



DRAFT

ANNUAL REPORT 2023/24

Comprehensive report on the activities and financial performance of the FBDM



FRANCES BAARD
District Municipality / Distriksmunisipaliteit
Masepala Wa Sedika / U Masepala We Sithili

Frances Baard District Municipality

Annual Report 2023/2024



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PART I

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ACRONYMS

AFS	-	Annual Financial Statements
CBO	-	Community-based Organisation
CDW	-	Community Development Worker
COGHSTA	-	Department of Cooperative Governance, Human Settlements & Traditional Affairs
DEDAT	-	Department of Economic Development and Tourism
DIGF	-	District Inter-governmental Forum
DoRA	-	Division of Revenue Act
EPWP	-	Expanded Public Works Project
FBDM	-	Frances Baard District Municipality
FTE	-	Full-time Equivalent
GIS	-	Geographic Information System
GRAP	-	Generally Recognised Accounting Practice
HH	-	Households
ICT	-	Information Communication Technology
IDP	-	Integrated Development Plan
KPA	-	Key Performance Area
KPI	-	Key Performance Indicator
LED	-	Local Economic Development
LGSETA	-	Local Government Sector Education & Training Authority
MFMA	-	Municipal Finance Management Act
MIG	-	Municipal Infrastructure Grant
MPAC	-	Municipal Public Accounts Committee
NCPA	-	Northern Cape Provincial Administration
NEAR	-	National Emergency Alarm Radio System
NGO	-	Non-government Organisation
NHNR	-	National Housing Needs Register
O&M	-	Operation and Maintenance
PIGF	-	Premier's Inter-governmental Forum
PMS	-	Performance Management System
SALGA	-	South African Local Government Association
SETA	-	Sector Education and Training Authority
SDBIP	-	Service Delivery & Budget Implementation Plan
SDF	-	Spatial Development Framework
SMME	-	Small, Medium & Micro Enterprises
SPM	-	Sol Plaatje Municipality
WSP	-	Workplace Skills Plan

Vision

An innovative municipality that aims to improve the quality of life of communities through integrated planning.

Mission

- To promote shared services and capacity building in local municipalities
- To promote effective community and stakeholder management
- To promote social and economic development, and;
- To utilize available resources economically and effectively

Values

The Municipality has adopted the motto “We Serve the Community” and is committed to the following core values of:

- Development as an empowering process within and outside our Municipality;
- Pride in the professional delivery of services and in the attainment of planned actions;
- Recognition of the district municipality as an expression of the cultural diversity and tolerance within the district municipality;
- Honesty and integrity as an internal force driving service excellence;
- Being driven by the aspirations of our people; we will respect and uphold the Constitutional of the Republic of South Africa;
- Commitment to the code of conduct for Councillors and officials in accordance with the Municipal Systems Act, 2000;
- Commitment to the principles of sound financial management;
- Subscribing to the principles of “Batho Pele”

Chapter 1 - Mayor's foreword and executive summary

1.1 Mayor's foreword



Ms HU Buda
Executive Mayor

In the year under review there were indeed many developments of note. It was the year when we went to the national and provincial elections, just at the close of the fiscal year, which posed many challenges for us to ensure that we remain on track with our mandate. We had to ensure that everyone remained focused and not lose sight of what we have set out to do, and dare I say, we have managed to achieve most of our priority areas. Yes, there were minor setbacks but overall, we have indeed achieved the goals we have set for the year.

We also started the celebration of the 30 years of democracy in this financial and it was indeed a privilege for us to commemorate our achievements over this period. The commemoration of this milestone is one of the most important achievements in our history and I encourage everyone to reflect on the progress that we have made thus far.

It is also an opportunity for us as a municipality to reflect on what we have achieved over the last 23 years of the new dispensation of local government. I am truly proud to be counted as a roleplayer in the progress we have made as an institution and to be able to proudly say one day, that I was a part of the machine that ran the Frances Baard district.

As in previous years, we continued to cut down on operating expenditures in line with the cost containment regulations so that we were able to invest more in capital projects. Through our Extended Public Works Programme (EPWP) we managed to create sixty-three (63) temporary job opportunities in this year and we continue to identify further opportunities for job creation in the district.

We also continued through the shared services programme to assist our local municipalities with technical expertise in areas such as disaster management, housing, internal audit, risk management, legal services and infrastructure. Our mandate as the district municipality dictates that we should provide the necessary support to our local municipalities to enable them to improve service delivery in their respective municipal areas. We must double our efforts to provide the necessary technical, financial, and administrative support to ensure that we help to turn around the situation at our local municipalities.

As a Council we can never lose focus of our duty and responsibility to ensure a better life for our constituencies and it remains our number one priority.

I wish to convey my sincere gratitude to the administration and Council of Frances Baard District Municipality, for without their invaluable inputs and efforts we would not have been able to achieve yet another unqualified audit without matters for the 2022/23 financial year.

To our local councils and all stakeholders, provincial and national government, we extend our warmest thanks. We are only as strong as the team we have around us and because of your support and contribution, our municipality has remained viable and still a main contributor to service delivery in the district.

1.2 Executive summary

Municipal Manager's Overview

This annual report provides a comprehensive overview of our performance during the 2023/24 financial year. It highlights both the achievements and challenges we faced and serves as a vital tool for self-assessment and accountability to our stakeholders. Through this review, we aim to identify practical solutions to enhance our effectiveness and improve our operations going forward.

Economic development remains a top priority for the district. During the year under review, the district municipality allocated R1.78 million towards local economic development projects and R1.97 million towards tourism initiatives. These investments underscore our commitment to fostering sustainable growth and enhancing the economic potential of the region.

Given budget constraints, infrastructure funding for the four local municipalities in the 2024/25 financial year has been strategically focused on operations and maintenance (O&M). Each local municipality has been allocated R2.5 million specifically for O&M activities.

To safeguard the district municipality's financial stability and avoid depleting reserves, strict cost-control measures have been implemented. Non-essential expenditures such as advertisements, bursaries, training, catering, entertainment, relocation costs, travel and accommodation, outsourced services, sports, and music festivals have been curtailed. These savings enable us to strengthen our technical, financial, and administrative support for local municipalities, helping to improve their performance and resilience.

The 2023/24 budget concentrated on the following key areas:

- Support for Financial Management: Enhancing fiscal discipline and efficiency in local municipalities.
Environmental Health: Promoting sustainable practices and ensuring public health standards.
- Firefighting and Disaster Management: Strengthening emergency response capabilities and disaster preparedness
- Local Economic Development and Tourism: Driving economic initiatives to boost local prosperity.
Spatial Planning: Ensuring coordinated and strategic land-use planning.
- Infrastructure Development: Prioritizing the operation, maintenance, and improvement of critical infrastructure, including housing projects.

Through these focused efforts, we aim to build a stronger, more resilient district that supports sustainable growth and improved service delivery for all residents.



Municipal Manager
Ms Z.M Bogatsu

1.3 Municipal functions, population and environmental overview

We continue with our efforts to assist category B municipalities with infrastructure for the provision of free basic services as well as operation and maintenance support. The district municipality continues to assist the smaller local municipalities with adhoc administrative, technical and financial management support.

We continue to strengthen our efforts to assist our local municipalities to deliver the much needed services to our communities. Frances Baard District Municipality continued to provide funding for operation and maintenance and capital projects in the year under review. Our assistance is not only through financial support but we provide our local municipalities with technical support (engineering technicians and the building inspectorate).

The district municipality have sound internal systems in place to promote and uphold accountable, efficient and effective operations. As the sphere of government closest to civil society, it is important that the district municipality sustains its developmental focus. The municipality prides itself in having sound financial management approaches as a cornerstone for effective and efficient performance.

The Frances Baard District is made up of the district municipality (category C municipality) and four local municipalities (category B municipality). Each of the local municipalities exercise and perform powers and functions to provide municipal services on an equitable and sustainable manner. We continue to assist our local municipalities in building the capacity that enables them to be in a position to discharge their mandate.

As the purpose of a district municipality is to respond to the needs and capacity gaps of local municipalities, the Constitution allows for the district municipality to play a different role in respect of each local municipality in its district. The division of functions and powers between a district municipality and the local municipalities in the district can be asymmetrical and will depend on need and capacity. A district municipality must distribute resources within a district according to needs, assist and capacitate local municipalities to enable them to provide, and sustain the provision of services in their areas; and thirdly, promote economic development in the district. This is done by implementing the shared-service model concept.

District-wide priority issues

1. Water and sanitation
2. Roads and storm water
3. Housing and Land Development
4. Electricity
5. Spatial transformation
6. Disaster Management
7. Environmental Health Management
8. Local Economic Development and Youth Development
9. Unemployment
10. Social and community services
11. Education
12. Lighting
13. Recreational facilities

According to the district IDP the priority areas for the local municipalities in the Frances Baard district are as follows:

Municipal area	Top four priority areas
Dikgatlong	1. Water and sanitation, 2. Roads and stormwater, 3. Housing and land and 4. Electricity.
Magareng	1. Water and sanitation, 2. Job creation, 3. Land development and audit and 4. Education.
Phokwane	1. Roads, 2. Sewer and water, 3. Electricity and 4. Housing.
Sol Plaatje	1. Roads, 2. Housing, 3. Sanitation and 4. Recreation.
District-wide	The district-wide priorities: 1. Water and sanitation, 2. Roads and stormwater, 3. Housing and land development and 4. Electricity.

The annual budget in respect of the 2023/24 financial year was prepared according to the approved IDP and budget process plan. The process plan followed after consultation with the local municipalities within the district to ensure alignment.

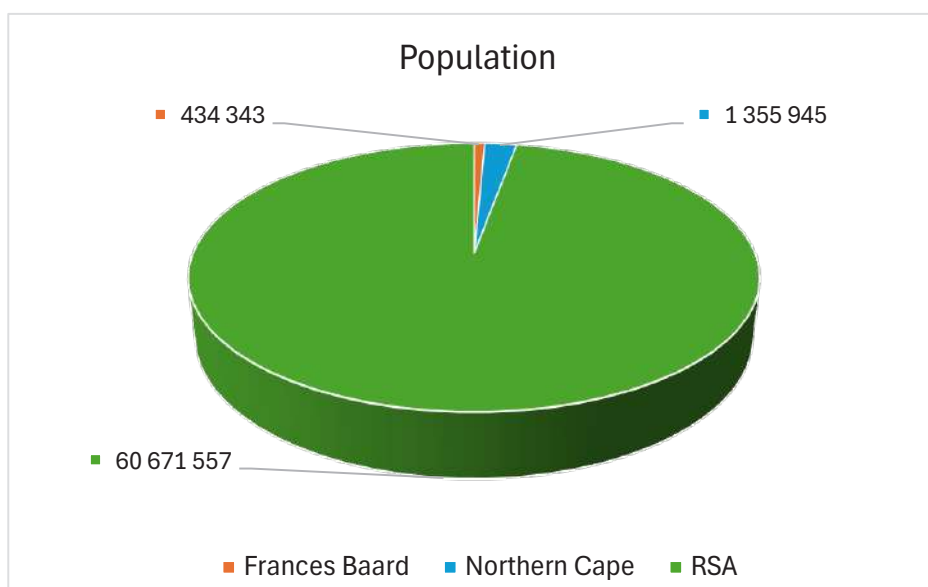
Geography

The Frances Baard District Municipality is situated in Kimberley, which is also the seat of provincial government. It is bordered by the North West and Free State provinces. The Northern Cape population. Sol Plaatje local municipality consists of the largest population in the district of 67%, followed by Phokwane at 15%; Dikgatlong at 11%; and Magareng with the least population of 6%. It has the following four local municipalities under its jurisdiction:

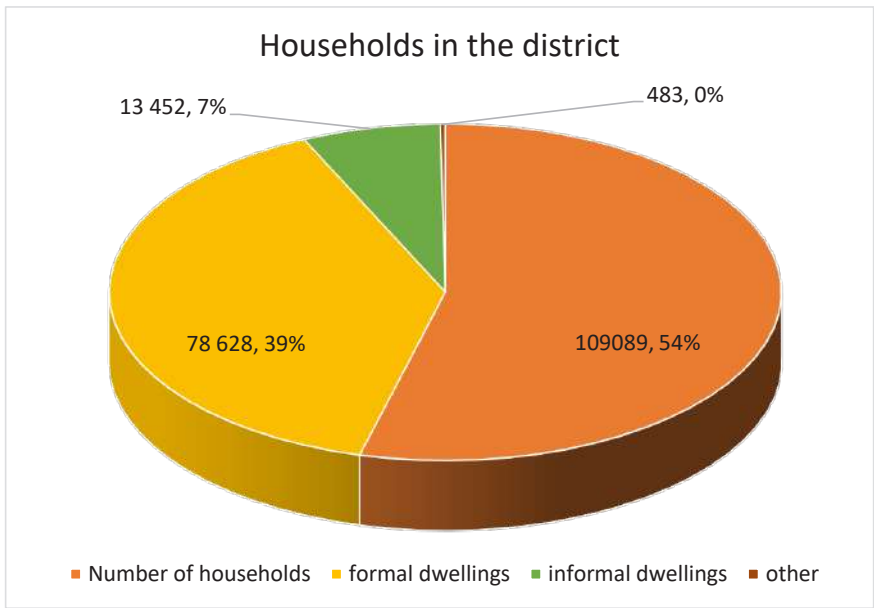
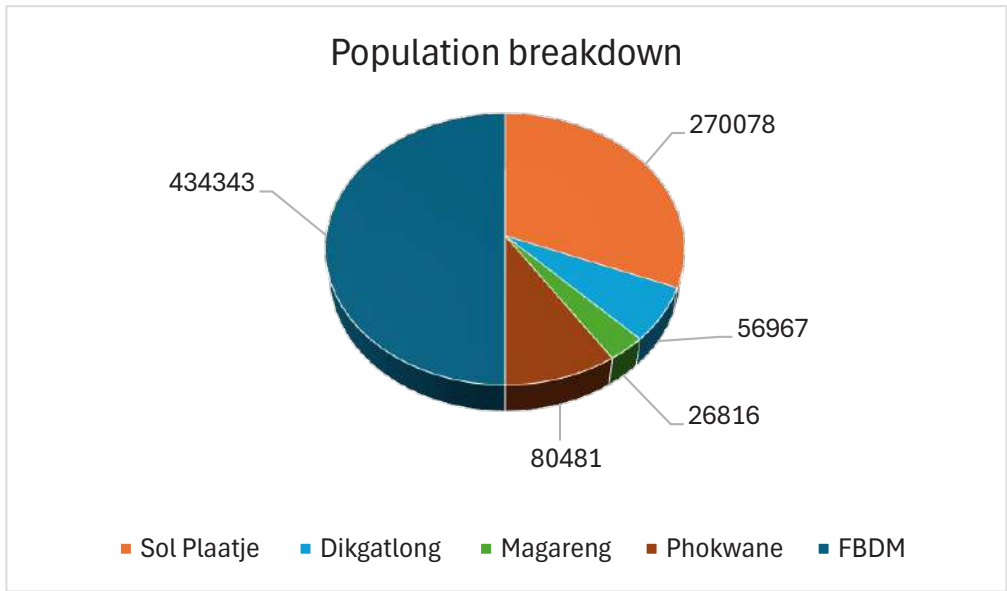
- Sol Plaatje local municipality;
- Dikgatlong local municipality;
- Magareng local municipality; and
- Phokwane local municipality.

Frances Baard district total population is 434,343 (Census 2022) which makes up 32% of the provincial population. It, however, has the smallest geographic area of 12,384 km² as compared with the other four districts.

Our district contributes 36% of the provincial GDP and its economic sectors, namely agriculture and mining contribute 14%, manufacturing, electricity and construction contribute 9% while trade, transport, financial and social services contributes 77% of the district economy. The district is still characterized by high rate of unemployment which is at 39.4%. Phokwane stands at 47.8%, Magareng at 53.9%, Dikgatlong at 44% and Sol Plaatje at 36.2%.



Census, 2022



Housing demand			
Subsidised housing			
Sol Plaatje	Dikgatlong	Magareng	Phokwane
36.38%	18.30%	7.67%	37.65%
GAP Housing			
Sol Plaatje	Dikgatlong	Magareng	Phokwane
55.60%	16.22%	7.63%	20.55%

No schooling (<15yrs)	Unemployment rate	Economically active
3.04%	26.80%	31.31%

The district demographic pattern presents the following challenges and opportunities:

Challenges	Opportunities
<ul style="list-style-type: none"> Increased growth in unemployment and poverty levels Increased dependency on social grants Increased number of indigents Decline in municipal revenue generation 	<p>The district has a youthful population (30% of the population is <19 years) that has the potential for learning and acquiring new skills that may reverse the bleak outlook of the district.</p>

Natural Resources			
Major Natural Resource	Relevance to Community	Challenges	Opportunities
Water	Usage of river to supply water for agriculture purposes and usage of river for outdoor activities (tourism)	Insufficient water rights allocated to small emerging farmers.	<ul style="list-style-type: none"> Increase of farming activity in the district Water sport activities/ tourism
Arable land	Farming	Skills of emerging farmers, funds to compete with commercial farmers	<ul style="list-style-type: none"> Supply of malt to the Cape Malt plan Supply of nuts for oils processing
Diamond, lime deposits & semi precious stones	Mining activity	Skills and funding	Small scale mining and processing of semi precious stones
Game	Game farming and establishment of tanneries	Transformation of industry	<ul style="list-style-type: none"> Entry of blacks into game farming industry Promotion of trophy hunting Establishment of a tannery
Sun light	Establishment and fostering of alternative energy industry and supply of cheaper energy (electricity)	Skills of communities and accessibility to the technology	<ul style="list-style-type: none"> Alternative energy implements Cheaper electricity

1.4 Service Delivery Overview

• Capital Projects

Funding to the value of R14.5m was allocated for capital projects for the 2023/24 financial year. Magareng, Dikgatlong and Sol Plaatje local municipalities each received R3m to augment other state funded grants or use for new capital development. Phokwane local municipality also received R3m and an additional R2.5m which was rolled over from the previous financial year to bring their total allocation to R5.5m.

Council approved an adjustment budget in January 2024, resulting in the allocation of an additional R11m in capital grant funding. This was distributed as follows: R2.5m each to Dikgatlong and Phokwane, and R3m each to Magareng and Sol Plaatje. Council also approved a request from Magareng local municipality to redirect R1,255m from their capital budget to their operation and maintenance grant.

Project implemented through capital grant allocations:

Dikgatlong Local Municipality:

- Upgrading of the wastewater treatment works in Barkly West: The project was still in progress (30%) at the close of the financial year.
- Replacement of filter sand and nozzles at Barkly West water treatment works was completed.
- Mataleng & Rooirand. Upgrading of Stormwater system: The project was still in progress (40%) at the close of the financial year.
- PrVISION of Boreholes in Dikgatlong LM: Phase 2: The project was still in progress (55%) at the close of the financial year.

Phokwane Local Municipality:

The local municipality requested a roll over for a portion of their capital budget of the 2022/23 financial year and R4.5m was approved in the adjustment budget for the procurement of new generators. Of this, Council approved R2.5m to be carried over to the current financial year. From the savings on this project, Council approved R700,000 to be re-allocated to their Operations and Maintenance (O&M) budget.

- Four generators were supplied and installed at the Phokwane local municipality offices.
- Emergency upgrading of wastewater pump station and outflow line in Jan Kempdorp: The project was still in progress (67%) at the close of the financial year.

Magareng Local Municipality:

- New internal water reticulation in Ditshotshwaneng, Rabaki and Sonderwater: The project was still in progress (95%) at the close of the financial year.
- The upgrading of Ikhutseng Sports Facility Phase II was successfully completed.

Sol Plaatje Local Municipality:

- Supply and delivery of hot mix asphalt for the resealing of roads in the municipal area, as part of its two-year contract, was on schedule.

Operation and Maintenance (O&M):

In the 2023/24 financial year R7,6m was allocated for the operation and maintenance programme for the four local municipalities. This grant was distributed equally between the four local municipalities; R1,8m each and R400,000 to supply and deliver electrical equipment in the Dikgatlong, Magareng and Phokwane local municipalities. Council approved the re-allocation of capital grant funding to O&M funding for Magareng and Phokwane. Each local municipality utilised the allocated funding as follows:

Dikgatlong:

- Electrical networks: The municipality procured electrical poles.
- Streets and stormwater drainage: The municipality procured material and PPE for the brickmaking project.
- Wastewater infrastructure: The municipality procured a jetting machine and sludge pump.
- Water infrastructure: Water pumps were repaired and the reservoir was cleaned.

Magareng:

- Wastewater infrastructure: The municipality purchased equipment and material used at the waste water treatment plant.
- Water infrastructure: The municipality procured water tankers for delivery of water to communities as well as chemicals for water purification.

Phokwane:

- Electrical networks: The municipality procured electrical cables for the water treatment plant.
- Streets and stormwater drainage: The municipality hired a grader to fix roads in Pampierstad.
- Wastewater infrastructure: The municipality repaired the sewer pump.
- Water infrastructure: The municipality repaired a 18.5KW motor and did electrical and mechanical work at the water treatment plant in Hartswater.

Sol Plaatje:

- Streets and stormwater drainage: The maintenance of roads and stormwater in Kimberley is an ongoing programme.
- Wastewater infrastructure: Maintenance work was done at Platfontein sanitation.

FBDM:

Council approved an amount of R400,000 for the 2023/24 financial year to support the local municipalities with electrical material and equipment (maintenance of streetlights). The funding was used to purchase and deliver equipment for the three smaller local municipalities.

The district municipality received an EPWP incentive grant of R959,000 for the 2023/24 financial year with a target of 37 FTE for the 2023/24 financial year, of which the total FTE achieved was 35.71.

Rural Road Asset Management System (RAMMS)

This DoRA funded project used to assess the extent and condition of all municipal streets, was allocated R 2,707m for the 2023/24 financial year. The district has appointed a service provider for the implementation of the RRAMS on a three-year contract (2021/22 - 2023/24).

- Housing:

The sector plans and chapters for 2023/24 financial year has been reviewed and adopted by Council. The plans for the Dikgatlong, Magareng and Phokwane local municipalities were completed, as well as the integrated plan and chapter for Frances Baard district municipality, which includes Sol Plaatje local municipality. The Human Settlements Sector Plan is compiled every five years and is reviewed annually to ensure that it:

- Remains responsive to achieving the vision of the Frances Baard district municipality in relation to the delivery of sustainable human settlements; and

- Adheres to the vision and priorities of the IDP and other related development plans..

- Environmental Health:

The district municipality renders municipal health services (MHS) in the local municipalities of Phokwane, Magareng, and Dikgatlong. The municipality has signed a memorandum of understanding (MOU) with Sol Plaatje Municipality to render MHS in its area on behalf of FBDM. However, recruiting sufficient Environmental Health Practitioners (EHPs) continues to be a challenge, as the National Environmental Health Norms and Standards recommend a ratio of 1 EHP for every 10,000 residents.

- Disaster Management and Fire Fighting:

The municipality supports the local municipalities of Phokwane, Magareng, and Dikgatlong in implementing the Disaster Management Act. Sol Plaatje Municipality operates its own independent disaster management unit. Each year, disaster management volunteers receive training and are deployed during emergencies. This year, 20 volunteers were trained.

- Local Economic Development:

The district municipality successfully hosted the annual FBDM Global Entrepreneurship Week in November 2023. The event's primary objectives are providing SMMEs with access to information, funding opportunities, markets, and competitiveness. The district municipality in collaboration with the Small Enterprise Development Agency (SEDA) hosted the Pop-Up Market at Diamond Pavilion Mall in March 2024. The aim of this initiative is to improve SMMEs growth through the development of competitive local products, themed "Show your Love for Local Brands.

- Tourism

During the 2023/24 financial year, our tourism function achieved the following:

- N12 Promotion Campaign was held from 13-15 December 2023. This campaign aimed to attract travelers to the N12 route and promote the district as a preferred holiday destination.
- Tourism Promotion: Advertisements highlighting the district's tourism offerings and services were placed in renowned tourism magazines.
- Tourism and Business Studies Business Plan Competition: Eight schools participated in the 2023/24 competition, with an awards ceremony held on 8 December 2023 in Kimberley.
- Africa's Travel Indaba: The municipality secured an exhibition space at the Indaba Trade Expo in Durban in May 2024 to market and promote the district's tourism offerings on an international scale.

- Spatial Planning

In the 2023/24 financial year the district municipal planning tribunal received and processed 42 applications for relaxation of building lines and parking, township establishments, rezoning, sub-divisions, consolidations, relaxation of building lines, consent use application for the purpose of a telecommunication mast and a base station and the removal of the title deed conditions. A precinct plan was drafted for the proposed development of a urban design and precinct frameworks for Ikhutseng and Warrenton. The plan will be finalised in the 2024/25 financial year.

1.5 Financial Overview

The overall financial management of the municipality has been assessed as fairly good for the 2023/24 budget submissions with Treasuries and the audit outcome of 2023/24. The consistent hard work of the municipality has resulted in receiving an unqualified audit finding with no matters.

The municipality continue to strive in fulfilling its following core mandates fully due to reliance on grants which grow only average of 2% annually:

- To render and support sustainable municipal health and environmental planning and management in the district; and
- To implement an effective and efficient Disaster Management and Fire Fighting service in the district.

In addition to our core mandate, the responsibility is vested upon us to ensure that we apportion the limited resources to invest in capital assets at the local municipalities as well as maintaining their aging infrastructure assets, to enhance service delivery within the Frances Baard district. To fulfil our statutory and fiduciary support to our local municipalities, the district paid annual remuneration of about 14% towards salaries of officials appointed directly to provide support to our local municipalities.

Despite of the lack of sufficient cash flow, the municipality allocated funds to our local municipalities in the 2023/24. The funding was allocated to the local municipalities to assist with the operation & maintenance (O&M) and renewing their capital aging infrastructure assets to ensure enhancement of service delivery on the Frances Baard communities.

A net asset was realised of R162,614,864 (2021/22: R159,805,542), which indicates that the municipality's total assets were more than the total liabilities. The amount cash at year-end was R113million including savings in the financial year, which affords the municipality to invest cash at different banking institutes to generate own revenue in a form of interest. The municipality has been able to pay the creditors within a 30- day period as required by the law.

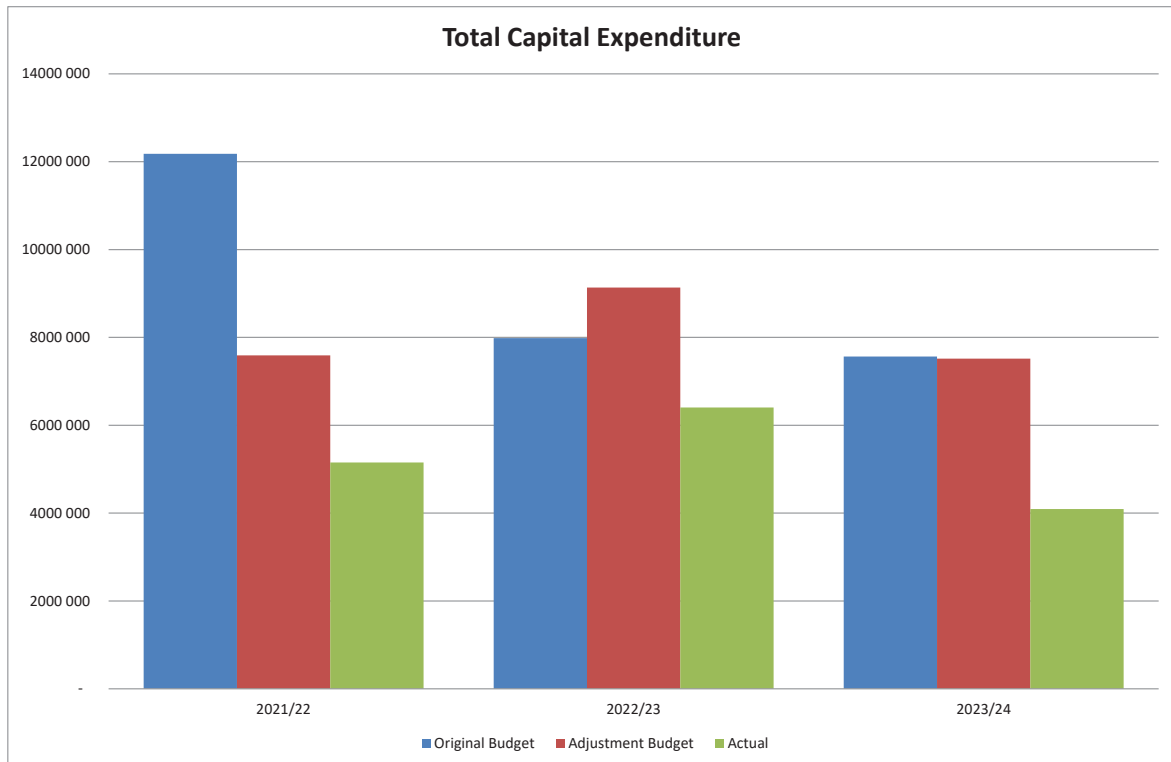
Financial Overview - 2023/24			R'000
Details	Original Budget	Adjustment Budget	Actual
Income			
Grants	144 317	145 212	141 488
Taxes, Levies and tariffs			
Other	6 900	7 010	13 914
Sub-Total	151 217	152 222	155 402
Less Expenditure	180 567	187 860	152 815
Net Total*	(29 350)	(35 639)	2 586

*Note: surplus/(deficit)

Operating Ratios	
Detail	%
Employee Cost	51.25%
Repairs & Maintenance	2.21%
Finance Charges & Depreciation	2.65%

The employee costs currently stand at 51.25% of the total budget of the municipality. It is important to highlight that since the municipality has a statutory mandate to support the local municipalities, it employed dedicated personnel with highly technical skills to live up to the challenge of supporting our local municipalities, included in the 51.25% reported.

Total Capital Expenditure 2021/22 - 2023/24			
	R'000		
Detail	2021/22	2022/23	2023/24
Original Budget	12 179	7 984	7 565
Adjustment Budget	7 592	9 135	7 517
Actual	5 153	6 403	4 094



The actual expenditure incurred on fixed assets represents an efficiency rate of 54.46%. There are savings realised on capital items budgeted due to projects rolled-over as well as projects completed with savings.

1.6 Organisational Development Overview

Our ongoing efforts to to strengthen institutional capacity to enhance service delivery and support to our local municipalities can be broken down into the following key initiatives and their impact:

Institutional Capacity Building

- **Focus on Efficiency:** Continuous assessment and enhancement of institutional capacity aim to create an efficient service delivery system that supports local municipalities in providing essential services to communities.
- **Technical Services Emphasis:** Prioritizing technical services reflects the crucial role they play in reinforcing local municipalities, particularly in areas like infrastructure and maintenance.

Structured Support Services:

- **Internal Audit Services:** Ensuring accountability and compliance.
- **Financial Services:** Strengthening financial management and controls.
- **Technical Support Services:** Enhancing infrastructure and development projects.
- **ICT Services:** Facilitating modern, efficient communication and data systems.
- **Town Planning:** Guiding sustainable spatial development.
- **Performance and Development Planning:** Monitoring progress and aligning strategies with community needs.

Addressing Leadership Gaps:

- **Executive Vacancies:** Despite high vacancy rates at the executive level, the municipality maintains optimal performance through robust internal controls and governance structures.
- **Future Plans:** Active exploration of legislative measures to fill these vacancies, with expected improvements in the next financial year.

Skills Development Initiatives:

- **Training and Development:** A steady improvement in staff skill levels is evident, driven by dedicated skills development programs.
- **Bursary Program:** Increasing the number of undergraduates and postgraduates within the workforce aligns with long-term goals for capacity building and talent retention.

These concerted efforts reflect a well-rounded approach to enhancing municipal performance, strengthening technical capabilities, and fostering a skilled, resilient workforce—all essential for delivering quality services to the community.

1.7 Statutory Annual Report Process

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

This annual report is intended to provide a summary of our achievements and reflect how the municipality has performed in terms of governance and financial management.

It also provides an overview of our financial position, especially the cash flow and how we are progressing to ensure that we remain a going concern. Our stakeholders and interested parties may use this information to make important decisions.

The IDP is a strategic document that clearly outlines the development objectives and provides a policy framework that guides management in decision-making relating to budgeting and planning. Our 4th generation IDP sets the tone of the vision of the current term of Council.

It is aligned to the budget through programmes and action plans to give operational effect to the objectives. The alignment of the IDP, budget, performance plans of directors, line managers and project management are creating the benefit of ensuring that the municipality has an effective system of performance management.

Chapter 2 - Political and Administrative Governance

2.1 Political Governance

The Executive Mayor as the political head of the municipality, working with the Speaker who is the chairperson of Council, is responsible for ensuring an effective governance within the statutory framework as well as within system and policies of the municipality.

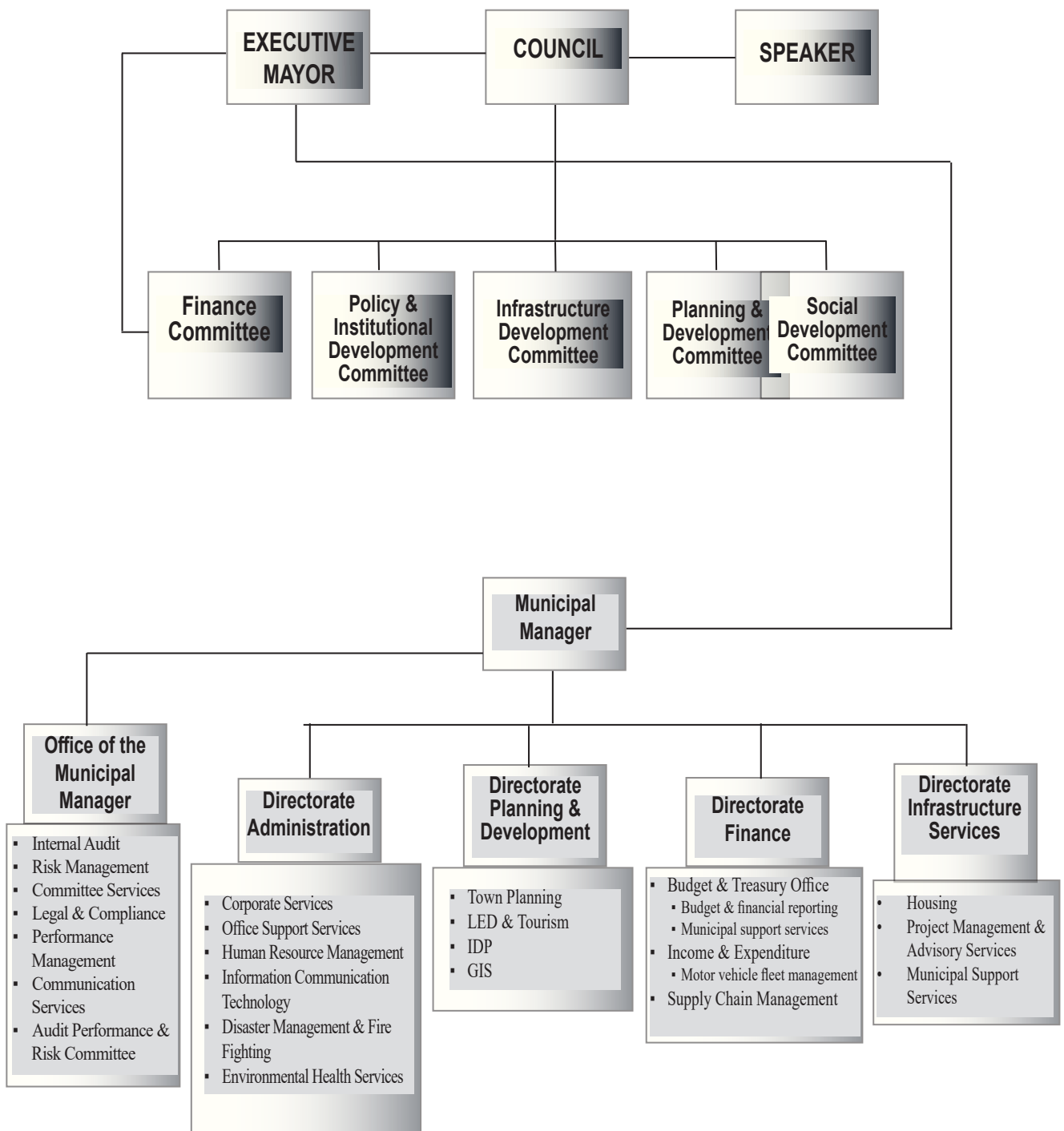
Political governance and transformation is one of the major determining factors in driving the vision of a district which is development focussed and therefore improves the quality of life of the people in its area of jurisdiction.

