deur

sodanige Munisipaliteit of bevoegde owerheid.

WATER- EN RIOOLGELDE

15.1 Alle vullisverwydering, water- en rioolgelde is ingesluit by die huurgeld.

ERFBELASTING

16.1 Erfbelasting is ingesluit by die huurgeld.

VERNIETIGING VAN GEBOU EN PERSEEL

17.1 Indien die **GEBOU** vernietig word of sodanig beskadig word dat die **HUURDER** verhoed word om in die **PERSEEL** handel te dryf of, ongeag of die **GEBOU** vernietig of beskadig is, indien die **GEBOU** vernietig of beskadig is in 'n mate wat meer as 50% (VYFTIG PERSENT) van die koste van vervanging van die hele **GEBOU** is, het die **HUURDER** geen eis hoegenaamd teen die **VERHUURDER** as gevolg daarvan nie, ongeag hoe sodanige vernietiging of beskadiging veroorsaak is, en die **VERHUURDER** is daarop geregtig om binne 60 (SESTIG) dae van sodanige vernietiging of beskadiging te bepaal of hierdie **OOREENKOMS** beëindig moet word aldan nie, en moet hy die **HUURDER** skriftelik van sy besluit binne sodanige tydperk verwittig.

Indien die **VERHUURDER** sou versuim om die **HUURDER** van sy besluit binne sodanige tydperk te verwittig, word geag dat verkies word dat hierdie **OOREENKOMS** beëindig word.

17.2 Indien die **VERHUURDER** verkies het of geag word te verkies het om die **OOREENKOMS** te beëindig, het die **HUURDER** geen eis van enige aard hoegenaamd teen die **VERHUURDER** as gevolg van sodanige beëindiging nie, maar is die **HUURDER** nie aanspreeklik vir enige huurgeld van die datum van sodanige vernietiging of beskadiging nie.

17.3 Indien die **VERHUURDER** verkies om nie hierdie **OOREENKOMS** te beëindig nie-

17.3.1 moet die **VERHUURDER** so spoedig moontlik onder die omstandighede die **GEBOU** te herstel;

- 17.3.2 is die **HUURDER** nie aanspreeklik vir enige huurgeld solank as wat hy van die voordelige okkupasie van die **PERSEEL** ontnem is nie;
- 17.3.3 indien die **HUURDER** van tyd tot tyd voordelige okkupasie van enige deel van die **PERSEEL** gegee word, moet hy betaal vir die huur daarvan op 'n pro rata basis, of soos onderling tussen die **VERHUURDER** en die **HUURDER** ooreengekom mag word;
- 17.3.4 word die tydperk van die **OOREENKOMS** verleng deur die tydperk waartydens die **HUURDER** ontnem is, van die voordelige okkupasie en die hele **PERSEEL** of dieselfde voorwaardes en bepalings *mutatis mutandis*
- 17.4 Onderworpe aan die bepalings van Klousule 17.1 hierbo indien enige deel van (maar nie in sy geheel nie) die **GEBOU** vernietig of beskadig word deur watter oorsaak ookal, maar in so 'n mate dat die **HUURDER** nog steeds van die **PERSEEL** handel kan dryf, dan-
- 17.4.1 word die **OOREENKOMS** nie beëindig nie;
- 17.4.2 moet die huur deur die **HUURDER** betaal pro rata verminder word in die mate waartoe en vir die tydperk waartydens die **HUURDER** ontnem is van die voordelige okkupasie van die **PERSEEL** en soos wat onderling tussen die **VERHUURDER** en die **HUURDER** ooreengekom word;
- 17.4.3 moet die **VERHUURDER** die vernietigende of beskadigde deel van die **GEBOU** so spoedig moontlik herstel.
- 17.5 In die geval dat die vernietiging of beskadiging waarna hierbo verwys word deur enige opsetlike optrede of opsetlike versuim van die **HUURDER** veroorsaak word, dan het die bepalings hierbo vermeld geen regsrag en uitwerking nie en word die **OOREENKOMS** geag outomaties beëindig word sonder benadeling van enige ander regte wat die **VERHUURDER** andersins het.