The council is empowered to address the existing and future needs of the district community and it does so through its resolutions. Council members embody the public welfare of our communities which means trying to provide basic services within its resource limitations and carry out the concerns expressed by the people affected by their decisions.

The Executive Mayor, with her mayoral committee, ensures that there is accountability by the administration through the five established section 80 committees (finance, policy and institutional development, social development, infrastructure development and planning and development).

The Municipal Public Accounts Committee (MPAC) remains the watchdog of the municipal resources and recommends its decisions to council for its resolutions. This grants council with the opportunity to keep both the administration and councillors accountable for the usage of the municipal resources and therefore promotes an environment of good governance and internal controls.

2.1.1 Governance Model



2.1.2 Audit, performance and risk committee

FRANCES BAARD DISTRICT MUNICIPALITY AUDIT, PERFORMANCE AND RISK COMMITTEE ANNUAL REPORT FOR THE PERIOD ENDING 30 JUNE 2024

1. PURPOSE

The Committee is honoured to present its report for the financial period ending 30 June 2024. The committee was functional throughout the year and had several engagements with management on matters related to financial management, internal control, risk management, performance management and governance. The committee would like to acknowledge the attendance and participation of the Accounting Officer and senior management as well as internal audit and chief risk officer in committee meetings.

2. LEGISLATIVE REQUIREMENTS

We are required to present Council with an annual report for the primary purpose of advising the Municipal Council, political office bearers and accounting officer on matter relating to section 166 (2) – (3) of the Municipal Finance Management Act and other applicable laws and regulations.

3. AUDIT COMMITTEE MEMBERS AND MEETINGS DETAIL

3.1 Committee structure and assessment

The established committee consists of 3 independent external members as listed below:

- | | |
|------------------|-------------|
| • Mr GR Botha | Chairperson |
| • Mr T Mudamburi | Member |
| • Mr PS Masikela | Member |

The Committee Chairperson should assess the performance of individual Committee members, and the Council should evaluate the Committee's chairperson based on several factors. These include:

- Expertise;
- Inquiring attitude,
- Objectivity, and independence;
- Judgment;
- Understanding of the public-sector business;
- Willingness to devote the time needed to prepare for and participate in Committee deliberations;
- Timely responses; and
- Attendance at meetings

Overall the Chairperson is satisfied that the current members, have displayed sufficiently, through behaviour and attitude, that the expectations set out in the Audit Committee Charter have been adhered to.

3.2 Meeting details

The committee is required as per the MFMA section 166(4)(b) to meet at least four times during a financial year. The committee has met on the dates set out below in the table to execute its mandate in accordance with the agenda of the day.

Dates	G Botha	T Mudamburi	PS Masikela
21 August 2023		✓	✓
30 October 2023	✓	✓	✓
20 March 2024	✓	✓	✓
28 June 2024	✓	✓	✓
Total	3	4	4

4. AUDIT COMMITTEE RESPONSIBILITIES

The committee is pleased to report that it has complied with its responsibilities arising from Section 166(2) of the Municipal Finance Management Act, Section 41 of the Municipal Systems Act, Local Government Municipal Planning and Performance Management Regulation and relevant Treasury Regulations and circulars and other relevant legislation. The committee has formally adopted its terms of reference as its Audit, Risk and Performance Committee charter and has regulated its affairs in compliance with this charter and discharged their duties as contained therein.

AUDIT COMMITTEE COMMENTS

5.1 INTERNAL AUDIT

5.1.1 Staff

The committee took note that the internal audit unit is headed up a Chief Audit Executive (CAE) and supported by a number of staff members. The audit committee is satisfied that the staff complement is sufficient to perform its duties in respect of the Frances Baard District Municipality. The FBDM however provides an internal audit function to the local municipalities (Dikgatlong and Magareng) and based on the audit annual plan an amount of the work is outsourced. The long-term vision of this important support service will require the attention of the Council to consider the optimal human resource component and associated resources required to meet the continuous demands placed on effective governance.

5.1.2 Performance

The committee is satisfied that the internal audit unit performed its activities in all material respects in accordance with the approved internal audit plan for the financial year read with section 165 of the Municipal Finance Management Act. Quarterly internal audit reports reflecting the progress were adopted at the normal meetings held during the year. Where appropriate the audit committee expressed their views on the progress and we are overall satisfied with remedial actions taken by the CAE and Accounting Officer.

5.1.3 Training

The committee will continue to motivate and support the furthering of professional development in a bid to achieve the desired qualification for the approved positions of the internal audit unit.

5.2 EXTERNAL AUDIT/AUDITOR-GENERAL SOUTH AFRICA

The committee engaged with the external auditor on the 2023/24 audit cycle to consider the draft audit report and took note of the audit opinion expressed.

5.1.3 Training

The committee will continue to motivate and support the furthering of professional development in a bid to achieve the desired qualification for the approved positions of the internal audit unit.

5.2 EXTERNAL AUDIT/AUDITOR-GENERAL SOUTH AFRICA

The committee engaged with the external auditor on the 2023/24 audit cycle to consider the draft audit report and took note of the audit opinion expressed.

5.3 EFFECTIVENESS OF INTERNAL CONTROL

The committee is of the view, based on the independent evaluations conducted by internal audit during the year as well as reports submitted to the committee that a system of internal controls have been established by the accounting officer.

5.4 RISK MANAGEMENT

The committee is satisfied with the progress made with risk management in the district municipality. A separate risk management committee has not yet been established and the responsibility currently resides with the audit committee. As the risk management maturity level improve, so will the processes mature to have a risk management committee reporting to the audit committee in the future.

5.5 PERFORMANCE MANAGEMENT

The municipality established a performance management system incorporating the institution performance report and performance agreements of the accounting officer and senior management. Throughout the financial year management provided assurance on the reported performance information, supported by report by internal audit. Weaknesses on reported performance information were addressed by management throughout the year.

5.7 THE ANNUAL FINANCIAL STATEMENTS

5.7.1 Unaudited financial statements and related performance reports.

The committee reviewed the draft financial statements and related reports before submission to the Auditor general of South Africa by 16 August 2024.

5.7.2 Changes in Accounting Policies and Practices

The committee considered any changes to the accounting standards (GRAP) and took note that the municipality did not early adopt any amendments to the standards. The impact of these amendments does not appear to be significant.

5.7.3 Compliance with laws and regulations.

The committee took note that the municipality complied in all material respect with laws and regulations. Assurance was obtained from management and internal audit throughout the financial year.

6. CONCLUSION

Whilst the audit committee strives to add value and strengthen the governance of the municipality, the benefit thereof can only be derived through concerted efforts by both Management and the Council to implement the resolutions and recommendations provided by the audit committee.

The committee would like to urge both Management and the Council to work as a collective to maintain a clean audit outcome.



.....
Mr. GR Botha
Chairperson of the Audit, Performance and Risk Committee



Ms U Buda
Executive Mayor



Ms KC Mothibi
Speaker



Mr I Ruiter
Finance Committee



Ms LN Shushu
Policy & Institutional
Development Committee



Ms OM Ditakgwe
Social Development
Committee



Ms J Tshekedi
Planning & Development
Committee



Mr ME Mokgathanyane
Infrastructure
Development Committee



Ms K Molale
MPAC

See **Appendix A** - full list of councillors (including committee allocations and attendance at council meetings)

See **Appendix B** - committees and committee purposes

2.1.4 Political Decision-taking

Council remains the highest decision-maker in accordance with the Municipal Structures Act. Council has the following section 80 committees to assist with its oversight and decision-making:

- Finance;
- Social Development;
- Planning and Development;
- Infrastructure; and
- Policy and Institutional Development.

The Municipal Public Accounts Committee has the power to investigate any matter relating to the financial resources of the municipality and make clear recommendations to Council for its decision.

Council is also supported by the audit, performance and risk committee to arrive at its decisions. The committee provides an independent assessment of the activities of the control environment of the municipality.

The Speaker ensures the effectiveness and the functionality of Council and its committees. She is also the custodian of the decorum of all council sittings and the discipline of councillors.

Council resolutions taken for the 2023/24 financial year

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
IDP and budget process plan for the 2023/24 financial year	Council approved IDP and budget process plan in respect of the 2023/24 financial year.	31 July 2023	No action required	
The district integrated development planning framework	Council noted and adopted the district IDP framework (review 2022/23), planning 2023/24).	31 July 2023	No action required	
Performance agreement of the municipal manager and Section 56 Managers pertaining to the 2023/24 financial year	Council noted the performance agreements of the Municipal Manager and Section 56 Managers for the 2023/2024 FY.	31 July 2023	No action required	
Request for consideration of writing off debts of former councillors.	<ul style="list-style-type: none"> Council noted the content of report. Council approved that the debt of former councillors be written on basis that the debt is irrecoverable as set out in Section 32 (2)(a)(ii) Act no.56 of 2003 of the Local Government Municipal Finance Management 	31 July 2023	The debt write-off was approved and removed from debtors	
Quarterly report of HRM	<ul style="list-style-type: none"> Council noted content of the report. Council resolved that the following policies be submitted at the next Committee meeting: <ul style="list-style-type: none"> Recruitment and Selection Policy Employee Study Assistance Policy Acting Policy Council resolved that the Local Government Municipal Staff Regulation issued by COGTA must be tabled at the next committee meeting. 	31 July 2023	Implemented tabled at 08/08/2023 committee meeting	
Writing off redundant assets	<ul style="list-style-type: none"> Council approved the writing off of the attached list of redundant assets per asset category identification. Council, subject to recommendation 1 above approved that the assets be donated to local municipalities, NPO's and/ or schools in the district in term of the Asset Management & Supply Chain Management Policies Council approved that the lists of Local Municipalities, NPO's and schools in the Frances Baard District who have received donations and who applied for the allocation of new donations of written off assets must be availed to the committee on the day of inspection. 	27 September 2023	Redundant assets were written off and donated.	
Writing off the tents procured for disaster	Council approved the writing off the 60 tents from the asset register of the district municipality as it has been used to assist communities during weather related incidents	27 September 2023	Skid Units distributed to farmers	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
<p>Report on the investigations relating to the unauthorized expenditure on depreciation</p>	<ul style="list-style-type: none"> • Council resolved that a baseline for preceding year must always be used as a basis for calculating the depreciation budget for the outer years instead of utilizing the baselines of more than 2 years back. • Council resolved that the Revenue & Expenditure unit should now take full accountability for preparing budget for the depreciation on assets since asset management falls within the unit. • Council resolved that during the adjustment budget it is also necessary to look at the actual depreciation amount, including possible additions as per procurement plan and then adjust the budget amount accordingly. In the future, sue care should be exercised by management in ensuring that the correct procedures are followed when estimating the amount for depreciation and ensuring that during adjustment budget such adjustments are considered. • Council resolved that a rigorous oversight and supervision should be enforced asset management unit to alert budget unit regarding additions and disposal of assets during the year, this will assist the budget unit in calculating the correct estimated value for depreciation budget. • Council resolved that since depreciation is a non-cash item and as a result the municipality did not suffer any financial loss, the unauthorised expenditure of R287 413 will be written off. 	<p>29 November 2023</p>	<p>The expenditure has been written off by Council</p>	
<p>Report on the investigations pertaining a non-payment of income tax liability which has resulted in the municipality incurring penalties as a result of non-compliance</p>	<p>Council resolved that the item be referred back to the researcher for further investigation.</p>	<p>29 November 2023</p>	<p>Issue has not yet been resolved and it was referred to the MPAC for corrections.</p>	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Report on the investigations pertaining to the overpayment of sector plans which has resulted in the municipality incurring unauthorised expenditure	<p>1. Council noted that the overpayment to the service provider was not made intentionally, as it was because of the late registration of VAT by the service provider.</p> <p>2. Council too noted that the municipality did not suffer any financial loss as the amount of VAT will be recovered from the service provider through a payment arrangement as highlighted in Annexure C that service provider has started on the payment of the money.</p> <p>3. Council resolved that in the future, due care should be exercised by management in ensuring that correct procedures are followed where the non-vendor is doing business with the municipality.</p> <p>4. Council resolved that rigorous oversight and supervision should be enforced before any payment is made to the service provider in line with the municipal budget.</p> <p>5. Council resolved that in future, the municipal manager must take disciplinary processes should the similar type of unauthorised expenditure recurs.</p> <p>6. Council resolved that the writing-off of the R100 460 .87 be suspended until the service provider has paid up the amount owed to the municipality.</p>	29 November 2023	The expenditure has been written off by Council	
Frances Baard District Municipality client service charter review	Council noted the contents of the report.	29 November 2023	No action required	
Submission of policies and implementation of the local government municipal staff regulations	<ul style="list-style-type: none"> • Council noted the report. • Council approved the review of policies to be compliant with the regulations and the implementation of the Local Government Municipal Staff Regulations • Council noted the municipality's nomination by COGTA as pilot for the validation of prototype staff establishment project. 	29 November 2023	Partially done, to be completed in the 2024/25 financial year	
Approval of the 2023/24 audit, performance and risk committee charter	Council approved the audit, performance and risk committee charter for 2023/24 financial year period.	29 November 2023	No action required	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Report on the funding received from the Department of Economic Development and Tourism to host the district economic growth summit	<ul style="list-style-type: none"> Council noted the contents of the report. Council approved the inclusion of the R500 000.00 received from the department and its expenditure to the budget during the adjustment budget in line with section 28 of the MFMA 	29 November 2023	No action required	
First quarter municipal institutional performance report	Council adopted the first quarter municipal institutional performance report for the period 01 July to 30 September 2023	29 November 2023	No action required	
Audit report for the financial year ended 30 June 2023	<ol style="list-style-type: none"> Council noted the unqualified audit report with no findings as expressed by the Auditor General for the 2022/23 financial year. Council resolved that the audited financial statements, annual performance report and Auditor – General’s report be included in the annual report for submission during March 2024 to council as per legislative requirements; and Council resolved that the final printer’s proof of the annual report be submitted to the relevant Senior Manager of the Auditor General of South Africa for verification purposes. 	13 December 2023	Annual financial statement and Auditor-General reports were included in the annual report and final printed version was distributed to relevant stakeholders, including the Auditor-General of South Africa	
Council and Committee Meetings: 2024	Council approved the meeting schedule for the 2024 calendar year.	13 December 2023	No action required	
Draft Annual Report for the financial year ended 30 June 2023	<ol style="list-style-type: none"> Council noted the draft annual report for the 2022/23 financial year. Council approves that the draft annual report be published for public comments for the 21 days for their inputs. Council approves that the draft annual report be tabled before the MPAC after the closing date for public comments to consider and compile the oversight report on the annual report. Council resolved that the oversight report on 3 above; and the annual report be tabled in council by end of March 2024 for its decision. 	13 December 2023	The draft report was advertised for public inputs and tabled to the MPAC.	
Report on the investigations for the non-payment of water bill which has resulted in interest being charged and payment for refreshments of MMC committee members attending a site meeting	Council resolved that the amount of R1 206.43 be written off due to the facts highlighted in paragraph 5 (6) as the money in question is irrecoverable.	13 December 2023	Council resolved that the amount of R1 206.43 be written off due to the facts highlighted as the money on question is irrecoverable.	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Mid - Year Performance Assessment 2023/2024 FY	<ol style="list-style-type: none"> Council noted the mid-term performance report for the period of 01 July 2023 to 31 December 2023. Council noted and approved the recommendations provided for the amendments to the SDBIP. 	29 January 2024	No action required	
Second Quarter Municipal Institutional Performance Report	Council noted and approved the second quarter municipal institutional performance report for the period of 01 October 2023 to 31 December 2023.	29 January 2024	No action required	
Mid - year Assessment report: December 2023	Council noted and approved of the section 72 report read with the 52 reports.	29 January 2024	No action required	
Writing-off redundant assets	<ul style="list-style-type: none"> Council approved the writing off the attached list of redundant assets per asset category identification. Council approved, subject to recommendation 1 above, that the assets be donated to local municipalities, non-profit organisations and/or schools in the Frances Baard District in term of the Asset Management and Supply Chain Management policies. 	27 February 2024	The assets were written-off and have been disposed to NGO/ Schools and local municipalities	
Mid - year performance assessment 2023 / 2024 financial year	<ol style="list-style-type: none"> Council noted the mid-term performance report for the period of 01 July 2023 to 31 December 2023. Council noted and approved the recommendations provided for the amendments to the SDBIP. 	27 February 2024	The recommendations to be implemented into the SDBIP	
Second quarter municipal institutional performance report	Council noted and approved the second quarter municipal institutional performance report for the period of 01 October 2023 to 31 December 2023.	27 February 2024	No action required	
Mid - year assessment report: December 2023	Council noted and approved of the section 72 report read with the 52 reports.	27 February 2024	No action required	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Mid-year budget and performance report: adjustment budget in respect of the 2023/24 financial year	<ol style="list-style-type: none"> 1. Council noted the content of the report. 2. Council approved the adjustment budget as per recommended resolution 3. Council resolved that the adjustment budget of Frances Baard District Municipality year 2023/24, and 2025/26 be approved as set out in the following schedules: <ol style="list-style-type: none"> 3.1 Adjustment Budget Summary – Table B1 3.2 Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) – Table B2 3.3 Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) – Table B3 3.4 Budgeted Financial Performance (Revenue and Expenditure) – Table B4 3.5 Budgeted Capital Expenditure by Vote and Funding – Table B5 3.6 Budgeted Financial Position – Table B6 3.7 Budgeted Cash Flows – Table B7 3.8 Cash backed reserves/ accumulated surplus reconciliation – Table B8 3.9 Asset Management – Table B9 and 3.10 Basic services delivery measure – Table B10 4. Council resolved that the R 760 000 savings from the capital expenditure allocation for Phokwane Local Municipality be transferred to their operational expenditures. 5. Council resolved that Magareng Local Municipality's remaining budget of R 1 255 016.00 be transferred to their operational expenditure budget as per their request. 6. Council resolved to allocate the savings from the mid-term assessment to our local municipalities as follows towards their capital expenditure. <ul style="list-style-type: none"> • Sol Plaatje Local Municipality: R 3 000.00 • Magareng Local Municipality: R 3 000.00 • Dikgatlong Local Municipality: R 2 500.00 • Phokwane Local Municipality: R 2 500.00 7. Council resolved that the other related supporting documentation to the approved budget be updated according to the adjustments made. 8. Council resolved that a hard and electronic copy of the complete adjustment budget be submitted to National Treasury, Provincial Treasury and Department of Cooperative Governance, Human Settlement and Traditional Affairs respectively for information 	27 February 2024	The adjustment budget was adopted and implemented	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Writing-off redundant assets	<ul style="list-style-type: none"> Council approved the writing off the attached list of redundant assets per asset category identification. Council approved, subject to recommendation 1 above, that the assets be donated to local municipalities, non-profit organisations and/or schools in the Frances Baard District in term of the Asset Management and Supply Chain Management policies. 	27 February 2024	The assets were written-off and have been disposed to NGO/ Schools and local municipalities	
Draft Annual report for the financial year ended 30 June 2023	<ul style="list-style-type: none"> Council Noted the Report Council approved the oversight report by MPAC. Council approved the 2022/2023 annual report without reservations. 	27 March 2024	No action required	
Amendment of Supply Chain Management Policy	<ul style="list-style-type: none"> Council noted the report. Council approved the amendments to supply chain management policy. 	27 March 2024	The policy was adopted and is implemented	
Additional two cleaner positions to the staff establishment	<ul style="list-style-type: none"> Council noted the report. Council approved the addition of the two cleaner positions, one for the fire station in Jan Kempdorp and the other for the new building at the municipal office. 	27 March 2024	Positions were added to the organogram and the vacancies advertised accordingly. Recruitment process is ongoing.	
Draft District Integrated Development Plan (Review 2023/24; Planning 2024/25)	<ul style="list-style-type: none"> Council noted the draft district IDP (Review 2023/24; Planning 2024/25). Council approved the draft district IDP (Review 2023/24; Planning 2024/25) 	27 March 2024	No action required	
Draft Budget for the 2024/25 Financial Year	<ol style="list-style-type: none"> Council resolved that the draft annual budget of the municipality for the financial year 2024/25 and indicative of the projected outer years 2025/26 and 2026/27 be approved as set out in the following schedules: <ol style="list-style-type: none"> Budget summary – Table A1. Budgeted financial performance (Revenue and Expenditure by standard classification) – Table A2. Budgeted financial performance (Revenue and expenditure by standard classification) - Table A3. Budgeted Financial Performance (Revenue and Expenditure) -Table A4. Budgeted capital expenditure by vote, standard classification, and funding – Table A5. Budgeted Financial Position - Table A6. Budgeted Cash Flows – Table A7. Cash backed reserves/ accumulated surplus reconciliation – Table A8. Asset Management – Table A9. Basic service delivery measurement – Table A10. <ol style="list-style-type: none"> Council approved the further refinement of the draft budget with regards to prescribed supporting documentations and consideration of issues raised in the item before final adoption of the budget in May 2024. 	27 March 2024	The budget was adopted and is implemented	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation														
District Integrated Development Plan Review 2023/24 Planning 2024/25	Council approves the review of the Integrated Development Planning for the 2023/24; and Planning for 2024/25	16 May 2024	No action required															
Annual Budget for the 2024/25 Financial year	<p>1. Council resolved that the annual budget of the municipality for the financial year 2024/25 as per budget related resolutions of the budget document and indicative for the projected outer years 2025/26 and 2026/27 be approved as set out in the following schedules:</p> <p>1.1 Budget Summary – Table A1</p> <p>1.2 Budgeted Financial performance (Revenue and Expenditure by Standard Function Classification) – Table A2</p> <p>1.3 Budgeted Financial Performance (Revenue and Expenditure by municipal vote) – Table A3</p> <p>1.4 Budgeted Financial Performance (Revenue & Expenditure) – Table A4</p> <p>1.5 Budgeted Capital Expenditure by vote, functional standard classification and funding _ Table A5</p> <p>1.6 Budgeted Financial Position – Table A6</p> <p>1.7 Budget Cash Flow – Table A7</p> <p>1.8 Cash backed reserves/accumulated surplus reconciliation – Table A8</p> <p>1.9 Asset Management – Table A9</p> <p>1.10 Basic service delivery measurement – Table A10</p> <p>2. Council noted the approved amended Integrated Development Plan for the budgeted year 2024/25 as a separate item to Council</p> <p>3. Council approved the measurable performance objectives for Revenue, Expenditure and Capital from each source reflected in Tables SA4 to SA6 for the budget year 2024/25</p> <p>4. Council approved the addition of R 1 520 000.00 for the following:</p> <table border="1" data-bbox="1023 1211 1302 1816"> <thead> <tr> <th>Project Name</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Gazetting of By-laws</td> <td>R 120 000.00</td> </tr> <tr> <td>FBDM Website</td> <td>R 250 000.00</td> </tr> <tr> <td>Ultra-high pressure skid unit</td> <td>R 320 000.00</td> </tr> <tr> <td>Procurement Skid units</td> <td>R 130 000.00</td> </tr> <tr> <td>Replacement of CCTV System</td> <td>R 700 000.00</td> </tr> <tr> <td>Total</td> <td>R 1 520 000.00</td> </tr> </tbody> </table> <p>5. Council approved the roll-over of R 831 000.00 for the project on machinery and equipment and the development of the precinct plan: Magareng Local Municipality</p> <p>6. Council approved the addition of R 1 540 510.00 for the Microsoft software license renewal to the 2024/25 budget</p> <p>7. Council noted that the SDBIP will be tabled to the Executive Mayor within the prescribed time frame as stipulated in the MFMA</p>	Project Name	Amount	Gazetting of By-laws	R 120 000.00	FBDM Website	R 250 000.00	Ultra-high pressure skid unit	R 320 000.00	Procurement Skid units	R 130 000.00	Replacement of CCTV System	R 700 000.00	Total	R 1 520 000.00	16 May 2024	The budget was approved and implemented.	
Project Name	Amount																	
Gazetting of By-laws	R 120 000.00																	
FBDM Website	R 250 000.00																	
Ultra-high pressure skid unit	R 320 000.00																	
Procurement Skid units	R 130 000.00																	
Replacement of CCTV System	R 700 000.00																	
Total	R 1 520 000.00																	

Item submitted to Council	Resolution	Date	Action taken	Reason for non-implementation
Writing-off redundant assets	<ul style="list-style-type: none"> Council approved the writing-off of the redundant assets hereto as per asset category identification. Council approved that the assets written-off be donated to local municipalities, non-profit organisations and/or schools in the Frances Baard District in terms of the Asset Management and Supply Chain Management policies 	26 June 2024	Assets were written-off and the process of being donated.	
Request for the Approval of the Job Evaluation Outcome Report	<ol style="list-style-type: none"> Council considered the report Council approved the implementation of the final outcomes of the job evaluation report as recommended by the Provincial Job Evaluation Auditing Committee. 	26 June 2024	Resolution and report was fully implemented	
Request to assist Magareng Local Municipality financially	<ol style="list-style-type: none"> Council noted the content of the report. Council approved the request for a financial assistance to the amount of R 2 400 000 to Magareng Local Municipality towards payment of their June 2024 salaries. Council approved that the Magareng Local Municipality will not receive any amount should there be savings to allocate to our local municipality during 2024/25 mid-term assessment and adjustment budget; and Council approved that Council of Magareng Local Municipality must submit a resolution of their plan of action for the revenue enhancement mechanisms to the municipality by 31 July 2024. 	26 June 2024	The Council approved the request and the money was transferred to MLM in June 2024.	
Upper Limits of Total Remuneration Packages Payable to Municipal Managers and Managers Directly Accountable to Municipal Managers	<ul style="list-style-type: none"> Council noted the report. Council noted the cost-of-living adjustment and the implementation of the upper limits of the total remuneration packages payable to senior managers in accordance with Government Notice No.50737 dated 30 May 2024, retrospective from 01 July 2023. 	26 June 2024	The report was noted by council and salary adjustment was implemented.	

2.2 Administrative Governance

As the Accounting Officer, the Municipal Manager serves as the critical link between the municipality's administration and its political leadership. This role ensures that the municipality fulfils its constitutional and legislative mandates effectively. The Municipal Manager is supported by senior managers (Heads of Departments or HODs), who provide strategic advice and administrative guidance while upholding fiduciary responsibilities.

Council decisions are informed by recommendations from the administration. Policies and strategies are thoroughly discussed and refined through workshops before being presented for council approval. Oversight of administrative performance is rigorously maintained through structures such as the Municipal Public Accounts Committee (MPAC), the Audit Committee, and Section 80 Committees. These mechanisms enhance transparency and accountability.

The municipality's governance framework is designed to uphold good governance principles, in alignment with the King III and King IV Reports on corporate governance. The Audit Committee and Internal Audit Unit play pivotal roles in monitoring compliance and improving internal controls, processes, and procedures. This ensures a robust governance environment that promotes transparency, accountability, and adherence to legislative requirements.

Clear distinctions are made between the roles and responsibilities of officials and political office bearers, ensuring regular monitoring, oversight, and accountability. Policies and procedures are in place to support statutory compliance, fostering an operational environment that prioritizes efficiency, equity, and transparency. These measures underpin the municipality's ability to perform effectively, providing direction, improving accountability, and driving performance.

Key internal controls focus on leadership, financial management, governance, and performance management. Strategic planning enables the municipality to set priorities, make informed decisions, and engage meaningfully with stakeholders. Public and stakeholder engagements are central to promoting transparency and accountability while addressing community needs.

Performance management processes are robust and compliant with legislative requirements. All executive managers have signed performance agreements, reinforcing the commitment to achieving set objectives. A heightened focus on monitoring and evaluation ensures continuous improvement and the achievement of performance targets.

The municipality maintains strong governance of its supply chain processes, guided by well-established structures and systems. Regular reviews of the supply chain policy ensure ongoing compliance with procurement regulations, promoting fairness, accountability, and transparency in all procurement activities.

Through these measures, the municipality demonstrates its dedication to good governance, efficient service delivery, and the sustainable development of its community.

2.2.1 Top Administrative Structure

Tier 1



Ms ZM Bogatsu
Municipal Manager

Tier 2



Ms Onneile Moseki
Acting Chief Financial
Officer



Mr Tumelo Ndlazi
Acting Director:
Administration



Mr Rorisang Setshogoe
Acting Director:
Infrastructure Services



Mr Freddy Netshivhodza
Acting Director: Planning
& Development

Tier 3

Third Tier Structure	
Directorate	Manager
Office of the Municipal Manager	Internal Audit Manager, Vacant
	Communications & Media Relations, Ms Gerline Roman
	Office Manager: Committee Services & Administration, Vacant
	Manager: Legal & Compliance, Mr Kgosietsile Matlakala
	Chief Risk Officer: Mr Solomon Pitso
Finance	Assistant Director Budget & Treasury, Ms Onneile Moseki
	Chief Accountant Budget & Support Services, Vacant
	Chief Accountant Supply Chain Management, Mr Philip Souden
	Chief Accountant Income & Expenditure, Ms Adele Groenewald-Shields
Infrastructure Services	Manager: Physical Infrastructure Development, Mr Rorisang Setshogoe
	Housing Manager, Mr Saligh Suliman
Planning & Development	Local Economic Development & Tourism Manager, Mr Lesego Ngwira
	GIS Manager, Mr Matthews Makinta
	Snr. Town Planner, Mr Freddy Netshivhodza
Administration	IDP/PMS Manager, Vacant
	Human Resources Manager, Mr Tumelo Ndlazi
	Fire & Disaster Manager, Mr Clifford Jones
	Environmental Health Manager, Mr Kenneth Lucas
	Manager Archives, Records & Support Services, Mr Mngqobi Ngcobo
	ICT Manager, Mr Kagisho Moruri

2.3 Intergovernmental Relations

We are required by section 42 of the Constitution to co-operate with organs of state in mutual trust and good faith, and do so through established structures for the promotion of inter-governmental relations. In ensuring provision for services to our local communities, implementation of government programmes and policies, it has become evident that close co-operation between the three spheres of government is essential.

FBDM has, therefore, adopted a shared services model with its local municipalities to ensure that the available budget and technical skills are utilised effectively for the benefit of the entire district. In complying with the intergovernmental relations legislative mandate, FBDM is a member of the following fora:

District Development Model

The District Development Plan (DDM) was adopted by cabinet on the 21st of August 2019 as integrated approach by which the three spheres of government and will private sector work jointly to ensure higher performance and accountability for coherent service delivery and development outcomes. The vision for the district model has been articulated through the slogan: *“One District, One Budget and One Plan”*.

In the absence of the district coordination hub, Frances Baard District Municipality (FBDM) was tasked with facilitation and co-ordination of technical and political meetings, assist with the compilation of the one plan, progress reporting, and collating information on catalytic projects. The stakeholders are required to fully participate in developing and reviewing of the one plan.

The Executive Mayor, the Deputy Minister in the Presidency and the Members of Executive Council responsible for local government and sports and culture, respectively, serve as the champions of the Frances Baard district DDM. The meetings of the champions are preceded by the technical meeting to the DDM.

Provincial Intergovernmental Structure

The Premier’s Intergovernmental Forum is chaired by the Premier and he co-ordinates the alignment of the provincial and municipal development and strategic planning, as well as sharing of matter of interest across the three spheres of government.

District Intergovernmental Structures

The Executive Mayor convenes the District Intergovernmental Relations Forum which comprises of all local municipalities within the district and all sector departments. The sitting of the DIGF is preceded by the Technical DIGF which is chaired by the Municipal Manager and serves as a support structure to the DIGF.

The District Aids Council is convened and chaired by the Executive Mayor and includes sector departments and all non-governmental organisations in the district. The Council monitors progress in the implementation of government comprehensive plan on HIV/AIDS.

LED Forum

The LED Forum is a platform (institutional arrangement) where stakeholders (individuals, private organizations, government, NGO’s, CBO’s), within the district gather, with an aim to share information and experiences, pool resources and solve problems which come up in the course of implementing LED projects.

The forum is a platform for dialogue on economic policies of government between, private sector, non-governmental organizations and academia. This will be in addition to discussing important issues affecting the municipality. Moreover, the forum contributes to the process of finding appropriate solutions, through conveying recommendations to decision makers in both the executive and legislative authorities and to the business associations and economic media.

District municipalities are better positioned to provide a co-ordinating and supporting role to the local municipalities within their broad geographic areas. They have the following direct responsibilities:

- Plan and co-ordinate LED strategies within the frameworks of IDP;
- Co-ordinate LED policies, strategies and projects within the district;
- Identify lead LED sectors that can kick-start development within districts by undertaking economic research and analysis;
- Promote joint marketing, purchasing and production activities;
- Promote networking of firms within the district;
- Collect and disseminate information to assist local municipalities with LED policies;

- Identify resource availability (e.g. grants, land, infrastructure, etc.);
- Maintain a strong relationship with the province; and
- Provide the necessary training to municipalities.

District Communications Forum

The District Communications Forum is for all communicators within the district to meet and recommend to the municipalities best practices that would ensure good communication within the district.

The main objectives of the district communications forum are as follows:

- To facilitate communications amongst three (3) spheres of government;
- Create opportunities to government officials to exchange competencies, knowledge and experience;
- Gather and compile relevant information for distribution amongst members;
- To encourage professionalism, co-operation and supports between spheres of government;
- To promote training and capacity building through workshops, conferences, study tours, presentations or any other means with regards to official matters; and
- In general to promote the interest of the South African government and the objectives as an entirety.

2.4 Public Accountability and Participation

Through our public participation programme we intend to create opportunities for the political principals to be actively involved in the dialogue with communities and sharing of information about what government, in particular, the district municipality is doing to improve and add to the improvement of the lives of the community.