TOEGANG DEUR VERHUURDER

- 18.1 Die **VERHUURDER** sal geregtig wees om te alle redelike tye of deur sy verteenwoordiger of deur homself om die **PERSEEL** te inspekteer en sulke

reparasies, hernuwings of vervangings te laat aanbring as wat hy nodig mag ag.

- 18.2 Die **VERHUURDER** onderneem om nie onnodiglik of onredelik inbreuk te maak op die **HUURDER** se bedryf van sy saak in die **PERSEEL** tensy die uitvoer van sodanige herstelwerk en/of werke so spoedig moontlik in die omstandighede uitgevoer moet word nie.
- 18.3 Die **VERHUURDER** het te alle redelike tye die reg om die **PERSEEL** vir enige doeleindes hoegenaamd, insluitende die rondwys van voornemende Kopers of huurders, te inspekteer. Die **HUURDER** sal nie toegang onredelik weier nie. In 'n noodgeval en indien die **HUURDER** nie gekontak kon word of teenwoordig is om oop te maak en toegang tot die **PERSEEL** te verleen nie mag die **VERHUURDER** of sy genomineerde agent die **PERSEEL** met 'n lopersleutel binnegaan, of indien 'n loper nie beskikbaar is nie, die **PERSEEL** gewelddadig betree sonder dat die **VERHUURDER** of sy genomineerde agent daarvoor aanspreeklik is en sonder beïnvloeding op enige wyse van die bepalings en voorwaardes van die **OOREENKOMS**.
- 18.4 Vir 'n tydperk van drie (3) maande voor die verstryking van die **OOREENKOMS**, word die **VERHUURDER** toegelaat om in die vensters van die **PERSEEL** of elders soos deur die **VERHUURDER** sy diskresie geskik mag ag, sodanige kennisgewings op te rig en ten toon te stel wat meedeel dat die **PERSEEL** te huur of te koop is asook sodanige vorms en/of kennisgewings as wat deur die nuwe **HUURDER** of koper vereis mag word om hom in staat te stel om die nodige toestemming en lisensies van die bevoegde owerhede te bekom om die **PERSEEL** te okkupeer en daarin handel te dryf na die verstryking of beëindiging van die **OOREENKOMS**. Die kennisgewings sal nie van so 'n aard wees dat die **HUURDER** nie kan voortgaan om handel te dryf nie.

RENTE OP LAAT BETALINGS

- 19.1 Benewens enige ander regte wat die **VERHUURDER** mag hê in die geval van laat betalings van huurgeld en/of ander bedrae verskuldig ingevolge die **OOREENKOMS** is die **HUURDER** ook aanspreeklik vir die betaling van rente aan die **VERHUURDER** op sodanige agterstallige bedrag(e) vir die tydperk wat die **HUURDER** in verstek is en wel teen die maksimum rentekoers wat in terme van die Woekerwet 1968, soos gewysig, gehef mag word van tyd tot tyd. Die gemelde rente daagliks bereken te word en maandeliks gekapitaliseer en verder sal die rente op aanvraag betaalbaar wees deur die **HUURDER**.

RETENSIE

- 20.1 Die **HUURDER** sal onder geen omstandighede enige retensiereg hê by verstryking of kansellasië van die **OOREENKOMS** ten gevolge van watter omstandighede ookal, uit hoofde daarvan dat die **HUURDER** enige verbetering op die eiendom aangebring het nie.
- 20.2 Die **HUURDER** sal nie geregtig wees op enige vergoeding ten gevolge van enige verbetering op die eiendom aangebring deur die **HUURDER**, tensy skriftelik ooreengekom is deur die partye hiertoe, welke **OOREENKOMS** gesluit moet wees voor die aanbring van sodanige verbetering, dat die **VERHUURDER** 'n bepaalde en presiese omlýnde vergoeding aan die **HUURDER** ten aansien daarvan sal betaal.