The programme affords an opportunity for members of the public to have greater access to the decision-making processes of the municipality. It implies that members of the public or representatives of the affected community or the role players are actively involved in the planning process of the district municipality.

To accomplish this, the district municipality will collaborate with other role players and stakeholders such as the local municipalities and sector departments in the area of jurisdiction of the municipality. Through the public participation approach, the district municipality wishes to strengthen and enable good governance and sustained service delivery.

2.4.1 IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 56 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

2.5 Corporate Governance

Both the municipal council and the administration play a vital role in ensuring a good corporate governance for the municipality. Council and its committees hold the administration accountable through monthly and quarterly reporting. Council is the highest decision making body and decisions taken by Council flow from recommendations made by the administration. Committees of council sit on a monthly basis to receive reports from the administration and this enables oversight. The Municipal Public Accounts Committee (MPAC), the Audit Committee ensure that there is a focused oversight over the work performed by the administration. The accounting officer and executive management ensure that it complies with the principles of good governance and has improved its internal controls, procedures and processes. Internal audit, risk management as well as the audit, performance and risk committee provides both management and council with an assurance in the areas of performance, risk and the management of the resources of the municipality.

2.5.1 Supply Chain Management

The municipality has put in place controls and system on supply chain management within the overall framework of the Municipal Finance Management Act and its regulation, as well as the Preferential Procurement Framework Act. All bid committees are operational and we strive to ensure that we adhere to the constitutional principles of competition, transparency, fairness and equity in all our supply chain management activities.

Competency levels

The following officials possess minimum competencies as required in terms of sections 83, 107 and 119 of the MFMA:

1. The Accounting Officer;
2. The Acting Chief Financial Officer;
3. The Manager: Supply Chain Management;
4. The Manager: Budget & Treasury Office;
5. The Manager: Income & Expenditure;
6. Accountant: Supply Chain Management;
7. Accountant: Income & Expenditure;
8. Administrator: Creditors; and
9. Clerk: Supply Chain Management.

2.5.2 Risk Management

The Frances Baard District Municipality (FBDM) has put in place risk management systems and processes to ensure compliance with MFMA Act 56 of 2003, Section 62(1)(c)(i). This legal requirement places a duty on the Municipal Manager to maintain effective, efficient, and transparent systems of financial and risk management and internal controls. The risk management unit is positioned under the office of the Municipal Manager and is providing strategic direction on the management of organisation's risks. The FBDM is currently providing a shared and support services to both Dikgatlong and Magareng local municipalities, through a memorandum of agreement, due to limited capacity. Phokwane Local Municipality is not part of this agreement. The FBDM risk management policies and strategies have been reviewed and adopted by council and are continuously being implemented. The FBDM is on a journey to become a risk intelligent municipality through adoption and implementation of National Treasury's Risk Maturity Model.

- Good Governance

The Chief Risk Officer reports directly to the Municipal Manager and functionally to the Audit, Performance and Risk Committee (APRC). Oversight role on implementation of fraud and risk management is vested with the APRC who monitors quarterly risk assessment reports. The APRC is chaired by an independent external person. The risk management processes of the FBDM were evaluated by the APRC to be adequate and effective during the year under assessment. The risk registers of the municipalities were reviewed and compiled timeously and allowed business managers to take control of action plans to mitigate the impact of identified risks. To this end, strategic and operational risks have been identified and mitigation plans put in place to ensure that the FBDM is able to proactively manage risks before occurring and those which might have occurred are treated effectively to be within tolerable levels.

- Fraud, Anti-Corruption and Whistleblowing

The Risk Management Unit facilitates fraud risk assessments that are aimed at identifying and addressing potential fraud and corruption risks which might have a significant impact on the achievement of FBDM's objectives. These fraud risk assessments were performed across the FBDM, and other two local municipalities' business units and corrective measures were taken to close the gap through treatment plans for identified risks which will continuously be monitored. The FBDM is an integral part of the district in the fight to combat and prevent malpractice, maladministration, fraud, and corruption. It is important to create an ongoing awareness for officials and councillors not to be involved in such practices themselves. To achieve this, the FBDM has developed and adopted the fraud prevention policies and strategies that are continuously being implemented and a response plan to fight any occurrences of this within the municipality. The main mechanism available to officials and councillors of FBDM and the public is to report suspected fraud, corruption, or maladministration through National Anti-Corruption Hotline. This hotline offers a toll-free number of 0800 701 701 which is available 24 hours a day, seven days a week and services are offered in 11 official languages. The internal officials can also report suspected wrongdoing to the risk management unit.

- Investigations

Upon the receipt of allegations of fraudulent and/or corrupt practices, the Chief Risk Officer obtains a mandate from the Municipal Manager to investigate the matters. After finalisation of the investigation, the Chief Risk Officer provides an investigative report to the Municipal Manager and Audit Committee who recommends for approval to the Council. The Chief Risk Officer is also a researcher for MPAC and assist the committee with the investigation of MFMA section 32 expenditure. Emerging cases of unauthorised, irregular, fruitless, and wasteful expenditure reported during the year under the review were investigated and concluded through council resolutions. There were no reported incidents of financial misconduct, fraud or corruption during the year under review.

- Ethical Culture

The Senior Executives of the municipality set an ethical tone at the top and this influences how FBDM officials respond to identified ethical challenges. The municipality is in a process of establishing a functional Ethics Committee which will ensure that ethical culture is embedded through application of ethical principles and code of conduct. In achieving a culture of integrity, FBDM is currently exploring ways on how to fit a warm body or entrench functions of ethics to an official who can perform such duties. During the year, an ethics workshop was hosted by FBDM in collaboration with COGHSTA, SALGA, Moral Regeneration Movement (MRM) and the Ethics Institute. FBDM and local municipalities' councillors and senior officials were trained on code of conduct and ethical leadership.

- Minimising conflict of interest

The FBDM have the following internal controls, as measures in place to minimise conflict of interest:

- All councillors and officials are required to complete a declaration of interest form and disclose any gifts received in the work environment that might have potential conflict of interest for them to execute their work without being bias. They are also expected to annually declare their interest in any company, trust, membership, directorship, shares or securities in a company, etc.
- All councillors and officials are expected to exercise good judgement and the highest ethical standards in their activities on behalf of the FBDM and be mindful of their activities outside the municipality. They should request a written permission and consent to conduct outside remuneration which must be approved by the Council in line with Schedule 2 of Municipal Systems Act No. 32 of 2000, paragraph 4(2)(c).

2.5.3 Website

Municipal Website: Content and currency of material		
Documents published on the Municipality's Website	Yes / No	Publishing date
Current annual and adjustment budgets and all budget-related documents	Yes	Jul 2023 - June 2024
All current budget-related policies	Yes	As and when reviewed
The previous annual report (2022/23)	Yes	June 2024
The annual report (2023/24) to be published	Yes	Apr 2025
All current performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act (2023/24) and resulting scorecards	Yes	Aug 2023
All service delivery agreements (2023/24)	Yes	Jun 2024 (SDBIP)
All long-term borrowing contracts (2023/24)		Jun 2024
All supply chain management contracts above a prescribed value (above R200,000) for 2023/24	Yes	Jun 2024
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2022/23	Yes	List of disposed assets placed on website
Contracts agreed in 2023/24 to which sub-section (1) of section 33 apply, subject to sub-section (3) of that section	Yes	June 2024
Public-private partnership agreements referred to in section 120 made in 2023/24	Yes	June 2024
All quarterly reports tabled in the council in terms of section 52 (d) during 2023/24	Yes	Loaded directly after adoption by Council

Chapter 3 - Service Delivery Performance

3.1 Infrastructure / Basic Services (KPA 1)

Objective	Outcome		
	Indicator	Unit of measure	Annual Target
To assist LM's with infrastructure upgrading, operations and maintenance	Number of municipalities assisted with the finalisation of prioritised project lists to guide the upgrading, operations and maintenance of infrastructure in the district (O&M)	Number of municipalities assisted	4 developed prioritised project lists for the LMs for 2024/25
	Amount spent on support for operations and maintenance of infrastructure in the LMs (O&M)	Amount spent (R)	Total spending of annual allocated budget (R9,555m)
	Quarterly submission of project monitoring reports developed to support infrastructure operations and maintenance in the LMs (O&M)	Number of monitoring reports submitted	4 monitoring reports submitted to Council
To create job opportunities for the unemployed through the promotion of EPWP principles	Number of full-time equivalents (FTEs) created as per DoRA and the EPWP incentive agreement	Number of FTEs created	37 FTEs Created
To support improved infrastructure planning in the district	Percentage progress on the implementation of the RRAMS project to support improved infrastructure planning in the LMs as per the approved business plan	% progress on implementation	100% Implementation of the approved business plan
To support the provision of potable water, sanitation facilities, electricity, streets and storm water households in the district	Number of municipalities assisted with the finalisation of prioritised project lists for capital infrastructure projects in the district	Number of municipalities assisted	4 developed prioritised project lists for the LMs for 2024/25
	Amount spent on support for capital infrastructure projects in the LMs	Amount spent (R)	Total spending of annual allocated budget R23,545m
	Quarterly submission of project monitoring reports developed to support capital infrastructure projects in the LMs	Number of monitoring reports submitted	4 monitoring reports submitted to Council
To facilitate the reduction of the Housing backlog	Number of human settlements sector plans reviewed	Number of sector plans reviewed	4 sector plans reviewed
	Number of progress reports submitted to Council for the facilitation of the subsidy application process	Number of reports submitted	4 reports submitted
Monitoring of human settlements development in 3 LMs	Number of reports on the accreditation programme submitted to COGHSTA and NDHS	Number of reports submitted	16 reports submitted

In the Frances Baard district, all services are delivered by the local municipalities, which include Sol Plaatje, Dikgatlong, Magareng, and Phokwane. The district municipality dedicates its resources to supporting these local entities. This support is extensive, including financial assistance, technical advisory services, and operational and maintenance aid.

The Programme Management and Advisory Services Unit, led by the Manager of Infrastructure Services, is responsible for delivering this assistance. The department’s team comprises of three engineering technicians, an EPWP coordinator, and an administrative officer.

3.1.1 Capital Programme

The Capital Programme is a critical component of our district’s development strategy, aimed at enhancing infrastructure and service delivery across Sol Plaatje, Dikgatlong, Magareng, and Phokwane municipalities. This programme was designed to assist the local municipalities to acquire infrastructure assets to improve service delivery.

For the 2023/24 financial year, funding amounting to R14.5 million has been allocated. Dikgatlong, Magareng, and Sol Plaatje local municipalities each received R3 million to supplement other state-funded grants or to initiate new capital development projects. Phokwane Local Municipality was also allocated R3 million, with an additional R2.5 million being rolled over from the previous financial year, bringing their total allocation to R5.5 million.

In January 2024, Council approved an adjustment budget, resulting in an additional R11 million being allocated. This was distributed as follows: R2.5 million to Dikgatlong and Phokwane each, and R3 million to Magareng and Sol Plaatje. Furthermore, Council approved Magareng’s request to redirect R1.255 million and Phokwane’s request to reassign R700,000 from their capital budgets to their O&M grants.

Municipality	Allocation	Amount spent	Rolled over to 2024/25
R '000			
Dikgatlong	5 500	5 500	0
Magareng	4 745	4 745	0
Phokwane	7 300	7 300	0
Sol Plaatje	6 000	6000	0
TOTAL	23 545	23 545	0

3.1.2 Operation and Maintenance

Allocations are made to support the operation and maintenance (O&M) of municipal infrastructure to ensure effective service delivery. For the 2023/24 financial year, funding amounting to R7.6 million has been allocated. Each local municipality—Sol Plaatje, Dikgatlong, Magareng, and Phokwane—received R1.8 million. Additionally, R400,000 was allocated specifically for the supply and delivery of electrical equipment to Dikgatlong, Magareng, and Phokwane.

Municipality	Project Description	Allocation	Amount spent
R '000			
Dikgatlong	Operation and Maintenance	1 800	2 800
Magareng	Operation and Maintenance	3 055	3 053
Phokwane	Operation and Maintenance	2 500	2 499
Sol Plaatje	Operation and Maintenance	1 800	1 800
FBDM	Electrical equipment	400	339
TOTAL		9 555	9 491

3.1.3 Project Management & Advisory Services (KPA 1)

Employees: Programme Management & Advisory Services					
Job Level	2022/23	2023/24			
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13	2	2	2	0	0
14 - 18	5	5	4	0.48	10%
19 - 26	0	0	0	0	0
Total	7	7	6	0.48	7%

Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2023/24: Programme Management & Advisory Services					
					R'000
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 696	3 666	3 666	3 623	1%
Expenditure:					
Employees	4 414	5 335	4 532	3 312	27%
Repairs and maintenance	–	–	–	–	–
Other ¹	29 852	26 025	36 746	36 341	1%
Total Operational Expenditure	34 266	31 359	41 279	39 653	4%
Net Operational Expenditure	30 570	27 693	37 613	36 030	4%

1. Includes the major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

Special Projects Expenditure 2023/24: Programme Management & Advisory Services					
R '000					
Special Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value ²
Total All	3 666	0	3 622	-1%	3 622
Implementation of the Rural Roads Asset Management System (RRAMS)	2 707	0	2 663	-2%	2 663
Expanded Public Works Programme (EPWP)	959	0	959	0%	959

The projects listed above are explained as follows:

Rural Roads Asset Management System (RRAMS)

The purpose of the grant as stated in the Division of Revenue Act (DoRA) is to assist municipalities in setting up their rural road asset management systems. Through this programme, the extent and condition of all municipal streets are determined and reported to be used for planning, upgrading, refurbishment and maintenance of roads. The road and traffic data are collected in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA). The project started in the 2015/16 financial year. The district has been allocated R2 707 000.00 for the implementation of RRAMS for 2023/24 financial year. The district has appointed a service provider for the implementation of the RRAMS on a three-year contract i.e. 2021/2022 to 2023/2024 financial year. This is the final year of the current cycle.

Expanded Public Works Programme (EPWP) Projects

The district municipality received an EPWP incentive grant of R959,000 for the 2023/24 financial year. Expenditure and employment created under the following projects will be reported against the allocated grant where all on-going programs are to be reported to the Department of Public Works Infrastructure and on the National EPWP Reporting System. For the 2023/24 financial year the target is 37 Full Time Equivalents (FTE) as per the project list submitted to Department of Public Works.

- **Youth Entrepreneurship Development Programme (YEDP)**

The youth entrepreneurship development programme seeks to capacitate young graduates in career development and additionally offers workplace experience and professionalism enhancement. FBDM employs graduates for periods of up to twenty-four (24) months in the following sectors: Local Economic Development (LED) Performance Management Systems (PMS) and Tourism. The project is based at the main office in Kimberley and started in July 2023.

- **Brick Production, Dikgatlong**

This project focuses on the production of interlocking bricks and kerbs using labour and raw materials; cement sand and crushed stone. Interlocking bricks produced are to be used for future roads projects to improve the infrastructure of Dikgatlong Local Municipality. The project is based in Barkly West and started in July 2023.

- **Operation and maintenance of municipal amenities, Magareng**

This project includes works in the maintenance of roads and stormwater and municipal structures within the Magareng Local Municipality including grass cutting, fencing, cleaning/clearing of blocked stormwater structures, clearing of the vacuum sewer system and general cleaning of municipal buildings using labour. This is based in Warrenton and started in July 2023.

2 The total project value indicates the total cost of the project upon completion and the amounts in the actual expenditure column is what was spent thus far. Projects implemented over a number of years will show actual expenditure less than the total project value. It indicates that the project is running over more than one year and will be completed in the outer years.

Project description	Budget (R '000)	Actual expenditure (R '000)	Labour			Project status
			M	F	D	
EPWP Projects						
Youth entrepreneurship development programme	275	275	1	9	0	Project is complete
Brick Production Dikgatlong	324	324	11	4	0	Project is complete
Operation and maintenance of municipal amenities, Magareng	360	360	14	24	0	Project is complete
TOTAL	959	959	26	37	0	

3.1.4 Housing (KPA 1)

We continue to support the three local municipalities—Dikgatlong, Magareng, and Phokwane—by administering subsidies and ensuring quality through our building inspectorate.

Our building inspector plays a crucial role in assisting Magareng and Dikgatlong municipalities with processing and recommending approvals or corrections for building plans. This is part of our building control process to ensure all structures comply with building regulations and by-laws, and to identify any non-compliant or unregistered structures.

For the next five years (2024-2028), we have compiled the Human Settlements sector plans and chapters of the Integrated Development Plan (IDP). These plans cover Dikgatlong, Magareng, and Phokwane municipalities, as well as the integrated plan and chapter for the Frances Baard District Municipality (FBDM), which includes Sol Plaatje Local Municipality.

The Human Settlements Sector Plans are comprehensive strategic documents created every five years to guide the development and management of housing and related infrastructure. These plans are vital for ensuring sustainable and equitable human settlements and are reviewed annually to stay relevant and responsive to changing needs. Key aspects include:

- **Long-term Vision:** Establishes a strategic framework for housing development over a five-year period.
- **Annual Review:** Allows for adjustments based on new data, emerging trends, and evolving community needs.
- **Compliance and Alignment:** Ensures alignment with national policies, regulations, and local development priorities.
- **Resource Allocation:** Guides the distribution of financial and technical resources to support housing projects.
- **Performance Monitoring:** Tracks progress and evaluates the effectiveness of implemented strategies.

Function	Brief Description
Projects initiation, planning and approval	This involves the identification of new projects, conducting feasibility studies, preparing business plans for funding and facilitating the approval process
Project/Programme Management and contract administration	Management of the different housing programmes being implemented; monitoring the overall performance against the project plan and cash flow; ensuring that contractual obligations and fulfilled by all parties involved
Subsidy administration	Administration of the Housing Subsidy System on behalf of the Municipalities; provide a list of approved beneficiaries to the contractor; rectify any errors on the system; assist applicants with the completion of subsidy forms; conduct housing consumer education sessions to capacitate and create awareness amongst the communities
Quality Assurance	Enforcement of the National building regulations, norms, and standards in respect of all buildings
Housing backlog identification and quantification	Through the National Housing Needs Register (NHNR), identify and quantify the housing backlog per municipality
Capacity Development	Provide capacity to communities through the Housing Consumer Education programme. Municipal housing officials are also capacitated, more specifically on housing administration and project management

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Annual Target
To facilitate the reduction of the housing backlog	Number of human settlements sector plans reviewed	Number of sector plans reviewed	4x sector plans reviewed
	Number of progress reports submitted to Council for the facilitation of the subsidy application process	Number of reports submitted	4 reports submitted
Monitoring of human settlements development in 3 local municipalities	Number of reports on the accreditation programme submitted COGHSTA and NDHS	Number of reports submitted	16 reports submitted

Employees: Housing Services					
Job Level	2022/23	2023/24			
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13*	4	9	4	2.56	28.44%
14 - 18**	1	5	0	0.15	3%
19 - 26	0	0	0	0	0
Total	5	14	4	2.71	19%
8 posts unfunded					

Financial Performance 2023/24: Housing Services					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-
Expenditure:					
Employees	3 052	3 199	3 199	2 958	92%
Repairs and maintenance	-	-	-	-	0%
Other ¹	990	1 107	1 125	501	44%
Total Operational Expenditure	4 042	4 306	4 324	3 458	80%
Net Operational Expenditure	4 042	4 306	4 324	3 458	80%

1. Includes the major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

3.2 Planning and Development

The planning and development department consists of four functions which provide support and shared services to the local municipalities in the district.

Spatial Planning (KPA 3)

- The district ensures that the local municipalities (LMs) adhere to the provision of the Spatial Planning and Land Use Management Act. The following activities were performed for the year under review:
- The established District Municipal Planning Tribunal (DMPT) has been effectively operational since November 2016 for a period of five years and came to end 15 November 2021. The new term of five years started on 06 June 2022 for a period of five years.
- The Magareng Precinct development plan is at 86% completion at year-end.

Geographic Information System (GIS) (KPA 3)

- GIS provides spatial information to all stakeholders for planning and resource allocation purposes. For the financial year 2023/24 we report the following:
- The Dikgatlong, Phokwane, Sol Plaatje and Magareng Local Municipalities received training in GIS.
- Provided support to Dikgatlong, Phokwane, Magareng and Sol Plaatje Local Municipalities on all GIS related queries.

Local Economic Development (LED) and Tourism (KPA 2)

The district municipality renders assistance to local municipalities on local economic development and tourism. This includes the development of SMMEs for inclusive growth. The municipality achieved the following:

- Hosted the Global Entrepreneurship Week to promote SMMEs development;
- Selected 49 SMME to be supported with machinery and equipment grant;
- Conducted an evaluation of informal traders within the four local municipalities;
- Attended Indaba trade Expo in Durban to exhibit products and services offered within the district.
- Hosted the tourism association and quarterly forums;
- Conducted school tourism business plan competition;
- Conducted tourism awareness campaign in the district;
- Conducted N12 tourism promotional campaigns;
- Marketed the district in a renown tourism magazines.

In discharging its legislative mandate, the district municipality encounters operational challenges. These include:

- Infrastructure dilapidation and poor capital investment which impede on economic development and job creation.
- Lack of capacity: There is limited capacity in the local municipalities to facilitate the implementation of the spatial planning projects.
- Limited buy-in: This causes delays in project implementation and negatively affects expenditure of the allocated budget for the projects.
- Local municipalities lack resources and are embedded with weak institutional capacity to implement and enforce the approve plans.

Performance Management System (PMS) and Integrated Development Planning (IDP) (KPA 3)

FBDM has a statutory mandate to support and assist local municipalities within its area of jurisdiction to strengthen its PMS function and to support local municipalities in the development of their IDPs. The PMS and IDP unit support the local municipalities in the following:

- Quarterly steering committee meetings and representative forum to ensure constant engagement and consultations with local municipalities on implementation of PMS and development of their IDPs.
- Functional representative forum to encourage collaboration and dialogue between the municipality and stakeholders. The exchange of ideas and concerns will contribute to the development of a more inclusive and responsive IDP, ensuring that community needs are addressed.
- To assess and provide an analysis report on the IDP and SDBIP of local municipalities. This exercise assists with the development of the IDP and SDBIP.

3.2.1 Spatial Planning (KPA 3)

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Target
To facilitate the development of urban and rural areas in accordance with the relevant legislation.	Percentage of land development applications received from LMs processed	% Progress	100% processed applications received
	Percentage progress on the development of 2x precinct plans	% Progress	100% development of 2x precinct plan (Magareng & Dikgatlong LM)

Employees: Spatial Planning Services					
Job Level	2022/23	2023/24			
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13	1	1	1	0	0
14 - 18	3	3	3	0	0
19 - 26	0	0	0	0	0
Total	4	4	4	0	0

Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2023/2024: Spatial Planning Services					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	–
Expenditure:					
Employees	2 358	1 725	–	1 971	0%
Repairs and Maintenance	–	–	–	–	0%
Other ¹	333	608	–	449	0%
Total Operational Expenditure	2 690	2 333	–	2 420	0%
Net Operational Expenditure	2 690	2 333	–	2 420	0%

Special Projects Expenditure 2023/2024: Spatial Planning Services					
R' 000					
Special Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	450	0	331	-36%	331
District Municipal Planning Tribunal (DMPT).	50	0	22	-127%	22
Dikgatlong precinct development plan	400	0	309	-29%	309

District Municipal Planning Tribunal (DMPT)

The DMPT has been established in terms of Sections 34 and 35 of the Spatial Planning and Land Use Management Act of 2013 to receive and decide upon categories of land use and land development applications. In the 2023/24 financial year 42 applications were received which included, relaxation of building lines and parking, township establishments, rezoning, sub-divisions, consolidations, relaxation of building lines, consent use application for the purpose of a telecommunication mast and a base station and the removal of the title deed conditions.

Development Plan of the Dikgatlong Precinct plan

The main purpose of a precinct plan is to provide more detailed proposals for areas that are anticipated to have significant growth and development over the course of time. The Magareng Municipality Spatial Development Framework, 2014 proposed the development of urban design/precinct frameworks for Ikhutseng and Warrenton into attractive settlement for new and existing businesses. The draft precinct plan has been completed but the finalisation of the plan will be done in the 2024/25 financial year.

3.2.2 Geographic Information System (GIS) (KPA 3)

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Target
To promote the use of GIS as a tool in the district	Percentage access and maintenance of GIS in the district	% Progress	Revisit billing data base for Phokwane

Employees: Geographic Information System Services					
Job Level	2022/23	2023/24			
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13	0	1	1	0.24	23.60%
14 - 18	1	1	1	0	0
19 - 26	0	0	0	0	0
Total	1	2	2	0.24	12%

Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2023/2024: Geographic Information System Services						R'000
Details	2022/23	2023/24				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	–	–	–	–	–	
Expenditure:						
Employees	1 448	1 764	1 764	1 528	13%	
Repairs and Maintenance	–	–	–	–	–	
Other ¹	173	267	267	187	30%	
Total Operational Expenditure	1 621	2 030	2 030	1 715	16%	
Net Operational Expenditure	1 621	2 030	2 030	1 715	16%	

3.2.3 Local Economic Development (KPA 2)

FBDM aims at creating and enabling environment for LED and SMME's to do well in the district and create the necessary employment that we need in the district. Partnering with various stakeholders, most importantly communities, is key in making sure that projects materialised in our communities. LED plays a major role in making sure that we stimulate the district economy, create and support new enterprises, redistribution of available resources so that we can alleviate the triple challenges of poverty, unemployment and inequality.

OBJECTIVES	OUTCOME			Target
	Indicator	Unit of measure		
To support the development of a diverse economy	Percentage completion of programmes aimed at the diversification of the district economy	% Progress on completion		2x programmes
To support the development of learning and skilful economies	Percentage completion of programmes aimed at developing learning and skilful economies	% Progress on completion		2x programmes
To facilitate the development of enterprises	Percentage completion of programmes aimed at developing enterprises	% Progress on completion		1x programme
To facilitate the development of inclusive economies	Percentage completion of programme aimed at developing inclusive economies	% Progress on completion		1x programme

1. Includes the major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

Employees: Local Economic Development / Tourism Services					
Job Level	2022/23	2023/24			
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
1 - 3	0	0	0	0	0
4 - 8	2	2	2	0	0
9 - 13	2	3	2	0.51	17.07%
14 - 18	2	2	2	0	0
19 - 26	0	0	0	0	0
Interns*					
Total	6	7	6	0.51	7%

Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. * The interns are not counted as part of the permanent staff for the unit. Eight (8) interns were terminated during the 2021/22 financial year.

Financial Performance 2023/24 Local Economic Development Services						R'000
Details	2022/23	2023/24				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	–	–	–	–	–	
Expenditure:						
Employees	2 431	3 409	3 409	2 644	78%	
Repairs and Maintenance	–	–	–	–	–	
Other ¹	1 519	2 468	2 468	997	40%	
Total Operational Expenditure	3 950	5 876	5 876	3 642	62%	
Net Operational Expenditure	3 950	5 876	5 876	3 642	62%	

Special Projects Expenditure 2023/2024: Local Economic Development Services						R' 000
Special Projects	2023/24					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	1,020	0	925	-10%	925	
FBDM Global Entrepreneurship Week	600	0	508	-18%	508	
Local Expo (Pop-up Market)	20	0	17	-18%	17	
Diamonds and Dorings	400	0	400	0%	400	

FBDM Global Entrepreneurship Week

The GEW is a global celebration of entrepreneurship that takes place annually across the world. During this week, stakeholders from various countries worldwide come together through local, national, and global events to create solutions for worldwide economic growth. The district event took place from 25 - 27 November 2023. The main objectives of the entrepreneurship week include ensuring that: SMMEs get access to information; access to funding opportunities; access to markets and competitiveness.

Local Expo (Pop-up Market)

FBDM in collaboration with SEDA hosted the Pop-Up Market at Diamond Pavilion Mall on 1- 2 March 2024. The aim of this initiative is to improve SMMEs growth through the development of competitive local products. Themed “Show your Love for Local Brands”.

Diamonds and Dorings

The Diamonds and Dorings is an annual jazz and music festival hosted annually by the Sol Plaatje local municipality, in collaboration with the Department of Sport, Arts and Culture (main funder for this year) together with the Frances Baard District Municipality, Department of Economic Development and Tourism and the Northern Cape Tourism Authority. The event took place on 31 March 2024 at the Langleg Pleasure Resort. The main aim of the festival is to firstly increase attendee numbers and associated spending which would boost the economy of the host city and Northern Cape Province and secondly to boost the Northern Cape Province’s reputation as a tourists and events destination.

Jobs Created during 2023/24 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
2021/22	6	0	6	Registers
2022/23	5	0	5	Registers
2023/24	4	0	4	Registers

3.2.3.1 Tourism (KPA 2)

Tourism is not only an economic pillar but serves as a sector with great potential for economic growth in all spheres within its location. We continue to enhance our key performance area which focuses on the promotion and development of tourism within our district.

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Target
To promote tourism in the Frances Baard District	Percentage completion of programmes aimed at upgrading, restoration and promotion of tourist attractions	% Progress on completion	5x programmes
	Percentage implementation of annual action plan to facilitate strategic partnerships and participation of role players	% Implementation	100% implementation of the action plan

Special Projects Expenditure 2023/2024: Tourism					
Special Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
	Total All	1,200	28	708	-70%
Awareness Campaign	80	0	11	-641%	11
Tourism Promotion	60	0	37	-62%	37
Business Plan Competition	725	25	376	-93%	376
Tourism Association	5	3	8	-38%	8
Indaba Trade Expo	330	0	276	-20%	276

The following projects were successfully implemented during the 2022/23 financial year:

- Awareness Campaign – FBDM hosted tech savvy workshops in Kimberley during the month of November 2023 to equip tourism SMMEs with the necessary knowledge and skills to digitalise their businesses.
- N12 Promotion Campaign - The campaign was successfully held on 13-15 December 2023 with the aim to encourage travellers to travel the N12 route and market the district as a preferred holiday destination.
- Tourism promotion – The placing of tourism adverts pertaining to the tourism offerings and services rendered within the district was advertised in renowned tourism publications.
- Schools Business Plan competition – A total number of 8 schools participated in the 2023 schools business plan competition, the award ceremony was hosted on 08 December 2023 in Kimberley.
- Tourism Association – We hosted quarterly tourism association meetings in the district to ensure that we build and maintain relationships with our tourism stakeholders.
- Indaba Trade Expo – We secured an exhibition space at the Indaba Trade Expo which was held in Durban during May 2023, to market and promote the district’s tourism offerings on an international platform.

3.3 Corporate Services

3.3.1 Environmental Health (KPA 3)

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Target
To monitor and enforce national environmental health norms and standards in the Frances Baard District	Number of water samples collected and analysed to monitor water quality	Number of samples collected and analysed	480 samples collected
	Number of inspections at food premises to determine food safety	Number of inspections conducted	700 inspections completed
	Number of surface swabs collected to analyse for diseases and other health risks	Number of surface swabs collected and analysed	180 swabs collected
	Number of food handlers trained on environmental health requirements	Number of food handlers trained	420 food handlers trained
	Number of inspections conducted at non-food premises to determine health safety	Number of inspections conducted	364 inspections
	Percentage review of the municipal health services by-laws	Percentage progress	Review of municipal health services by-laws
	Percentage implementation of the environmental by-laws	Percentage implementation	Implemented by-laws
	Percentage development of environmental health tariff policy	Percentage progress	Draft environmental health tariff policy
To implement and monitor environmental planning and management in the Frances Baard District	Number of awareness campaigns implemented	Number of campaigns implemented	84 awareness campaigns implemented
	Number of environmental calendar days celebrated	Number days celebrated	7 environmental calendar days celebrated
	Number of atmospheric emissions inventory updates performed	Number of updates performed	4 updates performed
	Number of ambient air quality monitoring reports	Number of reports	4 monitoring reports
	Percentage progress on the development of the climate change project	Percentage progress	100% developed climate change project
	Percentage review of the air quality management plan	Percentage progress	Developed air quality management plan
	Percentage progress on the review of the integrated waste management plan	Percentage progress	Developed waste management plan

Employees: Environmental Health Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13	0	0	0	0	0
14 - 18 *	8	8	8	0	0
19 - 26	0	0	0	0	0
Total	8	8	8	0	0

Employees and Posts numbers are as at 30 June. Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2023/24: Environmental Health Services					
R'000					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	–
Expenditure:					
Employees	5 751	7 289	6 449	6 342	1.67%
Repairs and Maintenance	–	–	–	–	–
Other ¹	3 984	5 064	5 232	4 639	11.32%
Total Operational Expenditure	9 735	12 353	11 681	10 981	5.99%
Net Operational Expenditure	9 735	12 353	11 681	10 981	5.99%

Special Projects 2023/24: Environmental Health Services					
R' 000					
Special Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	602	88	526	-14%	526
Environmental calendar days	10	0	9	-11%	9
Awareness campaigns	28	0	24	-17%	24
Water quality monitoring	564	88	493	-14%	493

¹ Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

a) Environmental calendar days

During this period 7 Environmental calendar days were celebrated to sensitise and educate communities and learners on the importance of conserving present resources like water for the benefit of current and future generations. The following calendar days were celebrated:

- **World Recycling day**

Awareness was raised on the importance of recycling and the community was encouraged to take action to reduce the amount of waste which is disposed on landfill sites and to protect the environment;

- **Zero emissions day**

During this event the community were sensitised on greenhouse gasses which are responsible for the warming of our planet and the role they can play in the reduction of greenhouse gas emissions;

- **World Environmental Health day**

Emphasis was placed on the dissemination of knowledge on the protection and subsequent improvement of environmental health. The community was also made aware of the physical, chemical and biological factors that can potentially affect human life.

- **Global handwash day**

This event was dedicated to increase awareness and understanding about the importance of handwashing with water and soap as an effective and affordable way to prevent diseases and to save lives.

- **World food day**

This event is celebrated all around the globe. The main motive behind this global event is to make people aware of the importance of healthy diets and what the body requires. It does not only focus on eradicating world hunger but also on celebrating different types of food from around the world. Communities are also cautioned on food conservation and how to grow their own food, like vegetables.

- **World water day**

During this event, the community was sensitized on the importance of water. When water is scarce or polluted, or when people have equal, or no access, tensions can rise between communities and countries. Since there was an outbreak of cholera, the community was also informed to boil or treat the water before consuming it.

- **World no tobacco day**

The theme of the year was Protecting children from tobacco industry interference. During this event awareness was raised about the hazardous effects of tobacco on human health. Tobacco smoke not only affects the health of tobacco smokers but also to individuals who are exposed to the smoke or inhale it. The community and learners were sensitized on the negative effects of smoking tobacco on human health.

b) Environmental health awareness campaigns

Environmental awareness means being aware of the natural environment and making choices that benefit the earth, rather than hurt it. Environmental health awareness campaigns are conducted in communities and schools to help residents to become aware of the impacts on the earth created by human activities, leading to global warming. Mortality caused by unsafe water, inadequate sanitation, poor hygiene, indoor air pollution can be mitigated through environmental health awareness campaigns in the communities and schools. During these awareness campaigns the mobilisation and empowerment of communities take place which ensures community involvement and participation in environmental health for promotion of own health.

- **Sanitation awareness campaigns**

Sanitation refers to the maintenance of hygienic conditions, through services such as garbage collection and wastewater disposal. Poor sanitation is linked to transmission of diarrhoeal diseases such as cholera and dysentery, as well as typhoid, intestinal worm infections and polio. Twenty-eight awareness campaigns were conducted in communities and schools to sensitise them on the importance of health and hygiene. During these campaigns proper handwash methods were also demonstrated to communities.

- **Air quality awareness campaigns**

Air quality campaigns were conducted in the communities and at schools to create awareness on the air pollution

with specific reference to the causes, different air pollutants, effects of air pollution on the environment and human health and how to mitigate air pollution. Twenty-eight campaigns were conducted at schools and in communities to create awareness on the facts about air pollution, its causes and impacts thereof.

- **Waste management awareness campaigns**

Littering is one of the main challenges in the district, it pollutes the environment, reduces tourism and is expensive to clean up. 28 Campaigns were held in collaboration with NGOs and CDWs to pick up the waste in the communities. The main objectives of these campaigns is to minimize the amount of waste ending on landfill sites and to implement waste segregation and recycling programs to reduce the amount of garbage landing on landfill sites.

c) Water quality monitoring

Collection of drinking water samples were done in accordance to the South African National Standards for Drinking Water, 2016 to ensure compliance. During routine water sampling, cholera was detected in raw water originating from the Vaal River. The local municipalities were informed of the outbreak and residents were requested not to drink untreated water from the canals or the river. The Environmental Health Practitioners in co-operation with the Department of Water and Sanitation conducted various awareness campaigns within the affected communities where they were taught on the symptoms of cholera and how to render the water safe for drinking purposes. Pamphlets were also distributed at clinics, schools and within the communities.

3.3.2 Disaster Management & Fire Fighting (KPA 3)

The Disaster Management Act, and National Disaster Management Framework prescribes that all municipalities should provide: “An integrated and co-ordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post disaster recovery”. The National Disaster Management Framework also give guidance on how to implement the disaster management function as per identified key performance areas and enablers, which aims to reduce, or avoid, the potential losses from hazards, assure prompt and appropriate assistance to victims of disaster, and achieve rapid and effective recovery.

Climate change patterns cannot be dealt with in isolation, but rather to be integrated within the disaster management risks assessments initiatives and within existing sustainable development objectives. The Frances Baard area was affected by heavy rains, gale-force winds, floods in the past years. Unfavourable weather conditions caused damages and displacing communities, which increased the expenditure of the Contingency Fund.

The Disaster Management Framework (DMF) is a strategic policy document and guides all spheres of government in the implementation of the Disaster Management Act. Hence, the DMF of Frances Baard District Municipality (FBDM) guides all local municipalities in its area of jurisdiction in the implementation of disaster management. To be in line with the National Disaster Management Framework, the DMF of FBDM proposed four key performance areas (KPA's), namely:

- Integrated Institutional Capacity Building for Disaster Management.
- Pre-Disaster Risk Assessment.
- Pre-Disaster Reduction
- Response and Recovery.

The FBDM supports three local municipalities in its jurisdiction, namely Phokwane, Magareng and Dikgatlong to implement the provision of the Disaster Management Act. In addition, disaster management volunteers are trained on an annual basis and are deployed in cases of disastrous events. In case any assistance is needed by affected communities during incidents and disasters, the municipality has dedicated contingency funds to assist destitute families during disasters.

The Sol Plaatje Local Municipality has its own disaster management unit which operates independently from the district municipality.

Implementation of the firefighting function is almost concluded for the Phokwane Local Municipality. Frances Baard District Municipality is working closely with the Fire Protection Associations (FPA's) within its jurisdiction. The district municipality is assisting the FPA's with the supply of veldfire fighting units and inspect and maintain the units on an annual basis.

OBJECTIVE	OUTCOME		
	Indicator	Unit of measure	Target
To support 3 local municipalities by creating institutional capacity for Disaster Management	Number of volunteers trained on disaster risk management	Number of volunteers trained	20 volunteers trained
	Percentage emerging farmers trained in disaster risk management	Percentage training	100% trained emerging farmers
To reduce risks and build resilience for all communities within the district	Number of awareness programmes implemented	Number of awareness programmes	4x awareness programmes
To assist local municipalities by implementing response and recovery mechanisms as per National Disaster Management Framework	Percentage response to requests on disastrous incidents in the local municipalities.	% Assistance	100% response to all requests received
To develop institutional capacity and acquire resources for fire fighting services for 3 local municipalities	Percentage maintenance of fire fighting equipment in the 3 local municipalities as per request	% Maintenance	100% maintenance
	Percentage completion of the annual skid units inspections in 3LMS	% Completion	100% completed inspections
To ensure effective internal security measures	Percentage implementation of the security maintenance agreements	% Progress	100% Implementation

• **Volunteers**

Through the recruitment of disaster management volunteers, the capacity and support given to local municipalities has increased. Twenty (20) volunteers were trained for the period under review.

Municipal Area	Number recruited
Phokwane	15
Magareng	15
Dikgatlong	15

Other activities for 2023/24

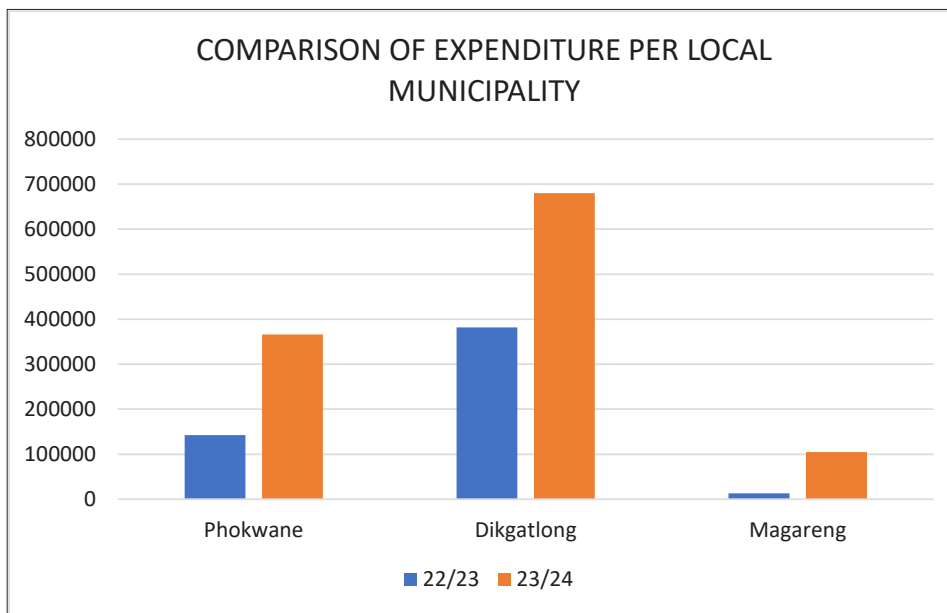
- We fully spent the contingency fund for response and recovery to assist community members with rehabilitation and social relief to communities residing within Dikgatlong, Magareng and Phokwane local municipalities. The expenditure of the contingency fund depends on the number of requests received from the local municipalities. There was an increase in weather related incidents and veldfires.
- All planned safety awareness and education campaigns were conducted with communities within the Magareng, Dikgatlong and Phokwane local municipalities to mitigate the number of domestic shack fires and the destruction it causes; and
- We fully spent the disaster conditional grant. The spending of the grant depends upon the number of requests for assistance received from the local municipalities.
- Frances Baard District Municipality in consultation with the Sol Plaatje Emergency Services and Department of Agriculture a training session for emerging farmers in the Magareng and Phokwane Local Municipality areas were held. The training includes theoretical and practical sessions to prepare farmers for the coming veldfire season and how to implement the daily fire index received from South African Weather Services (SAWS). A total of 101 emerging farmers attended the training. The training took place over a period of five (5) days.

Types of fires experienced in 2023/24	Number
Shack fires	43
Veld fires	79
Structural fires (RDP houses, privately owned / businesses)	4
Weather related incidents	43

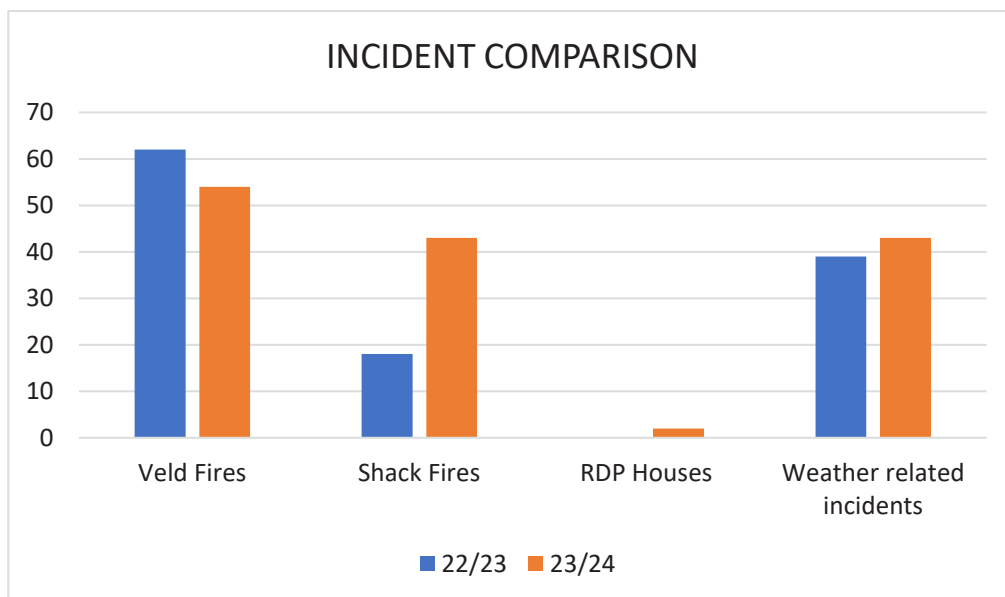
- **Contingency Fund**

A contingency fund policy was adopted to assist vulnerable and poor communities during any disastrous events. The safeguarding of many communities in rural areas is important to the district municipality and needs to be in line with national and provincial government policies. Thereby ensuring effective and efficient management of resources which will make a significant contribution towards alleviating the effects of disasters/incidents.

Assistance given to destitute families increased drastically. This is due to the number of climate change events, such as floods, gail-force winds, and heavy rains. Assistance was provided to destitute families for an amount of R 1,300.000.00 for purposes of replacement of damaged housing structures.



The graph above shows the assistance provided to destitute families in the Phokwane, Dikgatlong and Magareng local municipalities.



The graph above shows that there was an increase in shack fires, weather related incidents and RDP house fires.

Achievements

- **Integrated institutional capacity for disaster risk management in the district**

There has been an increase in the capacity and support to local municipalities because of the recruitment of disaster management volunteers.

- **Effective and efficient response and recovery to assist destitute families**

All requests received from local municipalities to assist destitute communities were responded to. The contingency fund was used for rehabilitation and social relief of disaster-stricken communities residing within the affected areas of Dikgatlong, Magareng and Phokwane municipalities. The services of the Department of Human Settlement were requested to assist with repairing damages to communities affected by gale-force winds and heavy rains.

- **Disaster Risk Reduction (Awareness Campaigns)**

Safety awareness and education campaigns were conducted with all communities living within informal settlements where shack fires occur on a regularly basis. These awareness programmes were held at Magareng, Dikgatlong and Phokwane local municipalities to mitigate the number of domestic/shack fires and the destruction to life and property. The Provincial Disaster Management Centre, other sector departments together with the Frances Baard District Municipality embarked on an awareness campaign within the district. The programmes presented were as follows:

1. Fire safety in and around the house.
2. The importance to have emergency evacuation plans for schools and creches.
3. Water Safety.
4. The prevention of veld fires in informal settlements.

Employees: Fire Fighting & Disaster Management Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	0	0	0	0	0
4 - 8	4	8	5	1.50	19%
9 - 13	3	5	3	1.02	20.48%
14 - 18	1	1	1	0	0
19 - 26	0	0	0	0	0
Total	8	14	9	2.53	18%

Employees and Posts numbers are as at 30 June. Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance 2023/24: Fire Fighting & Disaster Management Services						R'000
Details	2022/23	2023/24				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	–	–	–	–	–	
Expenditure:						
Fire fighters	–					
Other employees	4 762	8 257	6 822	5 278	77%	
Repairs and Maintenance	–	–	–	–	–	
Other ¹	3 081	4 440	5 261	3 330	63%	
Total Operational Expenditure	7 843	12 696	12 083	8 607	71%	
Net Operational Expenditure	7 843	12 696	12 083	8 607	71%	

Capital Expenditure 2023/24: Fire Fighting & Disaster Management Services						R' 000
Capital Projects	2023/24					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	1,730	20	582	-197%	582	
Procurement of skid units for veldfire fighting purposes.	130	0	93	-40%	93	
Procurement of Ultra high pressure skid unit.	300	20	0	0	0	
Replacement of CCTV system.	700	0	0	0	0	
Replace 100kVa Generator with 200kVa generator.	600	0	489	-23%	489	

Procurement of skid units for veldfire fighting purposes

The skid units will be used as part of the basic fire management tools when fighting veld fires and will be used during veld firefighting operations.

Procurement of Ultra high-pressure skid unit for shack and veldfire fighting purposes

The Ultra high-pressure skid unit will be used for shack and veld fires. The units also form part of the firefighting equipment that will be installed onto a vehicle to help fighting veld and shack fires.

Replacement of CCTV system.

The project was advertised and no suitable service provider could be appointed.

Replace 100kVa Generator with 200kVa generator.

A new generator (200 kVa) was installed to replace the current 100 (kVa) generator at the FBDM Offices.

¹ Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

Special Projects 2023/24: Fire Fighting & Disaster Management Services					
					R' 000
Special Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	650	800	1,381	53%	1,381
Volunteer Training	150	0	81	-85%	81
Contingency Fund	500	800	1,300	62%	1,300

Volunteer training

The district municipality annually conducts training for disaster management volunteers. Through the recruitment of disaster management volunteers, the capacity and support given to local municipalities is increased as these trainees can be called upon to help when the need arises. The training presented to the volunteers concentrated on disaster related risks and threatening situations utilizing basic disaster management concepts and indigenous knowledge.

Contingency Fund

Assistance was provided to destitute families in the Dikgatlong, Magareng and Phokwane municipal areas. There was an increase in expenditure because of an increase in weather related incidents as a result of climate change.

3.4 Corporate policy offices and other services

3.4.1 Executive and council

We are a mayoral executive system municipality which is comprised of section 80 committees (Finance, Policy & Institutional Development, Social Development, Infrastructure Development and Economic Development). Council for 2023/24 was made up of 29 members - 16 female, 13 male. The number of councillors increased by two in the 2021 local government elections.

The Executive Mayor is the political head of the municipality and fulfils an oversight role collectively with council. She appointed her Mayoral Committee to assist her to perform and ensure integration of the work of the municipality across all committees and departments. The Speaker is the chairperson of Council and presides over the meetings of council and is also responsible for the discipline of councillors in terms of the Code of Conduct of Councillors. The Speaker ensures the effective functioning of the business of council and its committees.

The committees of Council meet on a monthly basis, except for the months of August and October, and formulate their respective recommendations to council.

Employees: The Executive and Council					
Job Level	2022/23		2023/24		
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	0	0	0	0	0
4 - 8	1	1	1	0	0
9 - 13	8	8	7	0.33	4.15%
14 - 18	2	2	1	0.03	1%
19 - 26	0	0	0	0	0
Total	11	11	9	0.90	8%

Financial Performance 2023/24: The Executive and Council					
					R'000
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	355	–	395	280	71%
Expenditure:					
Employees	589	1 000	1 000	446	45%
Remuneration of Councillors	8 190	10 221	10 221	7 735	76%
Repairs and Maintenance	–	–	–	–	–
Other ¹	2 485	3 392	3 740	2 801	75%
Total Operational Expenditure	11 265	14 613	14 962	10 982	73%
Net Operational Expenditure	10 909	14 613	14 567	10 702	73%

3.4.2 Human Resource Services (KPA 3)

Objectives	Outcome		
	Indicator	Unit of measure	Target
To comply with legislative requirements relating to human resource management and development	Percentage implementation of human resource development & management	% Implementation of HR Development & Management	100% implementation
To provide HR management and development support to LMs	Percentage implementation of the annual HR support plan for local municipalities	% Support	100%

Employees: Human Resource Services					
Job Level	2022/23	2023/24			
	Employees No.	Posts No.	Employees No.	Vacancies (full-time equivalents) No.	Vacancies (as a % of total posts) %
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13	2	2	2	0	0
14 - 18	3	3	3	0	0
19 - 26	0	0	0	0	0
Total	5	5	5	0	0

Employees and posts numbers are as at 30 June. Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

¹ Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

Financial Performance 2023/24: Human Resource Services						R'000
Details	2022/23	2023/24				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	–	–	–	–	–	
Expenditure:						
Employees	3 236	3 861	3 861	4 363	113%	
Repairs and Maintenance	–	–	–	–	–	
Other ¹	1 190	2 621	2 596	1 139	44%	
Total Operational Expenditure	4 426	6 482	6 457	5 502	85%	
Net Operational Expenditure	4 426	6 482	6 457	5 502	85%	

3.4.3 Information and Communication Technology (ICT) Services (KPA 3)

Objectives	Outcome		
	Indicator	Unit of measure	Target
To upgrade obsolete ICT infrastructure and implement agile ICT solutions within the district.	Percentage upgrading of ICT infrastructure and implementation of the ICT systems	% Upgrading & Implementation	100% upgrading of ICT infrastructure & implementation of the ICT systems
To provide technical support to three local municipalities	Percentage implementation of the annual support plan	% Implementation	100% implementation

Employees: ICT Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	0	0	0	0	0
4 - 8	0	0	0	0	0
9 - 13	1	2	2	0.41	20.40%
14 - 18	1	1	1	0	0
19 - 26	0	0	0	0	0
Interns	0	0	0	0	0
Total	2	3	3	0.41	14%

Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

¹ Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

Capital Expenditure 2023/24: ICT Services						R' 000
Capital Projects	2023/24					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	1,600	200	1,463	-9%	1,463	
Desktop replacement	250	0	246	-2%	246	
Laptop replacement	150	0	127	-18%	127	
UPS batteries	100	200	105	5%	105	
Magareng server	800	0	790	-1%	790	
Magareng server room refurbishment	300	0	195	-54%	195	

Financial Performance 2023/24: ICT Services						R'000
Details	2022/23	2023/24				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	–	–	–	–	–	
Expenditure:						
Employees	1 917	2 327	2 327	1 874	81%	
Repairs and Maintenance	–	–	–	–	–	
Other ¹	2 520	3 157	3 457	2 840	82%	
Total Operational Expenditure	4 437	5 484	5 784	4 714	82%	
Net Operational Expenditure	4 437	5 484	5 784	4 714	82%	

3.4.4 Records Management (KPA 3)

We strive to remain compliant with the records related legislation with minimal challenges. Our main challenge is the lack of our own records center for disposal and appraisal of records and we depend on Provincial Archives. We also have a responsibility to render records management support to our local municipalities to build their capacity.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To comply with the provincial archives act at FBDM and support the LMs towards compliance	Percentage implementation of the annual records management and advisory plan	% Implementation	100% implementation of the plan
	Percentage implementation of the annual records management and advisory support plan	% Support	100% support
To provide effective and efficient office support functions	Percentage implementation of the office support plan	% Implementation	100%
To provide effective and cost-efficient office support services	Percentage implementation of the municipal buildings maintenance plan	% Maintenance	100% maintenance

¹ Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

3.4.5 Financial Services (KPA 5)

The Department of Finance is mainly responsible for the effective and efficient oversight and management of the municipality's assets, liabilities, revenue and expenditure according to prescribed legislation.

Budget & Treasury, Revenue & Expenditure and Supply Chain Management

OBJECTIVES	OUTCOME		
	Indicator	Unit of measure	Target
To ensure compliance to all accounting and legislative reporting requirements	Percentage compliance to budgeting and reporting requirements	% Compliance	100%
To ensure sound financial management practices according to National Treasury guidelines	Percentage implementation of sound financial management practices (Revenue&expenditure)	% Compliance	100%
To provide financial management support to the local municipalities in the district	Percentage implementation of the financial management support plan	% Support	100% implementation of the support required
To ensure implementation of supply chain management policies and related prescripts	Percentage compliance with National Treasury supply chain management system	% Compliance	100%

Employees: Financial Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
1 - 3	0	0	0	0	0
4 - 8 *	4	4	4	0	0
9 - 13	5	7	5	1.02	14.63%
14 - 18	5	6	4	0.49	8%
19 - 26	0	0	0	0	0
Interns					
Total	14	17	13	1.52	9%

Employees and posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

* 1 x unfunded post

Financial Performance 2023/24: Financial Services					
					R'000
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget ¹	Actual	Variance to Budget
Total Operational Revenue	146 390	144 351	144 461	151 007	105%
Expenditure:					
Employees	14 389	17 356	15 491	13 785	89%
Repairs and Maintenance	–	–	–	–	–
Other ¹	7 224	8 797	10 333	10 023	97%
Total Operational Expenditure	21 613	26 153	25 922	23 808	92%
Net Operational Expenditure	(124 777)	(118 198)	(118 539)	(127 199)	107%

3.4.6 Integrated Development Planning (KPA 3)

Our (IDP) remains our strategic document and a compass which steers the developmental path which the district needs to take. It articulates the priorities which are aligned to those of the four local municipalities in the district council. The alignment is the work of all our stakeholders, in both the public and the private sector. These outcomes and priorities synthesise the expressed interests and needs of the constituent parts of the municipality as tabulated in the Municipal Structures Act.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To develop and review the district municipality's IDP in compliance with legislation	Percentage development and review of the district municipal IDP	% Progress	100% reviewed 2023/24 district IDP
To support the local municipalities in the preparation and review of their IDPs	Percentage support to local municipalities in the development and review of their IDPs	% Progress	100% implementation of the 2023/24 support plan

3.4.7 Communication & Media (KPA 4)

More and more the emphasis for communication at local government level has shifted towards participatory communication. It is important to keep the community involved in all stages of development projects and thereby getting their buy-in and understanding. Aligning messages of government is important and closer cooperation between municipalities and the other spheres of government has grown in importance to ensure that one government message is taken to the communities. However, communication is still under-prioritised in the district in terms of recognition that service delivery issues go together with effective communication and participation programmes. Except for the Sol Plaatje local municipality, all local municipalities have insufficient staff for communication in the district and there is still poor planning and budgeting practices for communication activities.

¹ Includes major cost drivers i.e. printing, advertising, accommodation, travelling, motor vehicle usage, etc.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To keep the public informed on government activities in the district	Percentage implementation of the annual communication action plan	% Progress on implementation of action plan	100% implementation of the action plan
	Percentage development of communication policies	% Development	100% development of communication policies
To improve internal communication through the implementation of the internal communication plan	Percentage implementation of the internal communication plan	% Progress on the implementation of the communication plan	100% implementation of 2023/24 communication plan

3.4.8 Legal & Compliance (KPA 4)

The legal and compliance function occupies a strategic position and provides professional legal guidance; monitoring compliance with the applicable regulatory framework within which municipalities operate; develops and review contracts and other legal documents. It is also responsible for the implementation of the municipality's litigation management strategy. This strategy recognizes the fact that the role of an in-house municipal legal services unit has evolved to become a proactive and innovative partner with local municipalities within the district.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To provide legal and compliance services in the district	Percentage provision of legal advisory and compliance services in the district (as per request)	% Compliance	100%
Provision of sound legal binding contracts in the district	Percentage provision of legal contract services (as per request)	% Provision	100%

3.4.9 Internal Auditing (KPA 4)

Internal audit is an integral component of internal control, risk management and is party to the structures of those charged with governance. The objective of internal audit in discharging its duties is providing the necessary assurance and advisory services to the municipality including Magareng and Dikgatlong local municipalities. Audit plans are developed annually to carry out audits which are informed by risk assessments in addressing the underlying non-compliance and lack of controls amongst the risk universe. The audits conducted places management in a position to assess whether the controls of the municipality are sufficient and effective; and to implement recommended actions where there is a need for improvement.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To evaluate the adequacy and effectiveness of control processes and assessment of compliance with legislation in FBDM and two local municipalities	Percentage implementation of the approved internal audit plans (FBDM and 2 LMs)	% Compliance	100%

3.4.10 Risk Management (KPA 4)

Objectives	Outcome		
	Indicator	Unit of measure	Target
To manage risk activities in FBDM, Magareng & Dikgatlong LMs	Percentage implementation of annual risk plan for FBDM	% Implementation	100% implementation of annual risk plan for FBDM
	Percentage implementation of the annual risk plan for Dikgatlong & Magareng LMs	% Implementation	100% implementation of annual risk plan for Dikgatlong & Magareng LMs
To prevent and manage fraud and anti-corruption in FBDM, Magareng & Dikgatlong LMs	Percentage implementation of annual fraud and anti-corruption plan for FBDM	% Implementation	100% implementation of anti-corruption and fraud management plan for FBDM
	Percentage implementation of annual fraud and anti-corruption plan for Dikgatlong & Magareng LMs	% Implementation	100% implementation of anti-corruption and fraud management plan for Dikgatlong & Magareng LMs

3.4.11 Youth Development (KPA 4)

Our strategic intention is to mainstream youth development in all policies, programmes and plans. This provides the framework against which Frances Baard District Municipality, as well as other sectors of society in the district, to develop and implement programmes and projects that facilitates and advocates for the inclusion of youth in mainstream socio-economic life.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To facilitate and coordinate youth development in the district	Number of stakeholder engagement platforms facilitated	Number of platforms	4 platforms
	Percentage coordination of youth development programmes	% Progress	100% coordination

3.4.12 Special Programmes (KPA 4)

Objectives	Outcome		
	Indicator	Unit of measure	Target
To facilitate and coordinate special programmes in the district	Percentage facilitation and coordination of special programmes in the district	% Progress	100% implementation of approved programmes

3.4.13 Committee Services (KPA 4)

Objectives	Outcome		
	Indicator	Unit of measure	Target
To ensure the effective and efficient functioning of council and its committees	Percentage facilitation of council and its committee meetings	% Compliance	100% facilitation of committees and council meetings

3.4.14 Performance Management (KPA 3)

We have an established performance management system. The municipality also ensures that it implements and maintains a performance management system resource capacity and in line with our priorities, objectives, indicators and targets contained in our IDP.

Objectives	Outcome		
	Indicator	Unit of measure	Target
To maintain a functional Performance Management System in FBDM	Percentage implementation of the performance management annual plan	% Implementation	100% implementation of the annual plan
To provide assistance and support with performance management in the district	Percentage implementation of the annual support plan	% Progress	100% implementation of the annual support plan

3.4.15 Municipal institutional performance report 2023/24

In compliance with section 46 of the MSA of 2000, the table below refers to the performance of the municipality (targets and indicators), for 1 financial year (2023/24) and in line with the objectives stated in the SDBIP (2023/24) and the IDP of 2022/23 (page 89-110).

FRANCES BAARD DISTRICT MUNICIPALITY												
MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2023/2024 FY												
REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2023 TO 30 JUNE 2024)												
Key Performance Area	IDP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Annual Target	Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS
						POE	POE					
IPA 1. SUSTAINABLE MUNICIPAL INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY.												
1.1 Programme Management and Advisory Services												
1	To assist LMs with infrastructure upgrading, operations and maintenance	1.1	Number of municipalities assisted with the finalisation of prioritised project lists to guide the upgrading, operations and maintenance of infrastructure in the district (O&M)	Infrastructure needs list of LMs for 2023/24	4x Developed prioritised project lists for the LMs for 2024/25	Number of municipalities assisted	Council Resolution	4	4	0	N/A	N/A
		1.2	Amount spent on support for operations and maintenance of infrastructure in the LMs (O&M)	Spent R12,000,000.00 of the allocated 2022/2023 budget	Total spending of annual allocated budget R9 555 000.00	Amount spent (R)	Quarterly Reports on spending	R9 555 000.00	R9 492 263.59	-162 736.41	KPI 1.2 was achieved within the allocated budget with savings.	N/A
		1.3	Quarterly submission of project monitoring reports developed to support infrastructure operations and maintenance in the LMs (O&M)	4x Monitoring reports	4 Monitoring reports submitted to Council	Number of monitoring reports submitted	Quarterly monitoring reports	4	4	0	N/A	N/A
2	To create job opportunities for the unemployed through the promotion of EPWP principles	2.1	Number of Full-Time Equivalents (FTEs) created as per DORA and the EPWP incentive agreement	32.29 FTEs created in 2022/23	37 FTEs Created	Number of FTEs created	Quarterly Reports	37	35.71	-1.29	1.29 FTEs less were generated due to insufficient suitable internship cohort and resignations from the YEDP programme.	A complete internship cohort was appointed in the fourth quarter. The YEDP programme will continue in the 2024/25 financial year.
3	To support improved infrastructure planning in the district	3.1	Percentage progress on the implementation of the RRAMS project to support improved infrastructure planning in the LMs as per the approved business plan	100% Implemented	100% Implementation of the approved business plan	% Progress on implementation	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
						Deviation = 0% (Target Reached)		Full Compliance: 0% Deviation		Under-Performance: - % Deviation		Over-Performance: + % Deviation

FRANCIS BAARD DISTRICT MUNICIPALITY

MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2023/2024 FY

ANNUAL REPORT FOR 2023/2024 FY

REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2023 TO 30 JUNE 2024)

Key Performance Area	IDP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Annual Target	Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS	
						Verification	PoE						
KPA 1. SUSTAINABLE MUNICIPAL INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY.													
1.1 Programme Management and Advisory Services													
4	To support the provision of potable water, sanitation facilities, electricity and streets and storm water households in the district	4.1 Number of municipalities assisted with the finalisation of prioritised project lists for capital infrastructure projects in the district	Infrastructure needs list of IMs for 2023/24	4x Developed prioritised project lists for the IMs for 2024/25	Number of municipalities assisted	Council Resolution	4	4	0	N/A	N/A	N/A	
		4.2 Amount spent on support for capital infrastructure projects in the IMs	Spent R14,253,741.53 of the allocated 2022/2023 budget	Total spending of annual allocated budget R23,545,000.00	Amount spent (R)	Quarterly Reports on spending	R23,545,000.00	R23,545,000.00	R0.00	N/A	N/A	N/A	
		4.3 Quarterly submission of project monitoring reports developed to support capital infrastructure projects in the IMs	4x Monitoring reports	4 Monitoring reports submitted to Council	Number of monitoring reports submitted	Quarterly monitoring reports	4	4	0	N/A	N/A	N/A	
1.2 Housing													
5	To facilitate the reduction of the Housing backlog	5.1 Number of human settlements sector plans reviewed	4x Sector plans developed	4x Sector plans reviewed	Number of sector plans reviewed	Draft sector plans	4	4	0	N/A	N/A	N/A	
		5.2 Number of progress reports submitted to Council for the facilitation of the subsidy application process	4	4 reports submitted	Number of reports submitted	Quarterly reports	4	4	0	N/A	N/A	N/A	
6	Monitoring of human settlements development in 3 IMs	6.1 Number of reports on the accreditation programme submitted COGHSTA and NDHS	16	16 reports submitted	Number of reports submitted	Monthly / Quarterly Reports	16	16	0	N/A	N/A	N/A	
						Deviation = 0% (Target Reached)		Full Compliance: 0% Deviation		Under-Performance: -% Deviation		Over-Performance: +% Deviation	

FRANCES BAARD DISTRICT MUNICIPALITY

MUNICIPAL INSTITUTIONAL PERFORMANCE REPORT: 2023/2024 FY

ANNUAL REPORT FOR 2023/2024 FY

REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2023 TO 30 JUNE 2024)

Key Performance Area IDP Objectives	Key Performance Indicators		Annual Targets	Unit of Measure	Verification		Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS
	Baseline	Annual Target			PoE	Annual Target				
KPA 2. Local Economic Development										
2.1 Local Economic Development Unit										
7 To support the development of a diverse economy	7.1 Percentage completion of programmes aimed at the diversification of the district economy	50% Implemented 2022/23 planned programmes	2x programmes	% Progress on completion	Quarterly Reports	100.00%	100.00%	0.00%	N/A	N/A
		50% Implemented 2022/23 planned programmes	2x programmes	% Progress on completion	Quarterly Reports	75.00%	-25.00%	The training did not commence due to the incomplete cohort of the internship program, which was caused by insufficient suitable applicants for recruitment.	The training will begin in the new financial year.	
		50% Implemented 2022/23 planned programmes	1x programmes	% Progress on completion	Quarterly Reports	60.00%	-40.00%	The non-availability of some SMEs affected the verification and site inspection processes, which impacted the timeframes of the project cycle.	The project cycle will be completed in the first quarter of the 2024/25 financial year.	
8 To support the development of learning and skilful economies	8.1 Percentage completion of programmes aimed at developing learning and skilful economies	100% Implemented 2022/23 planned programme	1x programmes	% Progress on completion	Quarterly Reports	100.00%	100.00%	0.00%	N/A	N/A
		100% Implemented 2022/23 planned programme	1x programmes	% Progress on completion	Quarterly Reports	100.00%	100.00%	0.00%	N/A	N/A
9 To facilitate the development of enterprises	9.1 Percentage completion of programmes aimed at developing enterprises	90% Implemented 2022/23 planned programmes	5x programmes	% Progress on completion	Quarterly Reports	100.00%	100.00%	0.00%	N/A	N/A
		100% Implemented 2022/23 planned programme	100% Implementation of the action plan	% Implementation	Quarterly Reports	100.00%	100.00%	0.00%	N/A	N/A
10 To facilitate the development of inclusive economies	10.1 Percentage completion of programmes aimed at developing inclusive economies	Percentage completion of programmes aimed at upgrading, restoration and promotion of tourist attractions	Percentage implementation of annual action plan to facilitate strategic partnerships and participation of role players							
2.2 Tourism Unit										
11 To promote tourism in the Frances Beard District	11.1 Percentage completion of programmes aimed at upgrading, restoration and promotion of tourist attractions	90% Implemented 2022/23 planned programmes	5x programmes	% Progress on completion	Quarterly Reports	100.00%	100.00%	0.00%	N/A	N/A
		100% Implemented 2022/23 action plan	100% Implementation of the action plan	% Implementation	Quarterly Reports	100.00%	100.00%	0.00%	N/A	N/A
Deviation = 0% (Target Reached)					Full Compliance: 0% Deviation		Under-Performance: -% Deviation		Over-Performance: +% Deviation	

Key Performance Area IDP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS
					Annual Target	PoE				