JURISDIKSIE

- 21.1 Dat die **VERHUURDER** en die **HUURDER** hiermee toestem tot die jurisdiksië van die Landdroshof vir enige aksie wat uit die **OOREENKOMS** mag voortvloei. Die **VERHUURDER** behou die reg om volgens sy keuse sodanige aksie in die Hooggeregshof in te stel en/of hofkoste volgens die Hooggeregshoftarief te vorder.

REGSKOSTE

- 22.1 Die **HUURDER** betaal -

- 22.1.1 Alle koste hoegenaamd in verband met die onderhandeling, opstel en ondertekening van die **OOREENKOMS**, alle opwagtings in verband daarmee, asook enige wysigings daarvan, asook alle belasting op toegevoegde waarde (BTW) wat ten opsigte daarvan betaalbaar mag wees, en wel op die skaal soos tussen prokureur en kliënt.
- 22.1.2 Alle seëlregte ten opsigte van die **OOREENKOMS**.
- 22.1.3 Alle regskoste hoegenaamd wat deur die **VERHUURDER** aangegaan mag word in verband met enige stappe wat die **VERHUURDER** teen die **HUURDER** mag doen in verband met of voortspruitende uit die **OOREENKOMS**, insluitende invorderingskoste teen die dan heersende

tarief of die kapitale bedrag of koste afgesien daarvan of sodanige kapitale bedrag en koste voor of na vonnis betaal word.

22.1.4 Die koste en uitgawes vermeld in Klousule 22.1.1 en 22.1.2 is op aanvraag betaalbaar.

ONDERTEKENING VAN OOREENKOMS

23.1 die **OOREENKOMS** sal alleenlik die **VERHUURDER** verbind wanneer en indien dit deur die **VERHUURDER** onderteken is. Die **VERHUURDER** moet die kontrak teken binne 14 dae na ondertekening daarvan deur die **HUURDER**, by gebreke waaraan die **HUURDER** nie die reg sal hê om die bestaan van 'n huurkontrak te beweer nie, hetsy mondelings of andersins en hetsy as gevolg van onderhandeling gevoer en gesluit of weens die feit dat die **OOREENKOMS** deur die **HUURDER** geteken en uitgevoer is, en nieteenstaande daarvan dat die **HUURDER** besit geneem het van die **GEBOU**, sal die **HUURDER** nie enige eis vir skade of andersins teen die **VERHUURDER** hê as gevolg van vorige onderhandeling, **OOREENKOMS** of andersins indien die **OOREENKOMS** nie deur die **VERHUURDER** uitgevoer en onderteken word nie.

23.2 Die **HUURDER** mag nie die verhuurde eiendom of enige gedeelte daarvan aanwend vir enige doel wat instryd is met die sonering daarvan nie en indien die aktiwiteite van die **HUURDER** te Winkel Nr. 1 nie ooreenstem met die sonering van Winkel Nr. 1 nie, sal die **HUURDER** op eie onkoste Winkel Nr. 1 hersoneer na die gepaste sonering.

NAKOMING VAN WETSBEPALINGS, REGULASIES EN REËLS

24.1 Die **HUURDER** sal nie geregtig wees of toelaat dat enige wetsbepaling en/of munisipale regulasies en/of wette en/of verordeninge oortree word nie en sal te alle tye binne die bepalings van sodanige wette en/of munisipale regulasies handel en dit streng nakom.

BTW

25.1 Die **Huurder** sal **BTW** betaal op enige bedrae wat ingevolge hierdie Kontrak betaalbaar is teen die koerse soos van tyd tot tyd van toepassing is.

ALDUS GEDOEN en GETEKEN te _____ op hierdie _____ dag van
_____ 20 _____.

AS GETUIES:

1. _____ **VERHUURDER**

2. _____

ALDUS GEDOEN en GETEKEN te _____ op hierdie _____ dag van
_____ 20 _____.

AS GETUIES:

1. _____ **HURDER**

2. _____