3. Institutional Development and Transformation

3.1 Environmental Health Management										
12 Environmental Health Management To monitor and enforce national environmental health norms and standards in the Frances Baard district	12.1	Number of water samples collected analysed to monitor water quality	240 water samples collected and analysed	480 samples collected	Number of samples collected and analysed	Quarterly reports	521	+41	More water samples were collected due to the cholera outbreak and re-sampling of water points.	N/A
	12.2	Number of inspections at food premises to determine food safety	700 inspections at food premises	700 inspections completed	Number of inspections conducted	Quarterly reports	709	+9	More inspections were conducted to follow up on the previously non-compliant premises.	N/A
	12.3	Number of surface swabs collected to analyse for diseases and other health risks	180 Surface swabs collected to analysed	180 swabs collected	Number of surface swabs collected & analyse	Quarterly report	185	+5	Additional swabs were collected from food handlers at schools.	N/A
	12.4	Number of food handlers trained on environmental health requirements	420 Food handlers trained	420 food handlers trained	Number of food handlers trained	Quarterly reports	438	+18	Additional street food vendors were trained.	N/A
	12.5	Number of inspections conducted at non-food premises to determine health safety	335 inspections conducted at non-food premises	364 inspections	Number of inspections conducted	Quarterly reports	364	0	N/A	N/A
	12.6	Percentage review of the municipal health services by-laws	0	review of the municipal health services by-laws	percentage progress	Reviewed by laws	60.00%	-40.00%	The review process of the municipal by-law requires an extensive public participation processes and full participation by all stakeholders.	The by-law will be finalised in the 2024/25 financial year.
	12.7	Percentage implementation of the environmental by-laws	0	Implemented by laws	Percentage implementation	Quarterly reports	0.00%	-100.00%	KPI 12.7 could not be implemented as it is dependent on the completion of KPI 12.6.	KPI 12.7 could not be implemented as it is dependent on the completion of KPI 12.6.
	12.8	Percentage development of environmental health tariff policy	0	Draft environmental health tariff policy	Percentage progress	Draft tariff policy	100.00%	0.00%	N/A	N/A
Deviation = 0% (Target Reached)						Full Compliance: 0% Deviation		Under-Performance: -% Deviation		Over-Performance: +% Deviation

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Key Performance Area IDP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Annual Target	Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS
						PdE					
IPA 3. Institutional Development and Transformation continued...											
13 To implement and monitor environmental planning and management in the Frances Baard district	13.1	Number of awareness campaigns implemented	84 awareness campaigns implemented	Number of campaigns implemented	Quarterly reports	84	85	+1	N/A	One additional campaign was conducted to sensitise communities on the cholera outbreak.	N/A
	13.2	Number of environmental calendar days celebrated	7 environmental calendar days celebrated	Number of days celebrated	Quarterly reports	7	7	0	N/A	N/A	N/A
	13.3	Number of atmospheric emissions inventory updates performed	4 Atmospheric emissions inventory updates	Number of updates performed	Quarterly reports	4	4	0	N/A	N/A	N/A
	13.4	Number of ambient air quality monitoring reports	4 Ambient air quality monitoring reports	Number of reports	Quarterly reports	4	3	-1	The air quality monitoring report was not generated due to the malfunction of the monitoring instrument.	The monitoring instrument was repaired and can accurately calibrate.	
	13.5	Percentage progress on the development of the climate change project	100.00%	100% Developed climate change project	Percentage progress	Developed climate change project	100.00%	67.00%	-33.00%	The development of the climate change project could not be completed as there was a need to solicit additional inputs from stakeholders and to benchmark with other district municipalities.	The project will be tabled to Council for adoption in the 2024/25 financial year.
	13.6	Percentage review of the air quality management plan	100.00%	Developed air quality management plan	Percentage progress	Air quality management plan	100.00%	67.00%	-33.00%	The air quality management plan could not be completed as there was a need to collate additional inputs from stakeholders and to benchmark with other district municipalities.	The air quality management plan will be tabled to Council for adoption in the 2024/25 financial year.
	13.7	Percentage progress on the review of the integrated waste management plan	100.00%	Developed waste management plan	Percentage progress	Waste management plan	100.00%	67.00%	-33.00%	The integrated waste management plan was not finalised as it required additional inputs from stakeholders and to benchmark with other district municipalities.	The integrated waste management plan will be tabled to Council for adoption in the 2024/25 financial year.
					Deviation = 0% (Target Reached)		Under-Performance: -% Deviation		Over-Performance: +% Deviation		

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Key Performance Area IDP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS
					Quarterly reports	PoE				
RPA 3: Institutional Development and Transformation continued...										
3.2 Disaster Management										
14 To support 3 local municipalities by creating institutional capacity for disaster management	14.1 Number of volunteers trained on disaster risk management	20	20 Volunteers trained	Number of volunteers trained	Quarterly reports	20	20	0	N/A	N/A
	14.2 Percentage engaging farmers trained in disaster risk management	0	100% trained emerging farmers	Percentage training	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
15 To reduce risks and build resilience for all communities within the district	15.1 Number of awareness programmes implemented	4	4x awareness programmes	Number of awareness programmes	Quarterly reports	4	4	0	N/A	N/A
	15.1 Percentage response to requests on disastrous incidents in the local municipalities.	100.00%	100% response to all requests received	% Assistance	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
17 To develop institutional capacity and acquire resources for fire fighting services for 3 LMs	17.1 Percentage maintenance of fire fighting equipment in the 3 LMs as per request	100.00%	100% maintenance	% Maintenance	Monthly reports	100.00%	40.00%	-60.00%	The acquisition of the sid units was not completed due to non-responsive bidders.	The acquisition of the sid units will be completed in the 2024/25 financial year.
	17.2 Percentage completion of the annual sid units inspections in 3 LMs	100.00%	100% Completed inspections	% Completion	Annual inspection report	100.00%	100.00%	0.00%	N/A	N/A
18 To ensure effective internal security measures	18.1 Percentage implementation of the security maintenance agreements	100.00%	100% implementation	% progress	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
3.3 Human Resource Management										
19 To comply with legislative requirements relating to human resource management and development	19.1 Percentage implementation of the annual human resource development & management plan	0.00%	100% implementation of the HR plan	% Implementation	Quarterly reports	100.00%	94.44%	-5.56%	The local labour forum (LLF) did not sit due to not forming a quorum in the fourth quarter.	Continuous engagements with internal stakeholders to ensure consistency in siting of the LLF.
	20 To provide HR management and development support to LMs	20.1 Percentage implementation of the annual HR support plan for local municipalities	100.00%	100.00%	% support	Quarterly reports	100.00%	100.00%	0.00%	N/A
Deviation = 0% (Target Reached) Under-Performance: -% Deviation Over-Performance: +% Deviation										

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Key Performance Area IDP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Annual Target	Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS	
					POE							
IPA 3. Institutional Development and Transformation continued...												
3.4 Records Management												
21 To comply with the provincial archives act at FSDM and support the LMs towards compliance	21.1	Percentage implementation of the annual records management and advisory plan	100.00%	100% implementation of the plan	% Implementation	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A	
	21.2	Percentage implementation of the annual records management and advisory support plan	100.00%	100% support	%support	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A	
22 To provide effective and efficient office support functions	22.1	Percentage implementation of the office support plan	100.00%	100.00%	% Implementation	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A	
	23.1	Percentage implementation of the municipal buildings maintenance plan	100.00%	100% maintenance	% Maintenance	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A	
3.5 Information Communication Technology (ICT)												
24 To upgrade obsolete ICT infrastructure and implement ICT solutions within the district	24.1	Percentage upgrading of ICT infrastructure and implementation of the ICT systems	100.00%	100% Upgrading of ICT infrastructure & implementation of the ICT systems	% Upgrading & Implementation	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A	
	Deviation = (% Target Achieved)										Full Compliance: 0% Deviation	Under-Performance: - % Deviation

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Key Performance Area IDP Objectives	Key Performance Indicators		Baseline	Annual Targets	Unit of Measure	Verification PoE	Annual Target	Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS	
KPA 3: Institutional Development and Transformation continued...												
3.5 Information Communication Technology (ICT)												
25	To provide technical support to three LMs	25.1 Percentage implementation of the annual support plan	87% Implemented action plan	100% implementation	% Implementation	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A	
3.6 Integrated Development Planning (IDP)												
26	To develop and review the district municipality's IDP in compliance with legislation	26.1 Percentage development and review of the district municipal IDP	100.00%	100% reviewed 2023/24 district IDP	% Progress	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A	
27	To support the local municipalities in the preparation and review of their IDPs	27.1 Percentage support to local municipalities in the development and review of their IDPs	100.00%	100% implementation of the 2023/24 support plan	% Progress	Quarterly Reports	100.00%	100.00%	0.00%	N/A	N/A	
3.7 Spatial Planning												
28	To facilitate the development of urban and rural areas in accordance with the relevant legislation	28.1 Percentage of land development applications received from LMs processed	100.00%	100% processed applications received	% Progress	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A	
		28.2 Percentage progress on the development of 2X precinct plan	85% developed precinct plan for Diligatong LM	100% Development of 2x precinct plan (Magareng & Diligatong LM)	% Progress	Quarterly reports	100.00%	92.84%	-7.16%	The precinct plan for Magareng LM could not be finalised as there was a need to solicit additional inputs from stakeholders.	The project has been rolled-over and will be completed in the 2024/25 financial year.	
Deviation = 0% (Target Reached)						Full Compliance: 0% Deviation			Under-Performance: - % Deviation			Over-Performance: + % Deviation

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REPORTING PERIOD: ANNUAL PERFORMANCE REPORT (01 JULY 2023 TO 30 JUNE 2024)					ANNUAL REPORT FOR 2023/2024 FY						
Key Performance Area IDP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS	
					Annual Target	PoE					
KPA 3. Institutional Development and Transformation continued...											
3.8 Geographic Information Systems											
29	To promote the use of GIS as a tool in the district	29.1	Percentage access and maintenance of GIS in the district	100.00%	Revisit billing data base for Phokwane	% progress	Quarterly reports	100.00%	0.00%	N/A	N/A
3.9 Performance Management Systems											
30	To maintain a functional performance management system in FBDM	30.1	Percentage implementation of the performance management annual plan	100.00%	100% implementation of the annual plan	% implementation	Quarterly reports	100.00%	0.00%	N/A	N/A
31	To provide assistance and support with performance management in the district	31.1	Percentage implementation of the annual support plan	100.00%	100% implementation of the annual support plan	% Progress	Quarterly reports	100.00%	0.00%	N/A	N/A
KPA 4. Good Governance and Public Participation											
4.1 Communication and Media											
32	To keep the public informed on government activities in the district	32.1	Percentage implementation of the annual external communication action plan	100.00%	100% implementation of the action plan	% Progress on implementation of action plan	Quarterly reports	100.00%	+0.91%	One additional radio talk show was implemented, which focused on the Local Economic Summit.	N/A
					Deviation = 0% (Target Reached)		Full Compliance: 0% Deviation		Under-Performance: -% Deviation		Over-Performance: +% Deviation

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Key Performance Area IDP Objectives	Key Performance Indicators		Annual Targets	Unit of Measure	Verification PoE	Annual Target	Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS
4.1 Communication and Media										
32 To keep the public informed on government activities in the district	32.2	Percentage development of communication policies	100% development of communication policies	% development	Developed communication policies	100.00%	100.00%	0.00%	N/A	N/A
	33 To improve internal communication through the implementation of the internal communication plan	33.1	Percentage implementation of the internal communication plan	100% implementation of 2023/24 communication plan	% progress on the implementation of the communication plan	Quarterly reports	100.00%	100.00%	0.00%	N/A
4.2 Risk Management										
34 To manage risk activities in FBDM, Magareng & Digatlong LMs	34.1	Percentage implementation of annual Risk Implementation plan for FBDM	Implemented risk management plan for FBDM	% Implementation	Quarterly Reports	100.00%	100.00%	0.00%	N/A	N/A
	34.2	Percentage implementation of the annual risk plan for Digatlong and Magareng LMs	Drafted risk policies and strategies for Digatlong & Magareng LMs	% Implementation	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
35 To prevent and manage fraud and anti-corruption in FBDM, Magareng & Digatlong LMs	33.1	Percentage implementation of annual fraud and anti-corruption plan for FBDM	Implemented anti-corruption and fraud management plan for FBDM	% Implementation	Fraud Awareness Reports	100.00%	100.00%	0.00%	N/A	N/A
	35.2	Percentage implementation of annual fraud and anti-corruption plan for Digatlong & Magareng LMs	Drafted fraud and corruption policies and strategies for Digatlong & Magareng LMs	% Implementation	Fraud Awareness Reports	100.00%	100.00%	0.00%	N/A	N/A
Deviation = 0% Target Reached						Full Compliance: 0% Deviation		Under-Performance: - % Deviation		Over-Performance: + % Deviation

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Key Performance Area	IP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification		Actual Performance	Deviation	REASON(S) FOR DEVIATION	IMPROVEMENT PLANS	
						POE	POE					
4. Good Governance and Public Participation continued...												
4.3 Internal Audit												
36	To evaluate the adequacy and effectiveness of control processes and assessment of compliance with legislation in FBDW and ZLMS	Percentage implementation of the approved internal audit plans (Ibom and ZLMS)	100%	100% implementation of the audit plans	% Implementation	Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A	
4.4 Legal and Compliance Services												
37	To provide legal and compliance services in the district	Percentage provision of legal advisory and compliance services in the district	100.00%	100.00%	% Compliance	Litigation register	100.00%	100.00%	0.00%	N/A	N/A	
38	Provision of sound legal binding contracts in the district	Percentage provision of legal contracts services	100.00%	100.00%	% Provision	Contract register	100.00%	100.00%	0.00%	N/A	N/A	
4.5 Council and Committee Services												
39	To ensure an effective and efficient functioning of council and its committees	Percentage facilitation of council and its committee meetings	95%	100% facilitation of committees and council meetings	% Compliance	Signed agendas and minutes of Council and committee meetings	100.00%	100.00%	0.00%	N/A	N/A	
4.6 Youth Services												
40	To facilitate and coordinate youth development in the district	Number of stakeholder engagement platforms facilitated	4x stakeholder engagements facilitated	4 Platforms	Number of platforms	Quarterly Reports	4	1	-3	The district forums could not take place due to non-attendance of participants.	To develop a communications strategy aimed at alternative and relevant methods of engaging stakeholders.	
Deviation = (Ds / Target/Resource) Positive Deviation = +% Negative Deviation = -%												
								Full Compliance: 0% Deviation	Under-Performance: -% Deviation	Over-Performance: +% Deviation		

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Key Performance Area IPP Objectives	Key Performance Indicators	Baseline	Annual Targets	Unit of Measure	Verification PoE	Annual Target	Actual Performance	Deviation	REASONS FOR DEVIATION	IMPROVEMENT PLANS		
4. Good Governance and Public Participation continued...												
40	To facilitate and coordinate youth development in the district	40.2	Percentage coordination of youth development programmes	100%	100% Coordination	% Progress	Quarterly Reports	100.00%	50.00%	-50.00%	• The mayoral sports programme did not take place due to low qualifying participants. • The SOPA debate could not take place as it coincided with the examinations timetable.	• To create awareness on the qualifying criteria for participants. • The SOPA debate will take place within a reasonable period to accommodate the examinations.
4.7 Special Programmes												
41	To coordinate and facilitate special programmes in the district	41.1	Percentage facilitation and coordination of special programmes in the district	75.00%	100% Implementation of approved programmes	% Progress	Quarterly Reports	100.00%	87.50%	-12.50%	The Human rights programme was not completed due to competing political programmes within the district.	Proper measures are in place to commemorate the human rights programme in the new financial year.
5.1 Budget and Treasury												
42	To ensure compliance to all accounting and legislative reporting requirements	42.1	Percentage compliance to budgeting and reporting requirements	100.00%	100.00%	% Compliance	Monthly / Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
43	To ensure sound financial management practices according to National Treasury guidelines	43.1	Percentage implementation of sound financial management practices (Revenue expenditure)	100.00%	100.00%	% Compliance	Monthly / Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
44	To provide financial management support to the local municipalities in the district	44.1	Percentage implementation of the financial management support plan	100.00%	100.00%	% Support	Quarterly Reports	100.00%	100.00%	0.00%	N/A	N/A
45	To ensure implementation of supply chain management policies and related prescripts	45.1	Percentage compliance with National Treasury supply chain management system	100.00%	100.00%	% Compliance	Monthly / Quarterly reports	100.00%	100.00%	0.00%	N/A	N/A
							Full Compliance: 0% Deviation		Under-Performance: - % Deviation		Over-Performance: + % Deviation	

FRANCES BAARD DISTRICT MUNICIPALITY

SUMMARY OF MUNICIPAL ANNUAL PERFORMANCE: 01 JULY 2023 - 30 JUNE 2024.

Number of Key Performance Indicators Measured For the 2023/2024 Financial Year

1. Targets achieved	72	100.00%
2. Targets not achieved	51	70.84%
3. Targets Exceeded	15	20.83%
4. Overall achievement (targets achieved + targets exceeded)	6	8.33%
	57	79.17%

3.4.16 Year-on-year comparison report of FBDM’s institutional performance for 2022/23 and 2023/24

In compliance with section 46 of the MSA of 2000, the table below is in line with the requirements of section 46, it is a comparison of the performance targets / indicators of the 2021/22 & 2022/23 financial years. The indicators are aligned to the objectives formulated in the IDP 2022/23 (page 83-102) and 2023/24 (page 89-110) and SDBIP of 2022/23 & 2023/24. The SDBIPs and IDPs can be read on the FBDM website.

Objective / KPI per the 2022/23 SDBIP	KPI (DESCRIPTION)	2022/2023 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective / KPI per the 2023/24 SDBIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
4.4 Legal and Compliance Services										
37	KPI 37.1: Percentage provision of legal and compliance services in the district	100.00%	100.00%	N/A	37	KPI 37.1: Percentage provision of legal and compliance services in the district	100.00%	100.00%	N/A	N/A
38	KPI 38.1: Percentage provision of legal contract services	100.00%	100.00%	N/A	38	KPI 38.1: Percentage provision of legal contract services	100.00%	100.00%	N/A	N/A
4.5 Council and committee services										
39	KPI 39.1: Percentage facilitation of council and its committee meetings	100.00%	84.41%	Council has adopted both virtual and physical sittings of council to adhere to the 2023/2024 FY schedules.	39	KPI 39.1: Percentage facilitation of council and its committee meetings	100.00%	100.00%	N/A	N/A
4.6 Youth Services										
40	KPI 40.1: Number of stakeholder engagement platforms facilitated	4	4	N/A	40	KPI 40.1: Number of stakeholder engagement platforms facilitated	4	1	The district forums could not take place due to the non-attendance of participants.	To develop a communications strategy aimed at alternative and recent methods of engaging stakeholders.
41	KPI 41.2: Percentage coordination of youth development programmes	100.00%	100.00%	N/A	41	KPI 41.2: Percentage coordination of youth development programmes	100.00%	50.00%	The major sports programmes did not take place due to insufficient competing teams. The SDA debate could not take place as it coincided with the examinations timetable.	To create awareness for the qualifying criteria for participation in the major sports programme. The SDA debate will take place within a reasonable period to accommodate the examinations.

Objective Nr as per the 2022/2023 SDBP	KPI (DESCRIPTION)	2022/2023 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2023/24 SDBP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
4.7 Special Programmes										
42	KPI 4.1.1: Percentage facilitation and coordination of special programmes in the district as per the annual action plan	100.00%	75.00%	Use intergovernmental forums to coordinate and align all special programmes.	41	KPI 4.1.1: Percentage facilitation and coordination of special programmes in the district	100.00%	87.50%	The Human rights programme was not completed due to the competing political programmes within the district.	Proper measures are in place to commemorate the human rights programme in the new financial year.
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT										
5.1 Budget and Treasury										
43	KPI 4.3.1: Percentage compliance to budgeting and reporting requirements	100.00%	100.00%	N/A	42	KPI 4.3.1: Percentage compliance to budgeting and reporting requirements	100.00%	100.00%	N/A	N/A
44	KPI 4.4.1: Percentage implementation of sound financial management practices (Revenue/expenditure)	100.00%	100.00%	N/A	43	KPI 4.4.1: Percentage implementation of sound financial management practices (Revenue/expenditure)	100.00%	100.00%	N/A	N/A
45	KPI 4.5.1: Percentage implementation of the financial management support plan	100.00%	100.00%	N/A	44	KPI 4.5.1: Percentage implementation of the financial management support plan	100.00%	100.00%	N/A	N/A
46	KPI 4.6.1: Percentage compliance with National Treasury supply chain management system	100.00%	100.00%	N/A	45	KPI 4.6.1: Percentage compliance with National Treasury supply chain management system	100.00%	100.00%	N/A	N/A

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SUMMARY OF MUNICIPAL PERFORMANCE: 01 JULY 2023 - 30 JUNE 2023. (ANNUAL)			
Number of Key Performance Indicators Measured For The 2023/2023 Financial Year	71	100.00%	
1. Targets achieved	51	71.84%	
2. Targets not achieved	15	21.13%	
3. Targets Exceeded	5	7.04%	
4. Overall achievement (Targets achieved + Targets exceeded)	56	78.87%	

FRANCES BAARD DISTRICT MUNICIPALITY			
SUMMARY OF MUNICIPAL PERFORMANCE: 01 JULY 2023 - 30 JUNE 2024. (ANNUAL)			
Number of Key Performance Indicators Measured For The 2023/2024 Financial Year	72	100.00%	
1. Targets achieved	51	70.8%	
2. Targets not achieved	15	20.83%	
3. Targets Exceeded	6	8.33%	
4. Overall achievement (Targets achieved + Targets exceeded)	57	79.17%	

Objective Nr. as per the 2023/24 SDBP	KPI (DESCRIPTION)	2022/2023 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr. as per the 2023/24 SDBP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA.2: LOCAL ECONOMIC DEVELOPMENT (LED)										
2.1 Local Economic Development Unit										
7	KPI 7.1: Percentage completion of programmes aimed at the diversification of the district economy	100.00%	50.00%	Alternative exhibitions were identified in the 2023/2024 financial year.	7	KPI 7.1: Percentage completion of programmes aimed at the diversification of the district economy	100.00%	100.00%	N/A	N/A
8	KPI 8.1: Percentage completion of programmes aimed at developing learning and skilful economies	100.00%	55.00%	The intake of the internship programme was finalised in the 2023/2024 financial year.	8	KPI 8.1: Percentage completion of programmes aimed at developing learning and skilful economies	100.00%	75.00%	The training did not commence due to the incomplete cohort of the internship program, which was caused by insufficient suitable applicants for recruitment.	The training will begin in the new financial year.
9	KPI 9.1: Percentage completion of programmes aimed at developing enterprises	100.00%	75.00%	The identified beneficiaries for the 2022/2022 financial year were prioritised in the 2022/2023 financial year.	9	KPI 9.1: Percentage completion of programme aimed at developing enterprises	100.00%	60.00%	The non-availability of some SMMEs affected the verification and site inspection processes, which impacted the timeframes of the project cycle.	The project cycle will be completed in the first quarter of the 2024/25 financial year.
10	KPI 10.1: Percentage completion of programmes aimed at the developing inclusive economies	100.00%	100.00%	N/A	10	KPI 10.1: Percentage completion of programme aimed at developing inclusive economies	100.00%	100.00%	N/A	N/A
2.2 Tourism Unit										
11	KPI 11.1: Percentage completion of programmes aimed at upgrading, restoration and promotion of tourist attractions	100.00%	90.71%	The Tourism website has been incorporated into the municipal website.	11	KPI 11.1: Percentage completion of programmes aimed at upgrading, restoration and promotion of tourist attractions	100.00%	100.00%	N/A	N/A
11	KPI 11.2: Percentage implementation of annual action plan to facilitate strategic partnerships and participation of role players	100.00%	100.00%	N/A	11	KPI 11.2: Percentage implementation of annual action plan to facilitate strategic partnerships and participation of role players	100.00%	100.00%	N/A	N/A

Objective Nr as per the 2022/2023 SDBP	KPI (DESCRIPTION)	2022/2023 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2023/24 SDBP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN	
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE			
KPA 3: MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION.											
3.1 Environmental Health Management											
12	KPI 12.1: Number of water samples collected and analysed to monitor water quality	480	249	The municipality appointed an accredited laboratory for the analysis of water samples in the 2023/24 financial year.	12	KPI 12.1: Number of water samples collected and analysed to monitor water quality	480	521	More water samples were collected due to the cholera outbreak and re-sampling of water points.	N/A	
12	KPI 12.2: Number of inspections at food premises to determine food safety	700	700	N/A	12	KPI 12.2: Number of inspections at food premises to determine food safety	700	709	More inspections were conducted to follow up on the previously non-compliant premises.	N/A	
12	KPI 12.3: Number of surface swabs collected to analyse for diseases and other health risks	180	172	An accredited service provider was appointed for the supply of surface swab kits in the 2023/24 financial year.	12	KPI 12.3: Number of surface swabs collected to analyse for diseases and other health risks	180	185	Additional swabs were collected from food handlers at schools.	N/A	
12	KPI 12.4: Number of food handlers trained on environmental health requirements	420	457	More training was conducted for the new food vendors in the area.	12	KPI 12.4: Number of food handlers trained on environmental health requirements	420	438	Additional street food vendors were trained.	N/A	
12	KPI 12.5: Number of inspections conducted at non-food premises to determine health safety	336	343	Re-inspections were done to re-evaluate the premises which had not complied with the health and safety standards.	12	KPI 12.5: Number of inspections conducted at non-food premises to determine health safety	364	364	N/A	N/A	
							12	100.00%	60.00%	The review process of the municipal by-law requires an extensive public participation processes and full participation by all stakeholders. The by-law will be finalised in the 2024/25 financial year.	
							12	100.00%	0.00%	KPI 12.7 could not be implemented as it is dependent on the completion of KPI 12.6.	KPI 12.7 could not be implemented as it is dependent on the completion of KPI 12.6.
							12	100.00%	100.00%	N/A	N/A
No target was set for these KPIs in the 2022/2023 FY SDBP											

Objective No. as per the 2022/2023 SDIIP	KPI (DESCRIPTION)	2022/2023 FY PERFORMANCE		MITIGATION STEPS/TAKEN	Objective No. as per the 2023/43 SDIIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 3: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION.										
3.1 Environmental Health Management										
13	KPI 13.1: Number of awareness campaigns implemented	84	84	N/A	13	KPI 13.1: Number of awareness campaigns implemented	84	85	One additional campaign was conducted to sensitise the communities on the cholera outbreak.	N/A
13	KPI 13.2: Number of environmental calendar days celebrated	7	7	N/A	13	KPI 13.2: Number of environmental calendar days celebrated	7	7	N/A	N/A
13	KPI 13.3: Number of atmospheric emissions inventory updates performed	4	4	N/A	13	KPI 13.3: Number of atmospheric emissions inventory updates performed	4	4	N/A	N/A
13	KPI 13.4: Number of ambient air quality monitoring reports	4	4	N/A	13	KPI 13.4: Number of ambient air quality monitoring reports	4	3	The air quality monitoring report was not generated due to the malfunction of the monitoring instrument.	The monitoring instrument was repaired and can accurately calibrate.
13	KPI 13.5: Percentage progress on the development of the climate change project	100.00%	100.00%	N/A	13	KPI 13.5: Percentage progress on the development of the climate change project	100.00%	67.00%	The development of the climate change project could not be completed as there was a need to solicit additional inputs from stakeholders and to benchmark with other district municipalities.	The project will be tabled to Council for adoption in the 2024/25 financial year.
13	KPI 13.6: Percentage review of the air quality management plan	100.00%	100.00%	N/A	13	KPI 13.6: Percentage review of the air quality management plan	100.00%	67.00%	The air quality management plan could not be completed as there was a need to collate additional inputs from stakeholders and to benchmark with other district municipalities.	The air quality management plan will be tabled to Council for adoption in the 2024/25 financial year.
13	KPI 13.7: Percentage progress on the review of the integrated waste management plan	100.00%	100.00%	N/A	13	KPI 13.7: Percentage progress on the review of the integrated waste management plan	100.00%	67.00%	The integrated waste management plan was not finalised as it required additional inputs from stakeholders and to benchmark with other district municipalities.	The integrated waste management plan will be tabled to Council for adoption in the 2024/25 financial year.
3.2 Disaster Management										
14	KPI 14.1: Number of volunteers trained on disaster risk management	20	20	N/A	14	KPI 14.1: Number of volunteers trained on disaster risk management	20	20	N/A	N/A

Objective Nr as per the 2022/2023 SDBIP	KPI (DESCRIPTION)	2022/2023 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per The 2023/24 SDBIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 3: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION.										
14	KPI 14.2: Percentage emerging farmers trained in disaster risk management.	100.00%	100.00%		14	KPI 14.2: Percentage emerging farmers trained in disaster risk management.	100.00%	100.00%	N/A	N/A
15	KPI 15.1: Number of awareness programmes implemented	4	5	An additional fire fighting awareness programme for volunteers was conducted in Majeng.	15	KPI 15.1: Number of awareness programmes implemented	4	4	N/A	N/A
16	KPI 16.1: Percentage response to requests on disastrous incidents in the local municipalities	100.00%	100.00%	N/A	16	KPI 16.1: Percentage response to requests on disastrous incidents in the local municipalities	100.00%	100.00%	N/A	N/A
17	KPI 17.1: Percentage maintenance of fire fighting equipment in the 3IMs as per request	100.00%	100.00%	N/A	17	KPI 17.1: Percentage maintenance of fire fighting equipment in the 3IMs as per request	100.00%	40.00%	The acquisition of the skid units was not completed due to non-responsive bidders.	The acquisition of the skid units will be completed in the 2024/25 financial year.
17	KPI 17.3: Percentage progress on the establishment of the fire fighting satellite station (completion of phases 2 and 3)	100.00%	100.00%	N/A	No target was set for this KPI in the 2023/2024 FY SDBIP					
18	KPI 18.1: Percentage implementation of the security maintenance agreements	100.00%	100.00%	N/A	18	KPI 18.1: Percentage implementation of the security maintenance agreements	100.00%	100.00%	N/A	N/A
3.3 Human Resource Management										
19	KPI 19.1: Percentage implementation of the HR strategy	100.00%	50.00%	The HR strategy is fully implemented.	This KPI was achieved, reviewed and incorporated into KPI 19.1 and KPI 20.1 in the 2023/24 financial year.					
20	KPI 20.1: Percentage implementation of the annual human resource development & management plan	100.00%	100.00%	N/A	19	KPI 19.1: Percentage implementation of human resource development & management	100.00%	94.44%	The local labour forum (LJF) did not sit due to not forming a quorum in the fourth quarter.	Continuous engagements with internal stakeholders to ensure consistency in siting of the LJF.
21	KPI 21.1: Percentage implementation of the annual HR support plan for local municipal to local municipalities	100.00%	100.00%	N/A	20	KPI 20.1: Percentage implementation of the annual HR support plan for local municipalities	100.00%	100.00%	N/A	N/A

Objective Nr as per the 2022/2023 SOBP	KPI (DESCRIPTION)	2022/2023 FT PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2023/24 SOBP	KPI (DESCRIPTION)	2023/2024 FT PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 3: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION.										
3.4 Records Management and Office Support										
22	KPI 22.1: Percentage implementation of the annual records management and advisory plan	100.00%	100.00%	N/A	21	KPI 21.1: Percentage implementation of the annual records management and advisory plan	100.00%	100.00%	N/A	N/A
22	KPI 22.2: Percentage implementation of the annual records management and advisory support plan	100.00%	100.00%	N/A	21	KPI 21.2: Percentage implementation of the annual records management and advisory support plan	100.00%	100.00%	N/A	N/A
23	KPI 23.1: Percentage implementation of the office support plan	100.00%	100.00%	N/A	22	KPI 22.1: Percentage implementation of the office support plan	100.00%	100.00%	N/A	N/A
24	KPI 24.1: Percentage implementation of the municipal buildings maintenance plan	100.00%	100.00%	N/A	23	KPI 23.1: Percentage implementation of the municipal buildings maintenance plan	100.00%	100.00%	N/A	N/A
3.5 Information Communication Technology (ICT)										
25	KPI 25.1: Percentage upgrading of ICT infrastructure and implementation of the ICT systems	100.00%	100.00%	N/A	24	KPI 24.1: Percentage upgrading of ICT infrastructure and implementation of the ICT systems	100.00%	100.00%	N/A	N/A

Objective Nr. as per the 2022/2023 SDBP	KPI (DESCRIPTION)	2022/2023 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr. as per the 2023/24 SDBP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 3: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION.										
26	KPI 26.1: Percentage implementation of the annual support plan	100.00%	87.50%	The server for Magareng LM was successfully installed and the project was completed in the 2023/24 FY.	25	KPI 25.1: Percentage implementation of the annual support plan	100.00%	100.00%	N/A	N/A
3.6 Integrated Development Planning (IDP)										
27	KPI 27.1: Percentage development and review of the district municipal IDP	100.00%	100.00%	N/A	26	KPI 26.1: Percentage development and review of the district municipal IDP	100.00%	100.00%	N/A	N/A
28	KPI 28.1: Percentage support to local municipalities in the development and review of their IDPs	100.00%	100.00%	N/A	27	KPI 27.1: Percentage support to local municipalities in the development and review of their IDPs	100.00%	100.00%	N/A	N/A
3.7 Spatial Planning										
29	KPI 29.1: Percentage of land development applications received from LMs processed	100.00%	100.00%	N/A	28	KPI 28.1: Percentage of land development applications received from LMs processed	100.00%	100.00%	N/A	N/A
29	KPI 29.2: Percentage progress on the development of a precinct plan	100.00%	85.72%	The precinct plan for Dikgatlong LM was rolled over to the 2023/24 FY. The project has been completed.	28	KPI 28.1: Percentage progress on the development of 2x precinct plans	100.00%	92.84%	The precinct plan for Magareng LM could not be finalised as there was a need to solicit additional inputs from stakeholders.	The project has been rolled-over and will be completed in the 2024/25 financial year.

Objective Nr as per the 2022/2023 SDBIP	KPI (DESCRIPTION)	2022/2023 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2023/24 SDBIP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 3: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION.										
3.8 Geographical Information System (GIS)										
30	KPI 30.1: Percentage access and maintenance of GIS in the district.	100.00%	62.50%	The procurement of the UAV drone will be completed in the 2024/25 FY.	29	KPI 29.1: Percentage access and maintenance of GIS in the district.	100.00%	100.00%	N/A	N/A
30	KPI 30.2: Number of workshops conducted at local municipalities	4	4	N/A	No target was set for this KPI in the 2023/2024 FY SDBIP					
3.9 Performance management (PMS)										
31	KPI 31.1: Percentage implementation of the performance management annual plan	100.00%	100.00%	N/A	30	KPI 30.1: Percentage implementation of the performance management annual plan	100.00%	100.00%	N/A	N/A
32	KPI 32.1: Percentage implementation of the annual support plan	100.00%	100.00%	N/A	31	KPI 31.1: Percentage implementation of the annual support plan	100.00%	100.00%	N/A	N/A
KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
4.1 Communication and Media										
33	KPI 33.1: Percentage implementation of the annual communication action plan	100.00%	101.80%	Two additional press releases issued for the financial year.	32	KPI 32.1: Percentage implementation of the annual external communication action plan	100.00%	100.91%	One additional radio talk show was implemented, which focused on the Local Economic Summit.	N/A
33	KPI 33.2: Percentage development of media policies	100.00%	100.00%	N/A	No target was set for this KPI in the 2023/2024 FY SDBIP					
No target was set for this KPI in the 2022/2023 FY SDBIP										
32	KPI 32.2: Percentage development of communication policies	100.00%	100.00%		32	KPI 32.2: Percentage development of communication policies	100.00%	100.00%	N/A	N/A

Objective Nr as per the 2022/2023 SDBP	KPI (DESCRIPTION)	2022/2023 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective Nr as per the 2023/24 SDBP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
34	KPI 34.1- Percentage implementation of the internal communication plan	100.00%	100.00%	N/A	33	KPI 33.1- Percentage implementation of the internal communication plan	100.00%	100.00%	N/A	N/A
4.2 Risk Management										
35	KPI 35.1- Percentage implementation of risk management plan for FBDM	100.00%	100.00%	N/A	34	KPI 34.1- Percentage implementation of annual risk plan for FBDM	100.00%	100.00%	N/A	N/A
35	KPI 35.2- Percentage implementation of risk management plans in 2x UMIs	100.00%	100.00%	N/A	34	KPI 34.2- Percentage implementation of the annual risk plan for Digalong & Magareng UMIs	100.00%	100.00%	N/A	N/A
36	KPI 36.1- Percentage implementation of fraud and corruption plan in FBDM	100.00%	100.00%	N/A	35	KPI 35.1- Percentage implementation of annual fraud and anti-corruption plan for FBDM	100.00%	100.00%	N/A	N/A
36	KPI 36.2- Percentage implementation of fraud and corruption awareness programmes in 2x UMIs	100.00%	100.00%	N/A	35	KPI 35.2- Percentage implementation of annual fraud and anti-corruption plan for Digalong & Magareng UMIs	100.00%	100.00%	N/A	N/A
4.3 Internal Audit										
37	KPI 37.1- Percentage implementation of the approved internal audit plans (FBDM and 2UMIs)	100.00%	86.66%	<ul style="list-style-type: none"> The ERP and ICT audit was completed in the 2023/24 financial year. The audit annual plans for Digalong and Magareng UMIs were reviewed. 	36	KPI 36.1- Percentage implementation of the approved internal audit plans (FBDM and 2UMIs)	100.00%	100.00%	N/A	N/A

Objective KPIs per the 2022/2023 SOBP	KPI (DESCRIPTION)	2022/2023 FY PERFORMANCE		MITIGATION STEPS TAKEN	Objective KPIs per the 2023/24 SOBP	KPI (DESCRIPTION)	2023/2024 FY PERFORMANCE		REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				TARGET	ACTUAL PERFORMANCE		
KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION										
4.4 Legal and Compliance Services										
38	KPI 38.1: Percentage provision of legal and compliance services in the district	100.00%	100.00%	N/A	37	KPI 37.1: Percentage provision of legal and compliance services in the district	100.00%	100.00%	N/A	N/A
39	KPI 39.1: Percentage provision of legal contract services	100.00%	100.00%	N/A	38	KPI 38.1: Percentage provision of legal contract services	100.00%	100.00%	N/A	N/A
4.5 Council and committee services										
40	KPI 40.1: Percentage facilitation of council and its committee meetings	100.00%	84.41%	Council has adopted both virtual and physical sittings of council to adhere to the 2023/2024 FY schedules.	39	KPI 39.1: Percentage facilitation of council and its committee meetings	100.00%	100.00%	N/A	N/A
4.6 Youth Services										
41	KPI 41.1: Number of stakeholder engagement platforms facilitated	4	4	N/A	40	KPI 40.1: Number of stakeholder engagement platforms facilitated	4	1	The district forums could not take place due to the non-attendance of participants.	To develop a communications strategy aimed at alternative and relevant methods of engaging stakeholders.
41	KPI 41.2: Percentage coordination of youth development programmes	100.00%	100.00%	N/A	40	KPI 40.2: Percentage coordination of youth development programmes	100.00%	50.00%	<ul style="list-style-type: none"> The major sports programme did not take place due insufficient competing teams. The SOPA debate could not take place as it coincided with the examinations timetable. 	<ul style="list-style-type: none"> To create awareness for the qualifying criteria for participants on the major sports programme. The SOPA debate will take place within a reasonable period to accommodate the examinations.

Objective Kras per the 2022/2023 SDBIP	KPI (DESCRIPTION)	2022/2023 FY PERFORMANCE		MITIGATION STEPS TAKEN	2023/2024 FY PERFORMANCE	REASONS FOR DEVIATION	IMPROVEMENT PLAN
		TARGET	ACTUAL PERFORMANCE				
KPA 4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
4.7 Special Programmes							
41	KPI 4.1.1: Percentage facilitation and coordination of special programmes in the district as per the annual action plan	100.00%	75.00%	Use intergovernmental forums to coordinate and align all programmes.	100.00%	87.50%	The human rights programme was not completed due to the competing political programmes within the district. Proper measures are in place to commemorate the human rights programme in the new financial year.
KPA 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT							
5.1 Budget and Treasury							
42	KPI 4.3.1: Percentage compliance to budgeting and reporting requirements	100.00%	100.00%	N/A	100.00%	100.00%	N/A
43	KPI 4.4.1: Percentage implementation of sound financial management practices (Revenue & expenditure)	100.00%	100.00%	N/A	100.00%	100.00%	N/A
44	KPI 4.5.1: Percentage implementation of the financial management support plan	100.00%	100.00%	N/A	100.00%	100.00%	N/A
45	KPI 4.6.1: Percentage compliance with National Treasury supply chain management system	100.00%	100.00%	N/A	100.00%	100.00%	N/A

FRANCES BAARD DISTRICT MUNICIPALITY	
SUMMARY OF MUNICIPAL PERFORMANCE: 01 JULY 2022 - 30 JUNE 2023 (ANNUAL)	
Number of Key Performance Indicators Measured For The 2022/2023 Financial Year	71
1. Targets achieved	51
2. Targets not achieved	15
3. Targets Exceeded	5
4. Overall achievement (Targets achieved + targets exceeded)	56
	78.87%

FRANCES BAARD DISTRICT MUNICIPALITY	
SUMMARY OF MUNICIPAL PERFORMANCE: 01 JULY 2023 - 30 JUNE 2024 (ANNUAL)	
Number of Key Performance Indicators Measured For The 2023/2024 Financial Year	72
1. Targets achieved	51
2. Targets not achieved	15
3. Targets Exceeded	6
4. Overall achievement (Targets achieved + targets exceeded)	57
	79.17%

Chapter 4 - Organisational Development Performance

4.1 Introduction

The 2023/2024 financial year has been a period of significant growth and transformation for our Human Resources (HR) department. Our efforts have focused on strengthening our workforce, enhancing employee engagement, and fostering a culture of continuous improvement. Consistent with the constitutional mandate of Local Government, the legislative obligations for Human Resources, and the Organisational Strategies, the Human Resources Section is dedicated to serving and supporting the organization in achieving its strategic objectives while serving the interests of the Frances Baard District in general and the Frances Baard District Municipality in particular.

To give effect to our organisational vision and mission, HR endeavours to:

- Empower employees to maximize their personal potential and exceed organizational requirements.
- Continuously align the HR Strategy with the Organizational Strategy (IDP), Legislative Requirements, and Best Practices in the HR field.
- Champion the cause of our human resource (employees/people) as the Breede Valley Municipality's most valuable resource and the key to success in service delivery.
- Promote and practice "People First Principles," Equity, Fairness, Objectivity, and Consistency.
- Actively influence the achievement of a high-morale employee corps with a strong commitment to organizational goals/values and dedication to public/community service.
- Commit to professional conduct, promote professional HR management practices, and advance HR knowledge and proficiency for the benefit of the FBDM.
- Develop and adopt appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration.
- Rendering support to our local municipalities.
- In this context, our HR values include:
- Recognizing that the human resource (staff/employees) is the Council's most valuable resource, as every service or product is ultimately created or delivered through human intervention.
- Focusing on maximizing human resource potential, guided by community/public needs (as contained in IDP).
- Championing and supporting diversity.

Compliance and Policy Updates

We ensured full compliance with the latest regulations by updating our HR policies and conducting comprehensive training sessions. This proactive approach resulted in zero compliance issues throughout the year. The Minister for Cooperative Governance and Traditional Affairs promulgated the Local Government: Municipal Staff Regulations and Guidelines per GNR 890 and 891 as published in GG No. 45181 of 20 September 2021. The Regulations came into operation on 1 July 2022, except for Chapters 2 and 4, which came into effect on 1 July 2023. The deferment of the implementation date is aimed at affording municipalities an opportunity to review and/or adopt their human resource management policies and procedures in accordance with section 67 of the Systems Act to ensure conformity with the Regulations. FBDM will implement Chapter four (4) (performance management) of the regulations on a phased approach over three years.

Recruitment and Talent Acquisition

This year, we successfully recruited new employees across various departments, ensuring that our talent pool aligns with the strategic objectives of our organization. We implemented a more robust and inclusive recruitment process, which resulted in an increase in diversity hires compared to the previous year. Our vacancy rate has decreased to under 4%. However, the recruitment of senior managers remains a challenge due to the regulations and remuneration brackets outlined in the Municipal Systems Act. Currently, four out of five senior manager positions are vacant, with only the Municipal Manager position filled.

Training and Development

FBDM views its employees as human capital and a valuable resource for achieving its strategic goals. To enhance the efficiency and effectiveness of this resource, FBDM is investing in its employees through bursaries, education, and training to help them grow their careers and improve their skills and knowledge. Our commitment to employee development has been unwavering. Over the past year, we conducted training programs covering a wide range of skills, from technical expertise to leadership development. Notably, we have adopted a Fourth Industrial Revolution approach with online learning platform partnered with reliable and accredited institutions, which has seen increased participation among staff. This initiative has significantly improved our training efficiency and accessibility.

Employee Engagement and Retention

Our retention rate improved, a testament to the positive changes in our work environment. Key areas of improvement included enhanced communication channels, more flexible work arrangements, and increased recognition programs. Overall, our comprehensive approach to employee engagement and retention has led to a more motivated, satisfied, and committed workforce, driving the continued success of our organization.

Employee Health and Wellness

Employee well-being remained a top priority for FBDM this year. We expanded our wellness programs by introducing mental health workshops, fitness challenges, and providing access to counselling services. These initiatives aim to create a holistic approach to health, addressing both physical and mental well-being. Moreover, we have established an Employee Assistance Program (EAP) that offers confidential support to employees dealing with personal or work-related issues. The EAP has been instrumental in providing timely support and resources, helping employees navigate challenges and maintain a healthy work-life balance.

We also organized wellness days and team-building activities to foster a sense of community and support among staff. These events have been well-received, promoting camaraderie and enhancing morale. Overall, our comprehensive approach to employee health and wellness has contributed to a more positive and productive work environment, underscoring our commitment to the well-being of our workforce.

Future Outlook

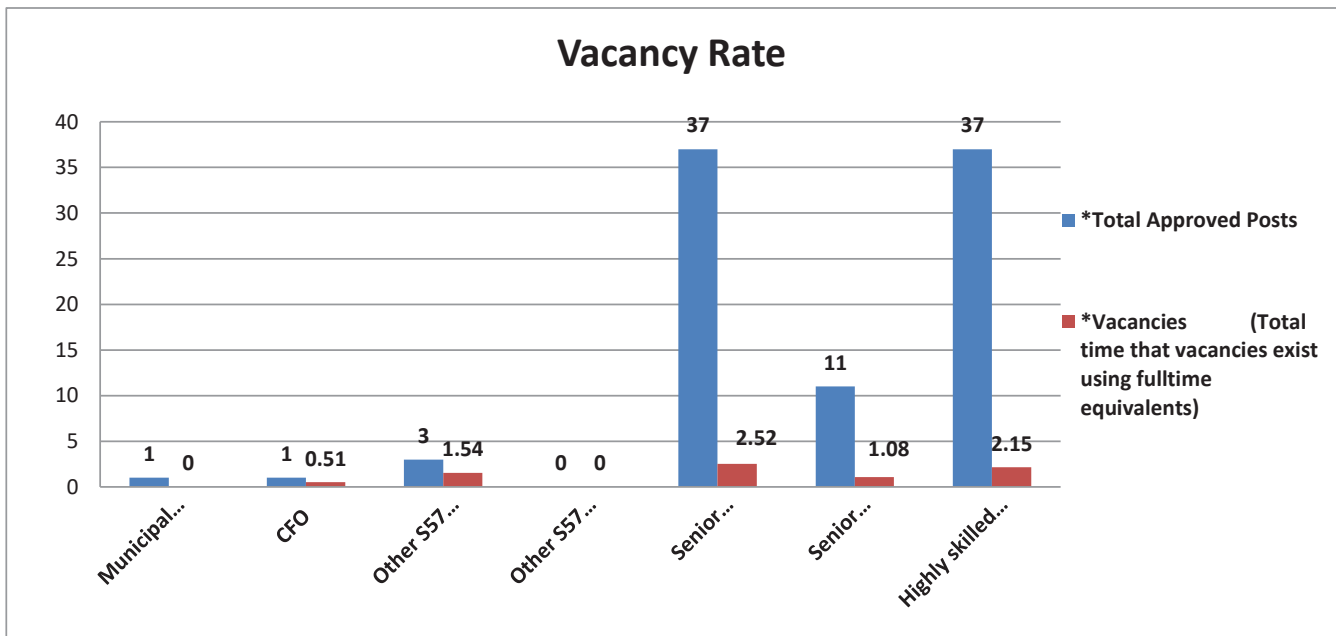
Looking forward, our HR department aims to enhance recruitment strategies, focus on leadership development, and build a resilient, agile workforce. We are committed to fostering a culture of innovation and inclusion to drive the organization forward. In summary, the 2023/2024 financial year has been marked by significant progress and achievements in our HR practices. We are proud of the strides we have made and remain dedicated to supporting our employees' growth and wellbeing.

Employees					
Description	2022/23	2023/24			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Municipal Manager & Section 56 Managers	1	5	1	4	41%
Housing Services	5	14	4	10	19%
Programme Management & Advisory Services (incl. secretary)	7	7	6	1	7%
Town & Regional Planning Services (includes secretary to Director)	4	4	4	0	0%
Integrated Development Planning (IDP)	2	2	1	1	26%
Geographic Information System Services	1	2	2	0	12%
Local Economic Development Services	6	7	6	1	7%
Environmental Health Services	8	8	8	0	0%
Fire Fighting & Disaster Management	8	14	9	5	18%
Executive & Council	11	11	9	2	2%
Office of Municipal Manager	7	10	8	2	15%
Corporate & Human Resource Services	27	31	27	4	5%
ICT Services	2	3	3	0	14%
Financial Services	14	17	13	4	9%
Totals	102	135	101	33	177%

Description	Incumbents
Political office bearers	29
Internship programme	21

Interns per unit			
Description	Incumbents	Description	Incumbents
LED	4	Internal Audit	2
Tourism	4	Legal Services	1
PMS/IDP	3	IT	2
Finance	5		

Vacancy Rate: 2023/24			
Designations	Total Approved Posts	Vacancies (Total time that vacancies exist using full-time equivalents)	Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0
CFO	1	0.51	51%
Other S57 Managers (excluding Finance Posts)	3	1.54	51%
Other S57 Managers (Finance posts)	0	0	0
Senior management: Levels 13-17 (excluding Finance Posts)	37	2.52	7%
Senior management: Levels 13-18 (Finance posts)	11	1.08	10%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	37	2.15	6%
Highly skilled supervision: levels 9-12 (Finance posts)	2	0.51	26%
Total	92	8.31	9.03%



Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate
2021/22	15	23	153%
2022/23	14	21	150%
2023/24	18	16	89%

4.2 Managing the municipal employee costs

Managing municipal employee costs is crucial. The National Treasury's norm of 35% on personnel budget serves as a framework or guideline for municipalities to follow, helping to control unnecessary high spending on workforce expenditure. During the 2023/2024 fiscal year, FBDM exceeded this norm by 16.25%, resulting in a personnel budget of 51.25%, which encompasses the remuneration of both councillors and officials.

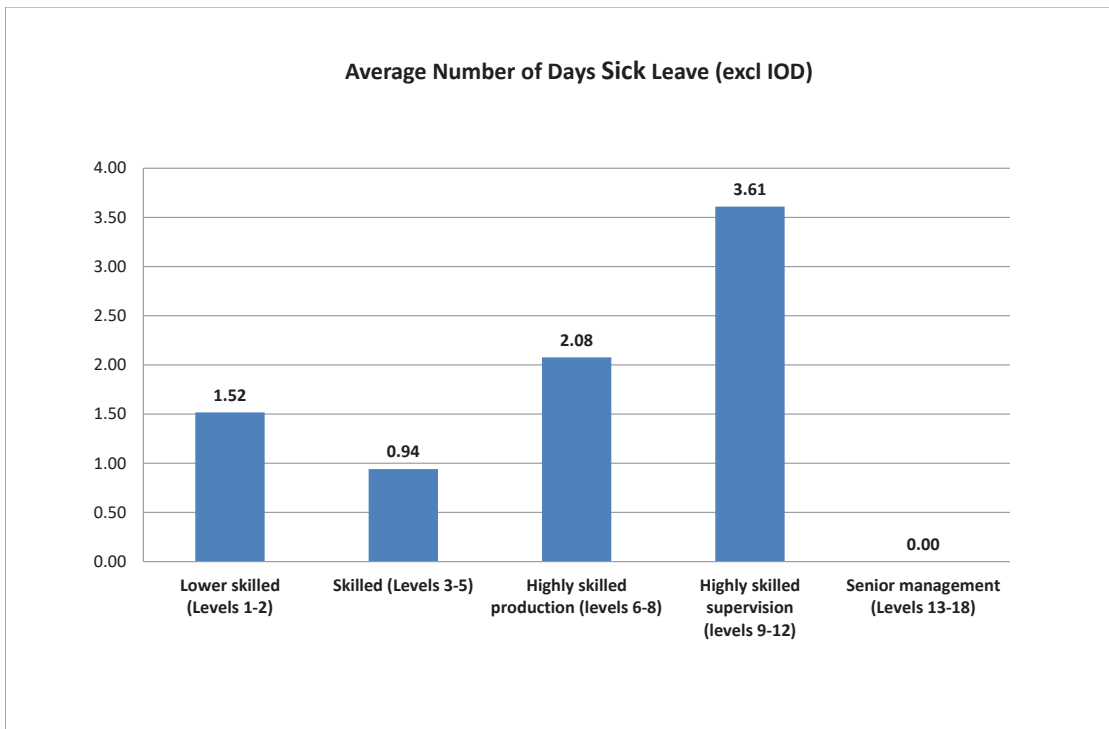
HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
None				

4.3 Injuries, sickness and suspensions

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R '000
Required basic medical attention only	None				
Temporary total disablement	None				
Permanent disablement	None				
Fatal	None				
Total					

Number of days and cost of sick leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification (3 days or more) %	Employees using sick leave No.	Total employees in post* No.	**Average sick leave per Employees Days	Estimated cost R' 000
Interns	42	0	12	17	0.34	17
Skilled (Levels 3-5)	221	0	14	18	1.81	73
Highly skilled production (levels 6-8)	128	0	7	14	1.05	64
Highly skilled supervision (levels 9-12)	143	0	23	30	1.17	40
Senior management (Levels 13-18)	263	0	-31	42	2.16	314
MM and S57	0	0	0	1	0	0
Total	797	0	87	122	6.53	508

* Number of employees in post at the beginning of the year
 ** Average is calculated by taking sick leave in column 3 divided by total employees in column 4



Number and period of suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
None				

Disciplinary action taken on cases of financial misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
None			

Performance rewards by gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2023/24 (R)	Proportion of beneficiaries within group %
MM and S57	Female	2	2	177,923.32	100%
	Male	2	2	157,702.00	100%
Total					
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes

4.4 Capacitating the municipal workforce

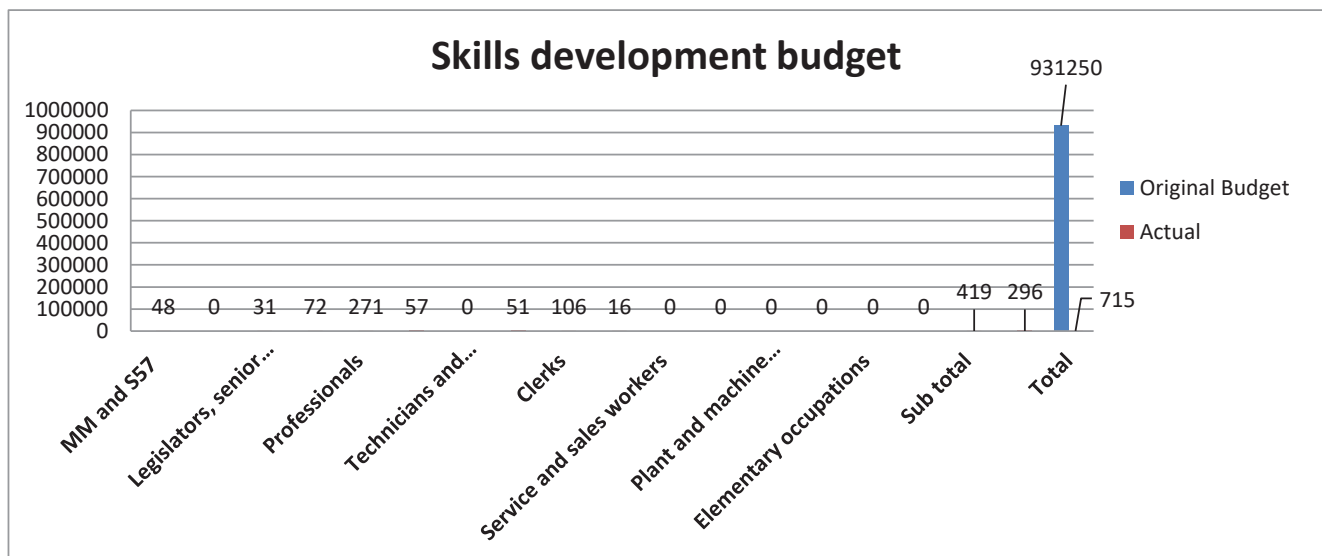
Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4) (a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4) (a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 14(4) (Regulation 14(4) (f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4) (e))
Financial Officials	0	0	0	0	0	0
Accounting officer	1	0	1	1	0	1
Chief financial officer	0	0	0	0	0	0
Senior managers	0	0	0	0	0	0
Any other financial officials	16	0	16	0	0	9
Supply Chain Management Officials						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	17	0	17	1	0	10
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						

Skills Development Expenditure							
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development for 2023/24				
			Learnerships	Skills programmes & other short courses	Other forms of training	Total R'000	
			No.	Actual	Actual	Actual	Original Budget
MM and S57	Female	1	0	0	1	931,250	48
	Male	0	0	0	0		0
Legislators, senior officials and managers	Female	15	0	0	1		31
	Male	13	0	3	1		72
Professionals	Female	17	0	8	5		271
	Male	14	0	2	3		57
Technicians and associate professionals	Female	2	0	0	0		0
	Male	2	0	2	0		51
Clerks	Female	21	0	8	2		106
	Male	16	0	3	0		16
Service and sales workers	Female	0	0	0	0		0
	Male	0	0	0	0		0
Plant and machine operators and assemblers	Female	0	0	0	0		0
	Male	0	0	0	0		0
Elementary occupations	Female	6	0	0	0	0	
	Male	5	0	0	0	0	
Sub total	Female	62	0	16	9	419	
	Male	50	0	10	4	296	
Total		112	0	26	13	931,250	715

*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.

%*

Note: The total original budget is made up of training and bursaries. The training budget was R931,250 and the bursaries budget R300,000 for the 2023/24 financial year.



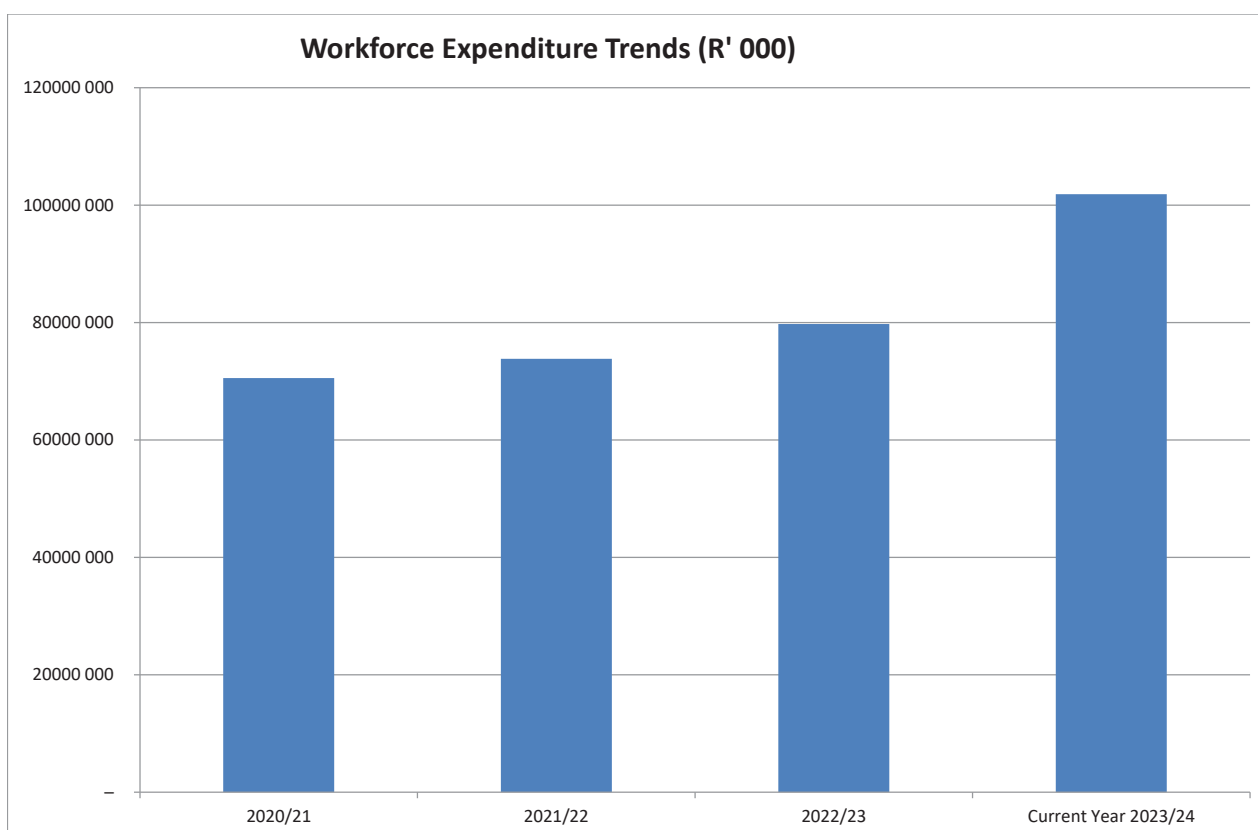
The district successfully developed and submitted the Workplace Skills Plan (WSP) for 2023/2024 on April 30, 2023. The WSP includes the Annual Training Report for 2022/2023 and the training plan for 2023/2024. The municipality committed approximately one percent of its wage bill to skills development programs. The WSP informs the Local Government Sector Education & Training Authority (LGSETA) about the accredited and Continuous Professional Development (CPD) training the organization will provide to employees in the next 12 months.

Additionally, through the WSP, skills programs, learnership, and internship opportunities for both employees and unemployed youth are identified. This is based on the operational requirements of the organization, its industry, and the critical skills identified by the SETA. All training conducted is guided by the plan developed to ensure transparency and efficiency in managing the budget allocated for such programs.

The development of a WSP document begins with a skills audit exercise in which employees submit their training needs for the upcoming financial year. These training needs are costed by the skills development facilitator and the budget office to ensure accuracy before being included in the final WSP document.

4.5 Managing the workforce expenditure

The district municipality exceeded the 35% norm (salary bill) for employee cost due to its outward looking approach by attracting and appointing highly skilled / dedicated personnel to support the local municipalities within the district area, in order to address the challenge of scarce skills / expertise such as engineers, IDP professionals, internal auditors, risk management professionals, finance related personnel, etc.



Number of employees whose salaries were increased due to their positions being upgraded		
Beneficiaries	Gender	Total
Lower skilled (TASK 1- 3)	Female	None
	Male	None
Skilled (TASK 4 - 8)	Female	None
	Male	None
Highly skilled production (TASK 9 - 13)	Female	None
	Male	None
Highly skilled supervision (TASK 14 -18)	Female	None
	Male	None
Senior management (TASK 19 - 26)	Female	None
	Male	None
MM and S57	Female	None
	Male	None
Total		0

Employees whose salary levels exceed the grade determined by job evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None				

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. Appointed	Reason for appointment when no established post exist
None				

Chapter 5 - Financial Performance

5.1 Introduction

The municipality maintained an unqualified audit opinion with no findings on the financial statements which indicates that there were no material findings identified and for the past three (3) financial years. It was further assessed by the Auditor-General that the municipality maintained a good internal controls in financial management.

Government grants remain the main source of our revenue with the municipality only collecting about 9% as its own revenue. The growth in income is limited to the current inflation rate and an increase in the GDP that is expected to be 2% at the most. Despite the fact that the low economic growth has a negative impact on the revenue of the municipality, the municipality still managed to allocate funds in various projects of the local municipalities particularly on the infrastructure projects, to insure a sustainable high level of involvement in the district.

Considering that the municipality relies heavily on grant funding to finance its operations, it still succeeded in building the capacity of the local municipalities in its area of jurisdiction to assist them to perform their functions and exercise their powers. Notwithstanding the negative economic growth forecast, the municipality was able to spend R 24 505 801 (2022/23: R 14 441 738) towards infrastructure assets, repairs & maintenance, advisory services and creation of job opportunities to make a difference within the communities in the district. The spending relates to the allocations made to the local municipalities from the district.

The liquidity ratio which is used to measure the municipality's ability to pay its bills is calculated by dividing the current assets by the municipality's current liabilities, the current norm is 1:3. The liquidity ratio of 4.9 is an indication that the municipality has ensured that the liabilities are kept at a minimal with an increase of its assets. The municipality is therefore in a position to comfortably pay its current liabilities with the cash available at year end and is an indication that the municipality will be able to meet its short to medium term commitments.

5.2 Summary of financial performance

Financial Summary							R' 000
Description	2022/23	Current Year: 2023/24			2022/23 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget	
Financial Performance							
Property rates	–	–	–	–	–	–	
Service charges	–	–	–	–	–	–	
Investment revenue	9 986	6 530	6 640	13 418	51.33%	50.51%	
Transfers recognised - operational	137 340	144 317	145 212	141 488	-2.00%	-2.63%	
Other own revenue	3 122	370	370	496	25.36%	25.36%	
Total Revenue (excluding capital transfers and contributions)	150 448	151 217	152 222	155 402	2.69%	2.05%	
Employee costs	72 457	92 949	86 051	72 930	-27.45%	-17.99%	
Remuneration of councillors	8 190	10 221	10 221	7 735	-32.14%	-32.14%	
Debt impairment	7	10	410	314	96.82%	-30.43%	
Depreciation & asset impairment	5 309	5 282	5 908	4 986	-5.95%	-18.51%	
Finance charges	–	–	–	–	–	–	
Materials and bulk purchases	1 086	1 641	1 651	1 117	-46.88%	-47.83%	
Transfers and grants	30 572	27 508	40 527	42 970	35.98%	5.69%	
Other expenditure	24 985	42 966	43 502	22 763	-88.75%	-91.11%	
Total Expenditure	142 607	180 577	188 270	152 815	-18.17%	-23.20%	
Surplus/(Deficit)	7 841	(29 360)	(36 049)	2 586	1235.25%	1493.86%	
Transfers recognised - capital	–	–	–	–	–	–	
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	
Surplus/(Deficit) after capital transfers & contributions	7 841	(29 360)	(36 049)	2 586	1235.25%	1493.86%	
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	
Surplus/(Deficit) for the year	7 841	(29 360)	(36 049)	2 586	1235.25%	1493.86%	
Capital expenditure & funds sources							
Capital expenditure	(6 401)	7 565	7 517	4 094	-84.78%	-83.60%	
Transfers recognised - capital	–	–	15	–	0.00%	0.00%	
Public contributions & donations	–	–	–	–	0.00%	0.00%	
Borrowing	–	–	–	–	0.00%	0.00%	
Internally generated funds	(6 401)	7 565	7 502	4 094	-84.78%	-83.22%	
Total sources of capital funds	(6 401)	7 565	7 517	4 094	-84.78%	-83.60%	

Financial Summary							R' 000
Description	2022/23	Current Year: 2023/24			2023/24 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Financial position							
Total current assets	138 077	129 825	113 496	135 108	3.91%	16.00%	
Total non current assets	79 432	77 410	77 518	77 862	0.58%	0.44%	
Total current liabilities	28 370	51 800	38 266	20 503	-152.65%	-86.64%	
Total non current liabilities	29 111	32 673	30 099	50 356	35.12%	40.23%	
Community wealth/equity	160 029	123 348	121 949	162 615	24.15%	25.01%	
Cash flows							
Net cash from (used) operating	17 602	(35 918)	(31 403)	2 520	1525.11%	1345.96%	
Net cash from (used) investing	(7 368)	8 700	8 645	(2 834)	406.95%	405.00%	
Net cash from (used) financing	–	–	–	–	–	–	
Cash/cash equivalents at the year end	113 413	(27 218)	(22 758)	113 099	124.07%	120.12%	
Cash backing/surplus reconciliation							
Cash and investments available	124 413	92 657	92 997	123 499	24.97%	24.70%	
Application of cash and investments	15 008	10 233	22 639	10 400	1.60%	-117.69%	
Balance - surplus (shortfall)	109 405	82 424	70 358	113 099	27.12%	37.79%	
Asset management							
Asset register summary (WDV)	72 646	68 382	68 669	71 745	4.69%	4.29%	
Depreciation & asset impairment	5 309	5 282	5 908	4 986	-5.95%	-18.51%	
Renewal of Existing Assets	6 401	5 498	5 454	4 094	-34.29%	-33.20%	
Repairs and Maintenance	4 547	5 872	6 693	4 143	-41.75%	-61.57%	
Free services							
Cost of Free Basic Services provided	–	–	–	–	–	–	
Revenue cost of free services provided	–	–	–	–	–	–	
Households below minimum service level							
Water:	–	–	–	–	–	–	
Sanitation/sewerage:	–	–	–	–	–	–	
Energy:	–	–	–	–	–	–	
Refuse:	–	–	–	–	–	–	
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1							

Financial Performance of Operational Services							R '000
Description	2022/23	2023/24			2023/24 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water	–	–	–	–	–	–	
Waste Water (Sanitation)	–	–	–	–	–	–	
Electricity	–	–	–	–	–	–	
Waste Management	–	–	–	–	–	–	
Housing	4 042	4 386	4 404	3 458	-26.82%	-27.35%	
Component A: sub-total	4 042	4 386	4 404	3 458	-26.82%	-27.35%	
Waste Water (Stormwater Drainage)	–	–	–	–	–	–	
Roads	–	–	–	–	–	–	
Transport	–	–	–	–	–	–	
Component B: sub-total	–	–	–	–	–	–	
Planning	48 579	52 441	62 825	55 286	5.15%	-13.64%	
Local Economic Development	–	–	–	–	–	–	
Component B: sub-total	48 579	52 441	62 825	55 286	5.15%	-13.64%	
Planning (Strategic & Regulatory)	–	–	–	–	–	–	
Local Economic Development	–	–	–	–	–	–	
Component C: sub-total	–	–	–	–	–	–	
Community & Social Services	–	–	–	–	–	–	
Environmental Protection	9 735	12 698	12 026	10 981	-15.63%	-9.51%	
Health	–	–	–	–	–	–	
Security and Safety	–	–	–	–	–	–	
Sport and Recreation	–	–	–	–	–	–	
Corporate Policy Offices and Other	80 250	111 043	108 605	83 090	-33.64%	-30.71%	
Component D: sub-total	89 985	123 741	120 631	94 071	-31.54%	-28.23%	
Total Expenditure	142 607	180 567	187 860	152 815	-18.16%	-22.93%	

5.3 Grants

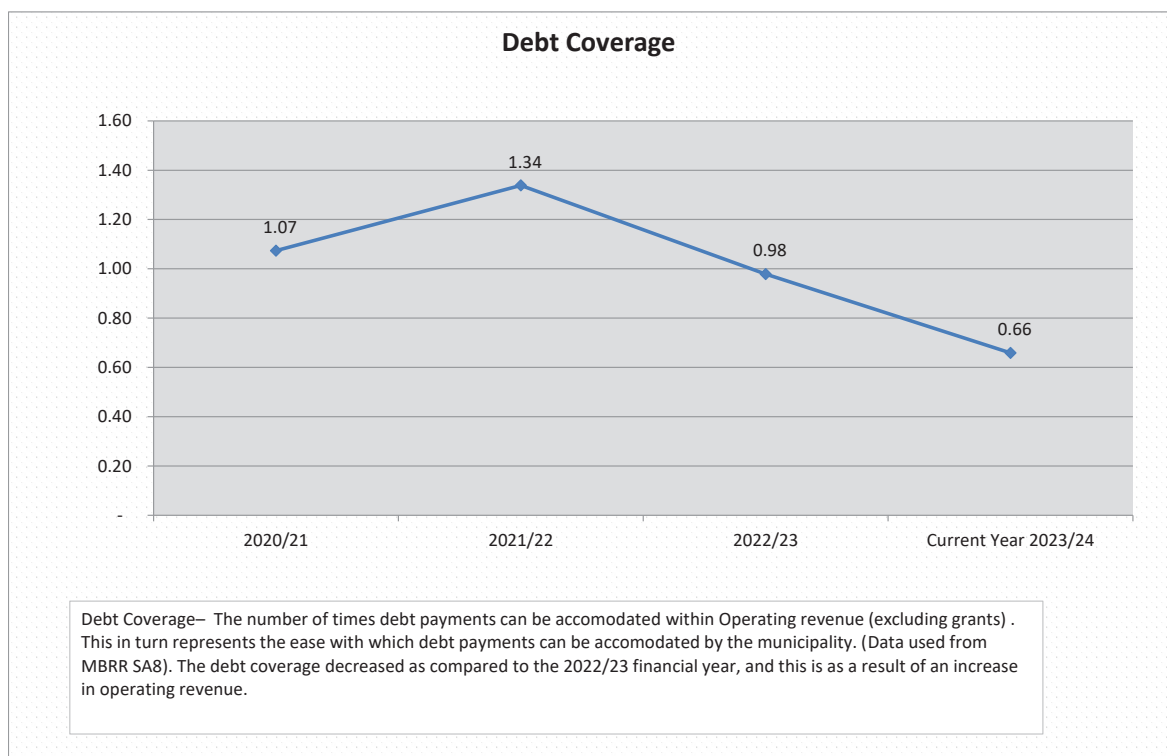
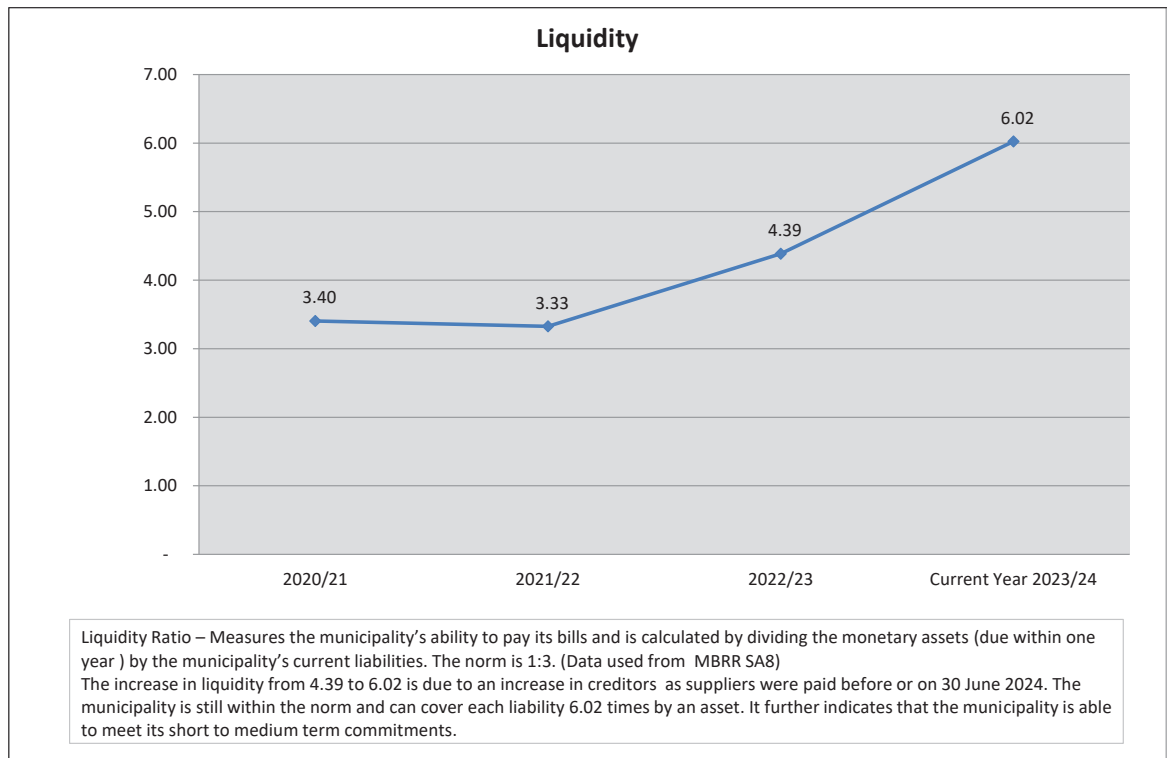
Grant Performance							R' 000
Description	2022/23	2023/24		2023/24 Variance			
	Actual	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	136 842	144 137	144 137	140 557	-2.55%	-2.55%	
Local Government Equitable Share	132 171	136 271	136 271	136 271	-	-	
Expanded Public Works Programme Integrated Grant	1 073	959	959	959	-	-	
Local Government Financial Management Grant	975	1 000	1 000	703	-42.19%	-42.19%	
Municipal Disaster Recovery Grant	-	3 200	3 200	-	-	-	
Municipal Systems Improvement Grant	-	-	-	-	-	-	
Rural Road Asset Management Systems Grant	2 624	2 707	2 707	2 624	-3.18%	-3.18%	
Provincial Government:							
355	-	895	771	100.00%	100.00%		
Capacity Building	-	-	-	-	-	-	
Disaster and Emergency Services	-	-	-	-	-	-	
Expanded Public Works Programme	-	-	-	-	-	-	
Health	-	-	-	-	-	-	
Housing Projects	-	-	-	-	-	-	
Specify (Add grant description)	355	-	395	280	100.00%	100.00%	
Specify (Add grant description)	-	-	500	491	-	-	
District Municipality:							
-	-	-	-	-	-	-	
Other grant providers:							
142	180	180	119	-	-		
Education Training and Development Practices SETA	142	180	180	119	-50.86%	-50.86%	
Northern Cape Economic Development Agency	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	
Total Operating Transfers and Grants	137 339	144 317	145 212	141 448	-2%	-2%	

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant 2022/23	Actual Grant 2023/24	2023/24 Municipal Contribution	Date Grant terminates	Date municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
NCPA - Housing Accreditation Grant	-	-	4 305 749	Ongoing	Ongoing	To enable the district municipality to obtain full accreditation to administer national housing programmes in terms of the delegation of functions from Department of Cooperative Governance, Human Settlements & Traditional Affairs.
SETA - Skills Grant	142 074	119 313	180 000	Ongoing	Ongoing	To be used for training and capacity building of employees as per approved Skills Work Plan.
Municipal Disaster Recovery Grant	-	3 200 000	-	Ongoing	Ongoing	To assist the district municipality with any disaster that might occur.
Health	355 148	279 880	394 674	July 2023	June 2024	To assist the district municipality with aids programmes within the district.
Tourism Grant	-	491 472	-	July 2023	June 2024	To assist the district municipality with the hosting of the Economic summit within the district.
Expanded Public Works Programme	1 072 585	959 000	959 000	July 2023	June 2024	To assist the district municipality with cleaning programmes.
Covid-19 Grant	1 032	-	-	July 2019	June 20220	To assist the district municipality with Covid-19 expenditure.

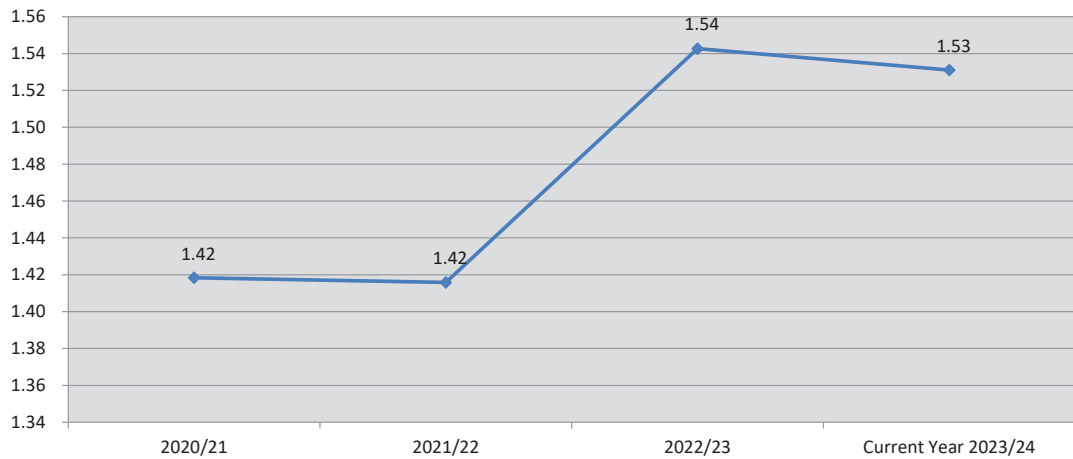
Repair and Maintenance Expenditure: 2023/24					R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance	
Repairs and maintenance expenditure	-	-	4 143	-100.00%	

The repairs and maintenance budget will be sufficient to cater for the repairs needed by the district municipality as the municipality does not have infrastructure assets.

5.4 Financial ratios based on key performance indicators

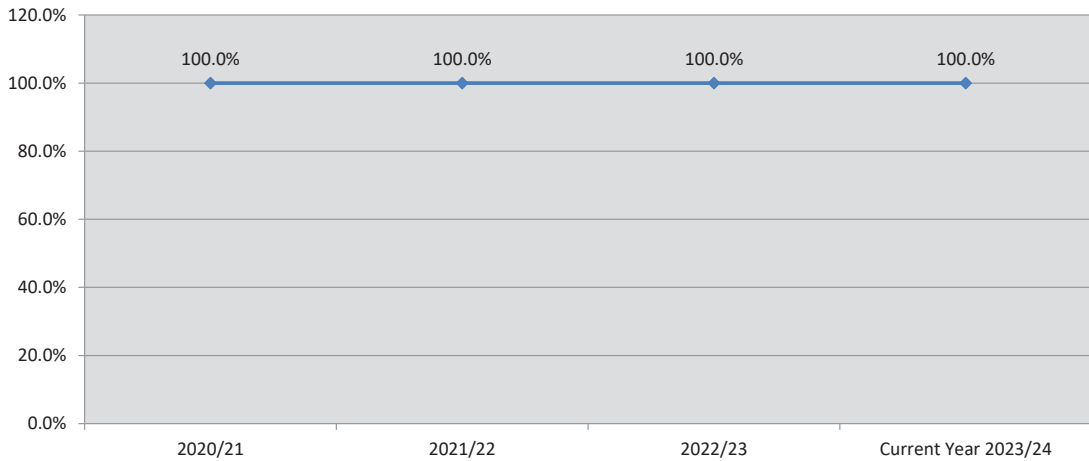


Cost Coverage



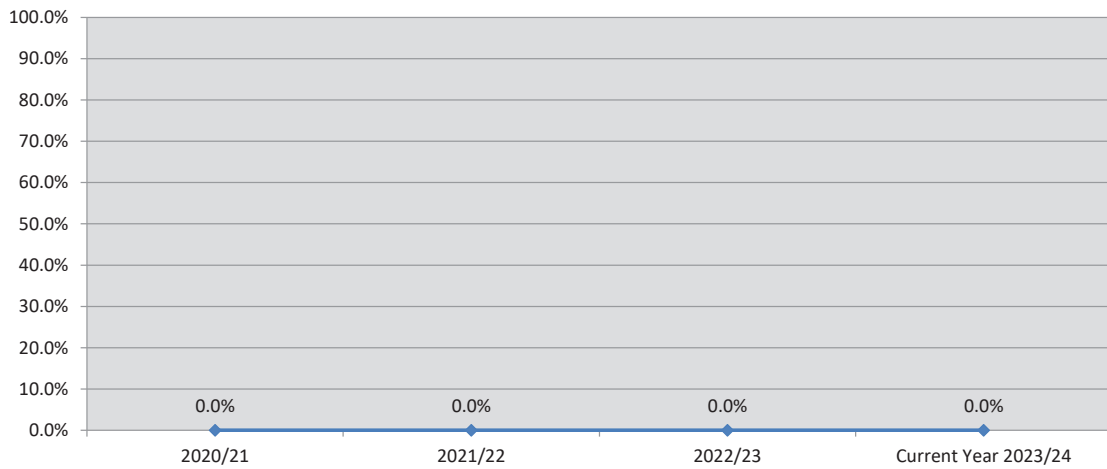
Cost Coverage— It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants. (Data used from MBRR SA8)
 The decrease of 1% in the current year is a result of the decrease in cash and investments.

Creditors System Efficiency



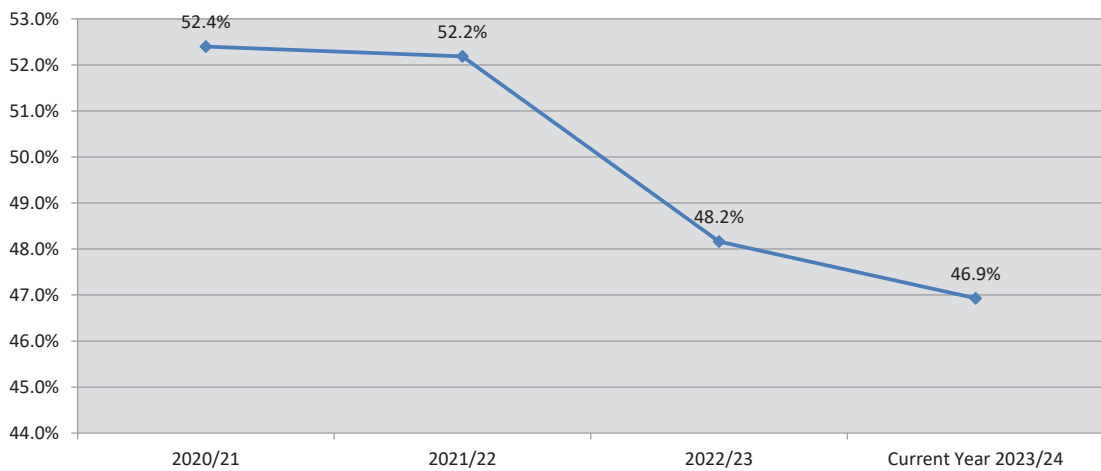
Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by dividing outstanding trade creditors by credit purchases. (Data used from MBRR SA8)
 The creditors' system efficiency remained consistent during 2023/24 financial year, which is an indication of good internal controls being implemented within the municipality.

Capital Charges to Operating Expenditure



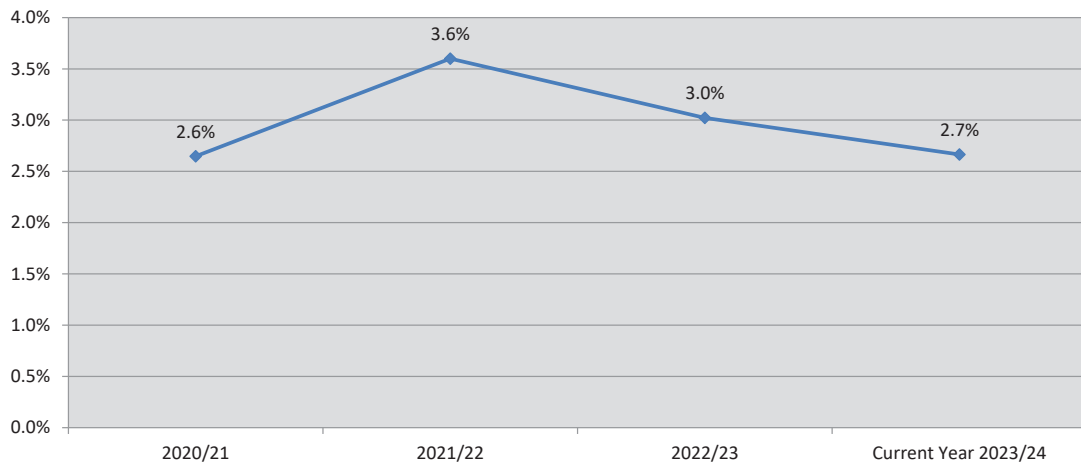
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure. (Data used from MBRR SA8)
 The capital charges to operating expenditure remained the same in the 2023/24 financial year as the municipality does not use loans for the acquisition of its capital assets.

Employee Costs



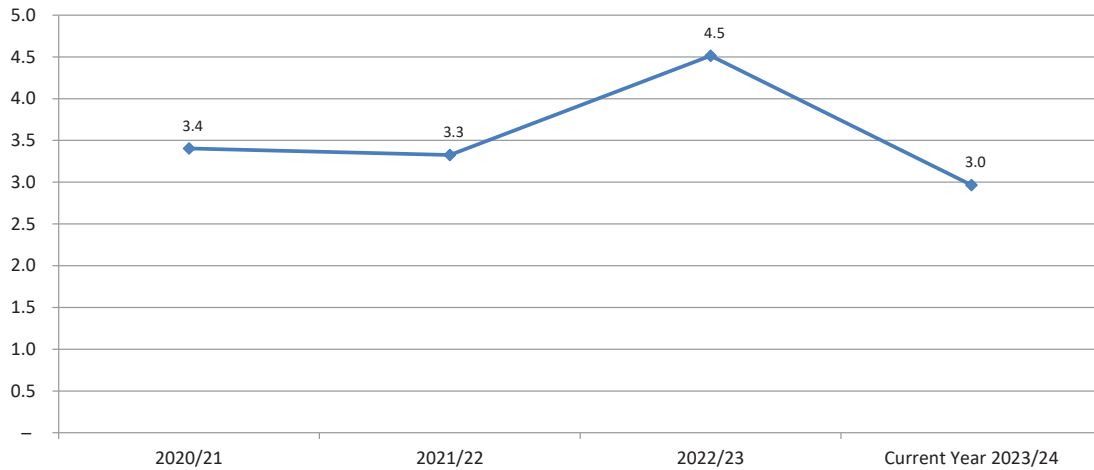
In terms of National Treasury's Circular employee costs must not exceed 35%. As at 30 June 2024, the employee costs were 46.9% of the total operating expenditure. Included in the actual employee costs are salaries of LED & Tourism interns and disaster practitioners situated at the local municipalities, who are on the FBDM payroll. The municipality further has Environmental, Housing and Infrastructure officials who go out to the local municipalities on a daily basis to perform tasks for the local municipalities, all of these officials are remunerated by FBDM.

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance. (Data used from MBRR SA8)
 The variance is due to the fact that in 2022/23 financial year, repairs & maintenance on assets was mostly done, as compared to 2023/24 financial year.

Current Ratio adjusted for aged debtors



Debtors Ratio – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality’s current liabilities. The aged debtors ratio remained the same. (Data used from MBRR SA8)

5.5 Cash flow management and investments

The district municipality's cash and cash equivalents amount to R113m which is a decrease of R313 975 as compared to the previous financial year. The main contributors to the positive cash flow management of the municipality were because of the municipality generating a positive cash flow from operating activities such as vacancies at senior management level as well as savings resulting from projects.

Cash Flow Outcomes				
R'000				
Description	2022/23	Current Year: 2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash flow from operating activities				
Receipts				
Ratepayers and other	610	676	676	1 831
Government - operating	137 583	144 317	145 113	141 806
Government - capital	–	–	–	–
Interest	9 979	6 530	6 640	13 418
Dividends	–	–	–	–
Payments				
Suppliers and employees	(130 571)	(183 163)	(178 620)	(154 535)
Finance charges	–	–	–	–
Transfers and Grants	–	(4 278)	(5 212)	–
Net cash from/(used) operating activities	17 602	(35 918)	(31 403)	2 520
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	–	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	283	–	–	660
Decrease (increase) in non-current investments	(1 250)	–	–	600
Payments				
Capital assets	(6 401)	8 700	8 645	(4 094)
Net cash from/(used) investing activities	(7 368)	8 700	8 645	(2 834)
Cash flows from financing activities				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	2	2	–
Payments				
Repayment of borrowing	–	2	2	–
Net cash from/(used) financing activities	–	–	–	–
Net increase/ (decrease) in cash held	10 234	(27 216)	(22 756)	(314)
Cash/cash equivalents at the year begin:	103 180	–	–	113 413
Cash/cash equivalents at the year end:	10 234	(27 216)	(22 756)	113 099

5.6 GRAP Compliance

“GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.”

Accounting principles and policies applied in the financial statements

- **Basis of preparation**

The approach by the district municipality is not to wait till the last moment to adopt and implement new GRAP interpretations / directives issued by the Accounting Standards Board (ASB) but rather to start early by implementing any new developments and amendments issued during the financial year. The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

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

The municipality has complied with the all the applicable and effective GRAP standards, as the Auditor General was required in terms of the PAA and general notices issued in terms thereof, to general performed procedures to identify any findings in terms of compliance with legislation (include GRAP). No significant findings were reported on non-compliance by the municipality, which is a confirmation that the municipality is compliant with all the applicable and effective GRAP standards.

The standards are summarised as follows:

GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 27	Agriculture
GRAP 31	Intangible assets

IGRAP 1	Applying the probability test on initial recognition of exchange revenue
IPSAS 20	Related Party Disclosure
IFRS 3 (AC140)	Business Combinations
IFRS 4 (AC141)	Insurance Contracts
IFRS 6 (AC143)	Exploration for and Evaluation of Mineral Resources
IAS 12 (AC102)	Income Taxes
IAS 19 (AC116)	Employee Benefits
SIC – 21 (AC421)	Income Taxes – Recovery of Revaluated Non-Depreciable Assets
SIC – 25 (AC425)	Income Taxes – Changes in the Tax Status on an Entity or its Shareholders
SIC – 29 (AC429)	Service Concessions Arrangements – Disclosures
IFRIC 2 (AC435)	Members’ Shares in Co-operative Entities and Similar Instruments
IFRIC 4 (AC437)	Determining whether an Arrangement contains a Lease
IFRIC 9 (AC442)	Reassessment of Embedded Derivatives
IFRIC 12 (AC445)	Service Concession Arrangements
IFRIC 13 (AC446)	Customer Loyalty Programmes
IFRIC 14 (AC447) IAS19	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction
IFRIC 15 (AC448)	Agreements for the Construction of Real Estate
IFRIC 16 (AC449)	Hedges in a Net Investment in a Foreign Operation

The municipality resolved to early adopt the following GRAP standards which have been issued and are effective.

Standard	Description	Effective Date
GRAP 1 (Revised)	Presentation of Financial Statements	1 April 2024
GRAP 2 (Revised)	Cash Flow Statements	1 April 2024
GRAP 3 (Revised)	Accounting Policies, Changes in Accounting Estimates and Errors	1 April 2024
GRAP 4 (Revised)	The Effects of changes in Foreign Exchange Rates	1 April 2024
GRAP 9 (Revised)	Revenue from Exchange Transactions	1 April 2024
GRAP 10 (Revised)	Financial Reporting in Hyperinflationary Economics	1 April 2024
GRAP 11 (Revised)	Construction Contracts	1 April 2024
GRAP 12 (Revised)	Inventories	1 April 2024
GRAP 13 (Revised)	Leases	1 April 2024
GRAP 14 (Revised)	Events after the reporting date	1 April 2024
GRAP 16 (Revised)	Investment Property	1 April 2024
GRAP 17 (Revised)	Property, Plant and Equipment	1 April 2024
GRAP 18 (Revised)	Segment Reporting	1 April 2024

Standard	Description	Effective Date
GRAP 19 (Revised)	Provisions, Contingent Liabilities and Contingent Assets	1 April 2024
GRAP 20 (Revised)	Related Parties	1 April 2024
GRAP 21 (Revised)	Impairment of non-cash-generating assets	1 April 2024
GRAP 23 (Revised)	Revenue from Non-Exchange Transactions	1 April 2024
GRAP 24 (Revised)	Presentation of Budget Information in Financial Statements	1 April 2024
GRAP 25 (Revised)	Employee Benefits	1 April 2024
GRAP 26 (Revised)	Impairment of cash-generating assets	1 April 2024
GRAP 27 (Revised)	Agriculture	1 April 2024
GRAP 31 (Revised)	Intangible Assets	1 April 2024
GRAP 32 (Revised)	Service concession arrangements: Grantor - No significant impact is expected as the municipality does not participate in such business transactions.	1 April 2024
GRAP 100 (Revised)	Non-current Assets held for Sale and Discontinued Operations	1 April 2024
GRAP 104 (Revised)	Financial Instruments	1 April 2024

Standard	Description	Effective Date
GRAP 105	Transfer of functions between entities under common control - No significant impact is expected as the municipality does not participate in such business transactions.	1 April 2024
GRAP 106	Transfer of functions between entities not under common control No significant impact is expected as the municipality does not participate in such business transactions.	1 April 2024
GRAP 107	Mergers - No significant impact is expected as the municipality does not participate in such business transactions.	1 April 2024
GRAP 108 (Revised)	Statutory receivables	1 April 2024
GRAP 109	Accounting by principals and agents - No significant impact is expected as the municipality does not participate in such business transactions.	1 April 2024

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 financial statements.

Chapter 6 - Auditor-General Report

INTRODUCTION

The district municipality remains committed to a clean administration and as a result the municipality received an unqualified audit opinion with no matters of emphasis. The municipality is committed to aligning itself with the National Government's strategic objectives.

Key controls have been improved to address the weaknesses raised by the Auditor-General in the management report in order to maintain the status quo.

Auditor-General opinion of financial statements 2022/23

The district municipality achieved an unqualified audit opinion with no matters of emphasis.

Auditor-General Report on Financial Performance 2022/23	
Audit Report Status*:	Unqualified audit opinion with no matters
Non-Compliance Issues	Remedial Action Taken
None	None
Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)	

Auditor-General opinion of financial statements 2023/24

The district municipality achieved an unqualified audit opinion with no matters of emphasis.

Auditor-General Report on Financial Performance 2023/24	
Audit Report Status*:	
Non-Compliance Issues	Remedial Action Taken
Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)	

Comments on MFMA section 71 responsibilities:

Section 71 of the MFMA requires municipalities to submit financial performance reports monthly to the National Treasury at specified intervals throughout the year. The reports were sent to National Treasury as per the reporting requirements.

Signed (Acting Chief Financial Officer)

Rhodes
.....

Date: 30 November 2024

Glossary

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
Level 3 accreditation	The accreditation of a municipality involves the delegation and assignment of certain clearly defined functions in respect of the administration of National Housing Programmes, leading to eventual assignment of all the functions by formal proclamation of assignment by the Premier in the Government Gazette.
National key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as “what we produce or deliver”. An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

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

APPENDICES

**Appendix A -
Councillors; Committee Allocation & Council Attendance**

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
Cllr U Buda	FT	Executive Mayor	ANC	92	8
Cllr KC Mothibi	FT	Speaker	ANC	100	0
Cllr M Aaron	PT	Planning & Development	ANC	67	8
Cllr EK Adams	PT	Planning & Development	PA	42	8
Cllr LO Amose	PT	Social Development	ANC	42	42
Cllr EL Badenhorst	PT	Policy & Institutional Development	DA	100	0
Cllr HJ van den Berg	PT	Infrastructure Development	FF+	83	0
Cllr T Bopape	PT	Planning & Development	ANC	92	8
Cllr K Botman	PT	Infrastructure Development	EFF	33	33
Cllr E Davies	PT	Social Development	PSDF	92	8
Cllr T Diloke	PT	Infrastructure Development	ANC	67	8
Cllr GT Diphahle	PT	Policy & Institutional Development	ANC	92	8
Cllr OM Ditakgwe	FT	Social Development (Chairperson), Mayoral	ANC	100	0
Cllr GV Fish	PT	Finance	PA	50	25
Cllr WAS Hendricks	PT	Finance	ANC	50	17
Cllr D Harmse	PT	Social Development	DA	75	8
Cllr TE Joubert	PT	Planning & Development	FF+	75	17
Cllr KC Kock	PT	Finance	EFF	83	0
Cllr LDK Leeuw	PT	Planning & Development	EFF	33	17
Cllr CC Lewis	PT	Finance	DA	42	17
Cllr EM Mokgathanyane	FT	Infrastructure Development (Chairperson), Mayoral	ANC	92	8
Cllr KC Molatudi	PT	Finance	ANC	75	25
Cllr K Molale	FT	MPAC (Chairperson)	ANC	92	8
Cllr RV Raphoto	PT	Policy & Institutional Development	EFF	50	8
Cllr I Ruiter	FT	Finance (Chairperson), Mayoral	ANC	100	0
Cllr LN Shushu	FT	Policy & Institutional Development (Chairperson), Mayoral	ANC	83	8
Cllr C Whittaker	PT	Infrastructure Development	DA	92	8
Cllr TM van Wyk	PT	Social Development	EFF	33	0
Cllr AK Zalisa *	FT	Planning & Development (Chairperson), Mayoral	ANC	0	8
Cllr J Tshekedi **	FT	Planning & Development (Chairperson), Mayoral	ANC	33	0

* Resigned during the financial year

** Assumed office during the financial year

Appendix B - Committees & Committee Purposes

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance Committee	To deal with all financial matters
Planning and Development Committee	To deal with planning and development matters such as Spatial Planning, IDP, GIS, LED
Infrastructure Development Committee	To deal with infrastructure matters, both new and maintenance of existing infrastructure
Policy and Institutional Development Committee	To deal with all council policies and consider reports on matters such as HR and ICT
Social Development Committee	To deal with social matters and consider reports on environmental health and housing
Municipal Public Accounts Committee (MPAC)	To exercise oversight over the executive functionaries of council and to ensure good governance in the municipality

Appendix C - Functions of Municipality

Municipal Functions	
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	No
Fire fighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	Yes
Municipal public transport	No
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	Yes
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	No
Water and sanitation services limited to potable water supply systems and domestic wastewater and sewage disposal systems	Yes
Beaches and amusement facilities	No
Billboards and the display of advertisements in public places	No
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	No
Control of public nuisances	No
Control of undertakings that sell liquor to the public	No
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	No
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No
Local amenities	No
Local sport facilities	No
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	No
Municipal roads	No
Noise pollution	Yes
Pounds	No
Public places	No
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	No
Street lighting	No
Traffic and parking	No

Appendix D - Recommendations of the Municipal Audit Committee 2023/24

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2023/24	Recommendations adopted (enter Yes) If not adopted (provide explanation)
16/08/2024	<p>Review of the Annual financial statements: It was recommended that the final version of annual financial statement submitted to AGSA should be shared with the APRC.</p>	Yes, recommendation was adopted
	<p>Matter: The municipality raised an issue about the gazetted grant of R 389 000 that was not received from Department of Cooperative Governance, Human Settlement and Traditional Affairs in the past 12 months. Further indicated that correspondence were made with the Department and the Department informed municipality is experiencing financial difficulties.</p>	Yes, recommendation was adopted
	<p>Recommendation: The municipality to register the money as intergovernmental dispute via legal services and reclassified the amount to non current assets.</p>	
	<p>Matter: Inventory that is written off and dispose due to the items not in use by the municipality.</p>	Yes, recommendation was adopted
	<p>Recommendation: The municipality must beef up internal control to manager inventory, that will include desisting from procurement of item that are not needed.</p>	
	<p>Matter: Other Income Notes 21 vs Notes 32. The amount of other income is recorded as R 68 151 in the Statement of Financial Performance, whereas in the Notes it does include R 706 309 of the Actuarial Gains. The Actuarial gains which is also disclosed separately as Notes 32 to the AFS.</p>	Yes, recommendation was adopted
	<p>Recommendation: The municipality must correct the amount to have a true reflection of the other income account.</p>	
	<p>Review of the Annual performance report: It was recommended that the final version of annual performance report submitted to AGSA should be shared with the APRC.</p>	Yes, recommendation was adopted

Appendix E - Disclosures of Financial Interests

Disclosures of Financial Interests		
Period 1 July 2023 to 30 June 2024 of 2023/24		
Position	Name	Description of Financial interests* (Nil / Or details)"
Executive Mayor	Ms U Buda	Nil / None
Speaker	Ms KC Mothibi	Nil / None
Member of MayCo / Exco	Mr K Zalisa	Nil / None
	Mr M Mokgathlanyane	Nil / None
	Ms OM Ditakgwe	Nil / None
	Ms J Tshekedi	Nil / None
	Ms LN Shushu	Nil / None
	Mr I Ruitter	Nil / None
Councillor	Ms D Harmse	Nil / None
	Mr TE Joubert	Nil / None
	Ms M Molatudi	Nil / None
	Ms LO Amose	Nil / None
	Mr KC Kock	Nil / None
	Mr TH Bopape	Nil / None
	Ms TG Diloke	Nil / None
	Mr HJ van den Berg	Nil / None
	Mr LDK Leeuw	Nil / None
	Ms KJ Botman	Nil / None
	Mr WAS Hendricks	Nil / None
	Ms E Davies	Nil / None
	Mr EK Adams	Nil / None
	Ms GV Fish	Nil / None
	Ms CC Lewis	Nil / None
	Mr RV Raphoto	Nil / None
	Mr WA van Rooyen	Nil / None
	Mr C Whittaker	Nil / None
	Mr TM van Wyk	Nil / None
	Mr JG Diphahle	Nil / None
Ms EL Badenhorst	Nil / None	
Ms CM Aaron	Nil / None	
Ms K Molale	Nil / None	

Appendix E - Disclosures of Financial Interests

Disclosures of Financial Interests		
Period 1 July 2023 to 30 June 2024 of 2023/24		
Position	Name	Description of Financial interests* (Nil / Or details)"
Municipal Manager	Z.M. Bogatsu	Nil / None
Chief Financial Officer	O Moseki (Acting)	Nil / None
Other S57 Officials	Vacant	

Appendix F (i) - Revenue collection performance by vote and by source

Revenue Collection Performance by Vote							R' 000
Vote Description	2022/23	Current Year: 2023/24			2023/24 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget	
Vote 1 - Executive aAnd Council	355	-	395	280	0.00%	-0.290857	
Vote 2 - Municipal Manager	-	-	-	-	0.00%	0.00%	
Vote 3 - Budget And Treasury	146 390	144 351	144 461	151 007	4.61%	4.53%	
Vote 4 - Corporate Services	-	-	-	-	0.00%	0.00%	
Vote 5 - Planning and Development	3 696	6 866	7 366	4 114	-40.08%	-44.14%	
Vote 6 - Project Man and Advisory Services	-	-	-	-			
Total Revenue by Vote	150 441	151 217	152 222	155 402	2.77%	2.09%	

Appendix F (ii) - Revenue collection performance by vote and by source

Revenue Collection Performance by Source						
						R '000
Description	2022/23	2023/24			2023/24 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Exchange Revenue						
Service charges - Electricity	-	-	-	-		
Service charges - Water	-	-	-	-		
Service charges - Waste Water Management	-	-	-	-		
Service charges - Waste Management	-	-	-	-		
Sale of Goods and Rendering of Services	59	120	120	68	-76.08%	-76.08%
Agency services	-	-	-	-		
Interest	-	-	-	-		
Interest earned from Receivables	-	-	-	-		
Interest earned from Current and Non Current Assets	9 986	6 530	6 640	13 418	51.33%	50.51%
Dividends	-	-	-	-		
Rent on Land	-	-	-	-		
Rental from Fixed Assets	195	250	250	195	-28.05%	-28.05%
Licence and permits	-	-	-	-		
Operational Revenue	-	-	-	-		
Non-Exchange Revenue						
Property rates	-	-	-	-		
Surcharges and Taxes	-	-	-	-		
Fines, penalties and forfeits	-	-	-	-		
Licences or permits	-	-	-	-		
Transfer and subsidies - Operational	137 340	144 317	145 212	141 488	-2.00%	-2.63%
Interest	-	-	-	-		
Fuel Levy	-	-	-	-		
Operational Revenue	-	-	-	-		
Gains on disposal of Assets	-	-	-	-		
Other Gains	-	-	-	232	100.00%	100.00%
Discontinued Operations	2 868	-	-	-		
Total Revenue (excluding capital transfers and contributions)	150 448	151 217	152 222	155 402	2.69%	2.05%

Appendix G - Conditional Grants received: excluding MIG

Conditional Grants: excluding MIG							R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	
Public Transport Infrastructure and Systems Grant	-	-	-	-	-	-	
Other Specify:							
Local Government Equitable Share	136 271	136 271	136 271	0.00%	0.00%	-	
Finance Management	1 000	1 000	703	-42.19%	-42.19%	-	
Municipal Disaster Recovery Grant	-	-	-	-	-	-	
Municipal Systems Improvement	3 200	3 200	-			-	
Roads asset management	2 707	2 707	2 623	-3.18%	-3.18%	-	
Kgotso Pula Nala	-	-	-	-	-	-	
NEAR Control Centre	-	-	-	-	-	-	
SETA - Skills Grant	180	180	119	-50.86%	-50.86%	-	
NCPA - EPWP	959	959	959	0.00%	0.00%	-	
Tourism Grant	-	500	491	100.00%	-1.74%	-	
NCPA- District Aids Council	-	395	280	100.00%	-41.02%		
Public Contributions	-	-	-	-	-	-	
NCPA- Housing Grants	-	-	-	-	-	-	
NCPA - Firefighting Equipment	-	-	-	-	-	-	
Covid-19 Grant	-	-	-	-	-	-	
Total	144 31	145 213	141 448	-2.03%	-2.66%	-	

Appendix H (i) - Capital expenditure - New Assets Programmes

Capital Expenditure - New Assets Programme*							
Description	2022/23	2023/24		Actual Expenditure	Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget		FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class	–	–	–	–	–	–	–
Heritage assets - Total	–	–	–	–	–	–	–
Buildings	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Investment properties - Total	–	–	–	–	–	–	–
Housing development	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Other assets	3 723	1 817	1 814	780	1 455	–	–
General vehicles	–	700	700	691	–	–	–
Specialised vehicles	–	–	–	–	–	–	–
Plant & equipment	376	130	130	–	203	–	–
Computers - hardware/equipment	63	831	829	31	830	–	–
Furniture and other office equipment	63	156	155	58	107	–	–
Abattoirs	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	–	–	–	–
Other Buildings	3 221	–	–	–	315	–	–
Other Land	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Intangibles	–	–	250	–	250	–	–
Computers - software & programming	–	–	250	–	250	–	–
Total Capital Expenditure on new assets	3 723	1 817	2 064	780	1 705	–	–
Specialised vehicles	–	–	–	–	–	–	–
Refuse	–	–	–	–	–	–	–
Fire	–	–	–	–	–	–	–
Conservancy	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–

Capital Expenditure - New Assets Programme*

R '000

Description	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class	-	-	-	-	-	-	-
Infrastructure - Total	-	300	-	-	-	-	-
Infrastructure: Road transport -Total	-	-	-	-	-	-	-
Roads, Pavements & Bridges	-	-	-	-	-	-	-
Storm water							
Infrastructure: Electricity - Total	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-
Street Lighting							
Infrastructure: Water - Total	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-
Infrastructure: Other - Total	-	300	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-
Transportation	-	-	-	-	315	-	-
Gas	-	-	-	-	-	-	-
Other	-	300	-	-	-	-	-
Community	-	-	-	-	-	-	-
Parks & gardens	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-
Community halls							
Libraries	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-

Appendix H (ii) - Capital expenditure - Upgrade / Renewal Programmes

Capital Expenditure - Upgrade/Renewal Programme*							
Description	R '000						
	2022/23	2023/24			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	–	–	–	–	–	–	–
Housing development	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Other assets	2 139	5 198	5 454	3 253	3 012	150	150
General vehicles	1 485	1 600	1 600	1 250	1 500		
Specialised vehicles	–	–	–	–	–	–	–
Plant & equipment	–	1 330	1 570	489	1 170	–	–
Computers - hardware/ equipment	646	400	400	374	298	150	150
Furniture and other office equipment	8	868	883	143	44	–	–
Abattoirs	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	–	–	–	–
Other Buildings	–	1 000	1 000	997	–	–	–
Other Land	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Intangibles	2 866	–	–	–	6 000	–	–
Computers - software & programming	2 866	–	–	–	6 000	–	–
Other (list sub-class)	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	5 005	5 498	5 454	3 253	9 012	150	150
Specialised vehicles	–	–	–	–	–	–	–
Refuse	–	–	–	–	–	–	–
Fire	–	–	–	–	–	–	–
Conservancy	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–

* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

Appendix I - Declaration of loans and grants made by the municipality

Declaration of Loans and Grants made by the municipality: 2023/24				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2023/24	Total amount per grant per local municipality
Dikgatlong Municipality	Operation and maintenance of electrical networks	Grant	R 168,787	R 1,800,000
Dikgatlong Municipality	Operation and maintenance of streets and stormwater drainage	Grant	R 586,005	
Dikgatlong Municipality	Operation and maintenance of wastewater infrastructure	Grant	R 1,930	
Dikgatlong Municipality	Operation and maintenance of water infrastructure	Grant	R 1,061,278	
Magareng Municipality	Operation and maintenance of wastewater infrastructure	Grant	R 16,739	R 3,053,461
Magareng Municipality	Operation and maintenance of water infrastructure	Grant	R 3,036,722	
Phokwane Municipality	Operation and maintenance of electrical networks	Grant	R 30,076	R 2,499,247
Phokwane Municipality	Operation and maintenance of streets and stormwater drainage	Grant	R 200,000	
Phokwane Municipality	Operation and maintenance of wastewater infrastructure	Grant	R 1,185,829	
Phokwane Municipality	Operation and maintenance of water infrastructure	Grant	R 1,083,342	
Sol Plaatje Municipality	Operation and maintenance of streets and stormwater drainage	Grant	R 1,389,663	R 1,800,000
Sol Plaatje Municipality	Operation and maintenance of wastewater infrastructure	Grant	R 410,337	
Frances Baard District	Provision of streetlight bulbs and fittings for the 3 smaller local municipalities	Grant	R 339,555	R 339,555
Dikgatlong Municipality	Upgrading of the wastewater treatment works in Barkly West	Grant	R 354,541	R 5,500,000
Dikgatlong Municipality	Refurbishment of Barkly West wastewater plant	Grant	R 369,852	
Dikgatlong Municipality	Replacement of filter sand and nozzles at the water treatment works in Barkly West	Grant	R 2,502,940	
Dikgatlong Municipality	Upgrading of stormwater system in Mataleng and Rooirand	Grant	R 1,548,667	
Dikgatlong Municipality	Provision of boreholes in Dikgatlong LM (phase 2)	Grant	R 1,093,852	
Magareng Municipality	New Internal Water Reticulation in Ditshotshwaneng, Rabaki & Sonderwater	Grant	R 3,331,929	R 4,745,000
Magareng Municipality	Upgrading of Ikhutseng sports facility (phase 2)	Grant	R 1,413,071	
Phokwane Municipality	Upgrading of wastewater pumpstation and bulk outfall line in Pampierstad	Grant	R 5,504,156	R 7,300,000
Phokwane Municipality	Supply and installation of generators	Grant	R 1,795,847	
Sol Plaatje Municipality	Supply and delivery of hot mix asphalt for the resealing of roads	Grant	R 6,000,000	R 6,000,000

PART II
ANNUAL FINANCIAL
STATEMENTS



Frances Baard District Municipality
Annual Financial Statements
for the year ended 30 June 2024

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

General Information

Country of origin and legal form	South African Category C Municipality as defined by the Municipal Structures Act. (Act no 117 of 1998)
Jurisdiction	The Frances Baard District Municipality includes the following local municipalities: Sol Plaatje; Phokwane; Dikgatlong: and Magareng.
Nature of business and principal activities	Frances Baard Municipality is a district municipality performing the functions as set out in the Constitution. (Act no 108 of 1996)
Capacity of district authority	Medium capacity DC9
Management structure	The municipality senior management structure consists of the Municipal Manager and heads of the four main departments. The Office of the Municipal Manager includes management functions pertaining to municipal systems improvement and intergrated development planning functions.
Municipal Manager	Ms ZM Bogatsu
Chief Finance Officer (CFO)	Ms O Moseki (Acting)
Registered office	51 Drakensberg Avenue Carters Glen Kimberley 8301
Legal representative	Mr K Matlakala
External auditors	Auditor-General of South Africa
Internal Auditors	The Internal Audit unit was fully staffed amd operational during the financial year. The use of external service providers is limited to cases where internal capacity is insufficient to condut specialised investigations.
Members of the audit committee	Mr G Botha - Chairperson Mr T Mudamburi - Member Mr S Masikela - Member
Principal banker	First National Bank (FNB)
Executive Mayor	Ms U Buda - Executive Mayor
Mayoral Committee	Ms KC Mothibi - Speaker Mr M Mokgatlhanyane - Proportional Ms LM Shushu - Proportional MS OM Ditakgwe - Proportional Mr I Ruiters - Sol Plaatje Local Municipality Ms D Tshakedi -Proportional
Municipal Public Accounts Committee Chairperson	Ms K Molale
Part-time Councillors	Mr KC Kock - Sol Plaatje Local Municipality Ms CC Lewis - Proportional

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

General Information

Ms KJ Botman	- Proportional
Ms GV Fish	- Proportional
Mr RV Raphoto	- Proportional
Mr TE Joubert	- Proportional
Ms MK Molatudi	- Sol Plaatje Local Municipality
Mr JG Diphahle	- Sol Plaatje Local Municipality
Mr TH Bopape	- Sol Plaatje Local Municipality
Mr CP Whittaker	- Sol Plaatje Local Municipality
Mr HJ van der Berg	- Sol Plaatje Local Municipality
Ms E Badenhorst	- Sol Plaatje Local Municipality
Mr E Adams	- Sol Plaatje Local Municipality
Ms TG Diloke	- Phokwane Local Municipality
Ms E Davies	- Phokwane Local Municipality
Mr TM van Wyk	- Phokwane Local Municipality
Mr LDK Leeuw	- Dikgatlong Local Municipality
Mr WAS Hendricks	- Dikgatlong Local Municipality
Ms LO Amose	- Magareng Local Municipality
Ms M Aaron	- Sol Plaatje Local Municipality
Ms D Harmse	- Proportional

Other heads of departments

Mr. T Ndlazi (Acting) - Director: Administration
Mr F Netshivhodza (Acting) - Director: Planning & Development
Mr R Setshogoe (Acting) - Director: Infrastructure Services

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Index

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

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Statement of Comparison of Budget and Actual Amounts	9 - 15
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Abbreviations used:

DORA	Division of Revenue Act
ITA	The Income Tax Amendment Act
GRAP	Generally Recognised Accounting Practice
VAT	Value Added Tax
MSA	Municipal Structures Act
MSA	Municipal Systems Act
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
MPPMR	Municipal Planning & Performance Management Regulation
HA	Housing Act
SDLAA	Skills Development Levies Amendment Act
EEA	Employment Equity Act
UIF	Unemployment Insurance Act

Accounting Officer's Responsibilities and Approval

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

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. They annual financial statements also based on the appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

I have reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, and I am satisfied that the municipality has access to adequate resources to continue its operational existence for the foreseeable future.

The external auditors are responsible for the independent review and reporting on the municipality's annual financial statements.

The annual financial statements are set out in page 5, and have been prepared on the going concern basis.



Ms ZM Bogatsu
Municipal Manager

Report of the auditor-general to the Northern Cape Provincial Legislature and the council on Frances Baard District Municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Frances Baard District Municipality set out on pages xx to xx, which comprise the appropriation statement, statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Frances Baard District Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

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

Emphasis of matter

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

Underspending of the budget

7. As disclosed in the statement of comparison of budget and actual amounts, the municipality materially underspent the budget by R36 819 348.

Other matter

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

Unaudited disclosure notes

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

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and the Dora; and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

11. 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

12. 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.

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx to xx, forms part of our auditor's report.

Report on the annual performance report

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material key performance indicators presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.

15. I selected the following material performance indicators related to Sustainable Municipal Infrastructure Development and Basic Service delivery presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- Number of municipalities assisted with the finalisation of prioritised project lists to guide the upgrading, operations and maintenance of infrastructure in the district (O&M)
- Amount spent on support for operations and maintenance of infrastructure in the LMs (O&M)
- Quarterly submission of project monitoring reports developed to support infrastructure operations and maintenance in the LMs (O&M)
- Number of Full-Time Equivalentents (FTEs) created as per DORA and the EPWP incentive agreement
- Percentage progress on the implementation of the RRAMS project to support improved infrastructure planning in the LMs as per the approved business plan
- Number of municipalities assisted with the finalisation of prioritised project lists for capital infrastructure projects in the district
- Amount spent on support for capital infrastructure projects in the LMs
- Quarterly submission of project monitoring reports developed to support capital infrastructure projects in the LMs

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

17. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for measures taken to improve performance.

18. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

19. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

22. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages xx to xx.

Sustainable Municipal Infrastructure Development and Basic Service delivery

Key indicator not achieved	Planned target	Reported achievement
Number of Full-Time Equivalents (FTEs) created as per the EPWP incentive agreement	37	35.71

Report on compliance with legislation

23. 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.

24. 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.

25. 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.
26. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

27. 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 objectives presented in the annual performance report that have been specifically reported on in this auditor's report.
28. 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.
29. 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 objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
30. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

31. 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.
32. I did not identify any significant deficiencies in internal control.

Auditor General

Auditor-General

Kimberley

29 November 2024



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected 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

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c) Sections: 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
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, 2017	Regulations: 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 12(5), 16(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d),
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1), 15(1)(a)(i), 15(1)(a)(ii)

Legislation	Sections or regulations
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)
MSA: Municipal Staff Regulations	Regulations: 7(1),31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(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), 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)

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	2	335 206	239 492
Receivables from exchange transactions	3	9 013 801	10 025 274
Investments	5	10 400 000	11 000 000
VAT receivable	6	1 640 078	2 631 927
Current Portion Long-term Receivables	8	611 000	736 000
Operating lease receivable	12	8 804	30 481
Cash and cash equivalents	7	113 099 485	113 413 460
		135 108 374	138 076 634
Non-Current Assets			
Statutory Receivables	4	389 000	389 000
Long-term Receivables	8	5 728 000	6 388 000
Property, plant and equipment	9	70 374 673	70 314 564
Intangible assets	10	739 249	1 700 446
Heritage assets	11	631 417	631 417
Operating lease receivable	12	-	8 804
		77 862 339	79 432 231
Total Assets		212 970 713	217 508 865
Liabilities			
Current Liabilities			
Payables from exchange transactions	14	5 530 222	15 172 187
Consumer deposits	16	4 370	4 945
Employee benefit obligation	13	13 396 888	11 840 926
Unspent conditional grants and receipts	15	1 571 136	1 351 693
		20 502 616	28 369 751
Non-Current Liabilities			
Employee benefit obligation	13	29 853 233	29 110 513
Total Liabilities		50 355 849	57 480 264
Net Assets		162 614 864	160 028 601
Reserves			
Revaluation reserve	17	42 572 802	43 620 661
Accumulated surplus	18	120 042 062	116 407 940
Total Net Assets		162 614 864	160 028 601

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Rental of facilities and equipment	20	195 237	195 237
Other income	21	68 151	59 119
Acturial Gains	32	232 309	2 867 871
Interest received	22	13 418 050	9 986 289
Total revenue from exchange transactions		13 913 747	13 108 516
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	23	141 487 870	137 339 592
Total revenue	19	155 401 617	150 448 108
Expenditure			
Employee related costs	24	(72 929 723)	(72 456 874)
Remuneration of councillors	25	(7 734 830)	(8 190 220)
Depreciation and amortisation	26	(4 985 766)	(5 309 101)
Debt Impairment	27	(314 343)	(7 402)
Inventory consumed	29	(1 116 964)	(1 085 763)
Transfers and Subsidies	30	(42 970 329)	(30 572 440)
Loss on Disposal of Property, Plant and Equipment	31	(9 702)	(296 975)
General Expenses	33	(22 753 697)	(24 688 426)
Total expenditure		(152 815 354)	(142 607 201)
Surplus for the year		2 586 263	7 840 907

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	44 668 521	107 143 614	151 812 135
Adjustments			
Prior year adjustments 55	-	375 559	375 559
Balance at June 30, 2022	44 668 521	107 519 173	152 187 694
Changes in net assets			
Surplus for the year	-	7 840 907	7 840 907
Depreciation offset	(1 047 860)	1 047 860	-
Total changes	(1 047 860)	8 888 767	7 840 907
Opening balance as previously reported	43 620 661	116 184 881	159 805 542
Adjustments			
Prior year adjustments 55	-	223 059	223 059
Balance at June 30, 2023	43 620 661	116 407 940	160 028 601
Changes in net assets			
Surplus for the year	-	2 586 263	2 586 263
Depreciation Offset	(1 047 859)	1 047 859	-
Total changes	(1 047 859)	3 634 122	2 586 263
Balance at 30 June 2024	42 572 802	120 042 062	162 614 864
Note(s)	17		

* Details on the movement of the Funds and Reserves are set out in Note 17 and Note 18.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Transfers and subsidies		141 806 313	137 583 074
External Interest and Dividends Received		13 418 050	9 979 265
Other receipts		1 831 029	610 421
		<u>157 055 392</u>	<u>148 172 760</u>
Payments			
Employee related costs		(70 632 646)	(75 084 727)
Remuneration of councillors		(7 734 830)	(8 190 220)
Suppliers paid		(33 098 184)	(17 267 982)
Other payments		(43 069 329)	(30 027 995)
		<u>(154 534 989)</u>	<u>(130 570 924)</u>
Net cash flows from operating activities	34	<u>2 520 403</u>	<u>17 601 836</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(4 085 029)	(6 400 882)
Purchase of other intangible assets	10	(9 349)	-
Decrease / (Increase) in Current Investments		600 000	(1 250 000)
Decrease / (Increase) in Long-term Receivables		660 000	283 000
		<u>(2 834 378)</u>	<u>(7 367 882)</u>
Net increase/(decrease) in cash and cash equivalents		(313 975)	10 233 954
Cash and cash equivalents at the beginning of the year		113 413 460	103 179 504
Cash and cash equivalents at the end of the year	7	<u>113 099 485</u>	<u>113 413 458</u>

The accounting policies on pages 18 to 37 and the notes on pages 38 to 98 form an integral part of the annual financial statements.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

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

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Rental of facilities and equipment	250 000	-	250 000	195 237	(54 763)	21.91%
Other income	120 000	-	120 000	68 151	(51 849)	43.21%
Actuarial Gains	-	-	-	232 309	232 309	0%
Interest received - investment	6 530 000	110 000	6 640 000	13 418 050	6 778 050	102.08%
Total revenue from exchange transactions	6 900 000	110 000	7 010 000	13 913 747	6 903 747	

Revenue from non-exchange transactions

Transfer revenue

Government grants & subsidies	144 317 000	895 000	145 212 000	141 487 870	(3 724 130)	2.56%
Total revenue	151 217 000	1 005 000	152 222 000	155 401 617	3 179 617	

Expenditure

Employee Related Cost	(92 949 000)	6 898 000	(86 051 000)	(72 929 723)	13 121 277	15.24%
Remuneration of councillors	(10 221 000)	-	(10 221 000)	(7 734 830)	2 486 170	24.32%
Depreciation and amortisation	(5 282 000)	(626 000)	(5 908 000)	(4 985 766)	922 234	15.61%
Debt Impairment	(10 000)	(400 000)	(410 000)	(314 343)	95 657	23.33%
Inventory	(1 641 000)	(10 000)	(1 651 000)	(1 116 964)	534 036	32.34%
Transfers and Subsidies	(27 508 000)	(16 219 000)	(43 727 000)	(42 970 329)	756 671	1.00%
General Expenses	(41 521 000)	(136 000)	(41 657 000)	(22 753 697)	18 903 303	45.38%
Total expenditure	(179 132 000)	(10 493 000)	(189 625 000)	(152 805 652)	36 819 348	

Operating surplus

Gains/Loss on disposal of assets and liabilities	(22 000)	-	(22 000)	(9 702)	12 298	55.9%
Fair Value Gains/Losses	(1 413 000)	-	(1 413 000)	-	1 413 000	100%
	(1 435 000)	-	(1 435 000)	(9 702)	1 425 298	

Surplus before taxation

	(29 350 000)	(9 488 000)	(38 838 000)	2 586 263	41 424 263	
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Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement

	(29 350 000)	(9 488 000)	(38 838 000)	2 586 263	41 424 263	
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Financial Performance: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 5% between the approved budget and the actual amount on the various items disclosed in the Statement of Financial Performance are explained below:

Other revenue

Other revenue variance is a result of the tender fees, and insurance claimed were low as anticipated.

Rental from Fixed Assets:

The variance on rental of facilities and equipment is due to low demand on the rental of the municipal facilities.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Interest, Dividends and Rent on Land Earned:

The income from external investments increased due to interest rates were higher during the current financial year as compared to the budget projections.

Employee Related Costs

Variance on the employee related costs is due to the vacant positions which have not been filled for the financial year including Directors - Finance, Administration, Infrastructure Services and Planning & Development.

Depreciation and Amortisation:

The depreciation & amortisation on assets is for the assets class on PPE and Intangible assets, the variance is due to the reviews done on RUL of assets which reached its useful lives.

Impairment Losses:

The variance is due to debtors which were written off by council while provision was made and impairments on debtors which the municipality does not anticipate receiving the debt owed.

Contracted Services:

Contracted Services and Repairs and Maintenance actual expenditures are reflected under general expenset.

Inventory Consumed:

Savings realised on the consumption of inventory due to the implementation of cost containment measure.

General Expenses:

Operational costs and Contracted Services expenditures are combined and the variance is due to the implementation of the cost containment measure.

Loss on Disposal of Property, Plant and Equipment:

Loss on Disposal of Property, Plant and Equipment expenditure is for assets which were disposed off and donated to NGOs, assets which were anticipated to be disposed in the current, will be disposed in the 2024/25.

Reason for adjustment to original budget

Please refer to the adjustment budget for reasons on variances from the original budget.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Statement of Financial Position

Assets

Current Assets

Inventories	358 000	(129 000)	229 000	335 206	106 206	46.38%
Investments	-	-	-	10 400 000	10 400 000	0%
Operating lease asset	-	-	-	8 804	8 804	0%
Receivables from exchange transactions	7 698 000	1 218 000	8 916 000	9 013 801	97 801	1.10%
Statutory Receivables	578 000	(189 000)	389 000	-	(389 000)	100%
VAT receivable	27 910 000	(18 124 000)	9 786 000	1 640 078	(8 145 922)	83.24%
Current Portion Long-term Receivables	676 000	60 000	736 000	611 000	(125 000)	16.98%
Other current assets	(52 000)	374 000	322 000	-	(322 000)	100%
Cash and cash equivalents	92 657 000	(1 940 000)	90 717 000	113 099 485	22 382 485	24.67%
	129 825 000	(18 730 000)	111 095 000	135 108 374	24 013 374	

Non-Current Assets

Property, plant and equipment	67 489 000	1 213 000	68 702 000	70 374 673	1 672 673	2.43%
Intangible assets	2 579 000	(1 591 000)	988 000	739 249	(248 751)	25.17%
Heritage assets	631 000	-	631 000	631 417	417	0.07%
Statutory Receivables	-	-	-	389 000	389 000	0%
Operating lease asset	39 000	(30 000)	9 000	-	(9 000)	100%
Long-term Receivables	6 671 000	(283 000)	6 388 000	5 728 000	(660 000)	10.33%
	77 409 000	(691 000)	76 718 000	77 862 339	1 144 339	

Total Assets

207 234 000	(19 421 000)	187 813 000	212 970 713	25 157 713
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Liabilities

Current Liabilities

Payables from exchange transactions	10 623 000	12 274 000	22 897 000	5 530 225	(17 366 775)	75.84%
VAT payable	23 658 000	(23 371 000)	287 000	-	(287 000)	100%
Consumer deposits	3 000	2 000	5 000	4 370	(630)	12.6%
Employee benefit obligation	16 263 000	(1 309 000)	14 954 000	13 396 888	(1 557 112)	10.41%
Unspent conditional grants and receipts	1 252 000	(1 130 000)	122 000	1 571 136	1 449 136	1 187.82%
	51 799 000	(13 534 000)	38 265 000	20 502 619	(17 762 381)	

Non-Current Liabilities

Employee benefit obligation	32 087 000	(1 288 000)	30 799 000	29 853 233	(945 767)	3.07%
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Total Liabilities

83 886 000	(14 822 000)	69 064 000	50 355 852	(18 708 148)
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Net Assets

123 348 000	(4 599 000)	118 749 000	162 614 861	43 865 861
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Net Assets

Net Assets Attributable to Owners of Controlling Entity

Reserves

Revaluation reserve	44 467 000	(2 096 000)	42 371 000	42 572 802	201 802	0.48%
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Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Accumulated surplus	78 881 000	(2 503 000)	76 378 000	120 042 059	43 664 059	57.16%
Total Net Assets	123 348 000	(4 599 000)	118 749 000	162 614 861	43 865 861	

Financial Position: Explanation of Variances between Approved Budget and Actual

'Reasons for Variances greater than 5% between the approved budget and the actual amount on the various items disclosed in the Statement of Financial Position are explained below:

Inventories:

The variance is due to low issuing of stock during the financial year.

Investments:

The budget for investments is under cash and cash equivalents.

Operating lease:

The budget for operating lease is under other current assets, this is due to mSCOA not having a line for operating leases.

Receivables from Exchange Transactions:

The year to date movement comprises of prepaid subscriptions, services debtors and other debtors balances for the year.

VAT receivable:

The variance is due

Current portion of long-term:

The variance is due to payments which were received during the financial year.

Cash and Cash Equivalents:

The variance is due to projects are rolled-over to the 2024/25 financial year and savings on completed projects.

Operating Lease Receivables:

'Operating lease receivables is made of the contract the municipality has with MTN.

Property, Plant and Equipment:

The variance is as a result of additions, disposals and depreciations to PPE of the municipality.

Intangible Assets:

The variance is due to the additions, disposals and amortisations during the financial year.

Long-term Receivables:

Due to the actuarial valuation performed during the current financial year.

Statutory Receivables:

The variance is due to the reclassification done during the current year.

Consumer Deposits:

The variance is due to the accumulating deposits of the consumers which was claimed during the financial year.

Payables from Exchange Transactions:

The variance is due to the fact that most suppliers were paid by 30 June 2024.

Unspent Conditional Grants and Receipts:

The municipality anticipated that it would spend all its grant allocations at the end of the financial year, however there is an underspending on RRAMS, FMG, Aids grant and Covid-19 grant.

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Employee benefits liabilities:

The variance is as a result of the actuarial valuation performed at the end of the year.

Reserves:

The variance is due to the depreciation off-set, due to the revaluation model.

Accumulated Surplus / (Deficit):

Combination of reasons stated above

Reason for adjustment to original budget

Please refer to the adjustment budget for reasons on variances from the original budget.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Cash Flow Statement

Cash flows from operating activities

Receipts

Grants	144 317 000	796 000	145 113 000	141 806 313	(3 306 687)	2.28%
Interest income	6 530 000	110 000	6 640 000	13 418 050	6 778 050	102.08%
Other receipts	676 000	-	676 000	1 831 029	1 155 029	170.86%
	151 523 000	906 000	152 429 000	157 055 392	4 626 392	

Payments

Suppliers	(178 741 000)	7 966 000	(170 775 000)	(154 534 989)	16 240 011	9.51%
Transfer ans subsidies	-	(7 612 000)	(7 612 000)	-	7 612 000	100%
	(178 741 000)	354 000	(178 387 000)	(154 534 989)	23 852 011	

Net cash flows from operating activities

(27 218 000) **1 260 000** **(25 958 000)** **2 520 403** **28 478 403**

Cash flows from investing activities

Decrease/ (Increase) in Current Investments	-	-	-	600 000	600 000	0.0%
Decrease / (Increase) in Long-term Receivables	-	-	-	660 000	660 000	0%
Purchase of other asset	(8 700 000)	975 000	(7 725 000)	(4 094 378)	3 630 622	47%
Net cash flows from investing activities	(8 700 000)	975 000	(7 725 000)	(2 834 378)	4 890 622	

Net increase/(decrease) in cash and cash equivalents

(35 918 000) 2 235 000 **(33 683 000)** (313 975) **33 369 025**

Cash and cash equivalents at the beginning of the year

87 100 000 37 313 000 **124 413 000** 113 413 460 **(10 999 540)** 8.84%

Cash and cash equivalents at the end of the year

51 182 000 **39 548 000** **90 730 000** **113 099 485** **22 369 485**

Cash Flow: Explanation of Variances between Approved Budget and Actual

Reasons for Variances greater than 5% between the approved budget and the actual amount on the various items disclosed in the Cash Flow Statement are explained below:

Interest income:

Variance is due to higher interest rate received than anticipated during the financial year.

Other Receipts:

VAT is receivable accounted for under other receipts.

VAT Receivable / Payable:

Vat included in other receipts.

Suppliers Paid:

The variance is due operational cost and contracted services projects which were completed with savings and variances

Purchase of Property, Plant and Equipment:

The variance is due to purchases of property, plant and equipment and intangible assets.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

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

Reason for adjustment to original budget

Please refer to the adjustment budget for reasons on variances from the original budget.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2024											
Financial Performance											
Investment revenue	6 530 000	1 10 000	6 640 000	-	-	6 640 000	13 418 050		6 778 050	202 %	205 %
Transfers recognised - operational	144 317 000	895 000	145 212 000	-	-	145 212 000	141 487 870		(3 724 130)	97 %	98 %
Other own revenue	370 000	-	370 000	-	-	370 000	495 697		125 697	134 %	134 %
Total revenue (excluding capital transfers and contributions)	151 217 000	1 005 000	152 222 000	-	-	152 222 000	155 401 617		3 179 617	102 %	103 %
Employee costs	(92 949 000)	6 898 000	(86 051 000)	-	-	(86 051 000)	(72 929 723)		13 121 277	85 %	78 %
Remuneration of councillors	(10 221 000)	-	(10 221 000)	-	-	(10 221 000)	(7 734 830)		2 486 170	76 %	76 %
Debt impairment	(10 000)	(400 000)	(410 000)			(410 000)	(314 343)		95 657	77 %	3 143 %
Depreciation and asset impairment	(5 282 000)	(626 000)	(5 908 000)			(5 908 000)	(4 985 766)		922 234	84 %	94 %
Materials and bulk purchases	(1 641 000)	(10 000)	(1 651 000)	-	-	(1 651 000)	(1 116 964)		534 036	68 %	68 %
Transfers and grants	(27 508 000)	(16 219 000)	(43 727 000)	-	-	(43 727 000)	(42 970 329)		756 671	98 %	156 %
Other expenditure	(42 956 000)	(136 000)	(43 092 000)	-	-	(43 092 000)	(22 763 399)		20 328 601	53 %	53 %
Total expenditure	(180 567 000)	(10 493 000)	(191 060 000)	-	-	(191 060 000)	(152 815 354)		38 244 646	80 %	85 %
Surplus/(Deficit)	(29 350 000)	(9 488 000)	(38 838 000)	-	-	(38 838 000)	2 586 263		41 424 263	(7)%	(9)%
Surplus/(Deficit) for the year	(29 350 000)	(9 488 000)	(38 838 000)	-	-	(38 838 000)	2 586 263		41 424 263	(7)%	(9)%
Capital expenditure and funds sources											
Total capital expenditure	7 565 000	(848 000)	6 717 000	-	-	6 717 000	4 094 378		(2 622 622)	61 %	54 %

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget (i.t.o. council approved policy)	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Cash flows											
Net cash from (used) operating	(27 218 000)	1 260 000	(25 958 000)	-	-	(25 958 000)	2 520 403		28 478 403	(10)%	(9)%
Net cash from (used) investing	(8 700 000)	975 000	(7 725 000)	-	-	(7 725 000)	(2 834 378)		4 890 622	37 %	33 %
Net increase/(decrease) in cash and cash equivalents	(35 918 000)	2 235 000	(33 683 000)	-	-	(33 683 000)	(313 975)		33 369 025	1 %	1 %
Cash and cash equivalents at the beginning of the year	87 100 000	37 313 000	124 413 000	-	-	124 413 000	113 413 460		(10 999 540)	91 %	130 %
Cash and cash equivalents at year end	51 182 000	39 548 000	90 730 000	-	-	90 730 000	113 099 485		(22 369 485)	125 %	221 %

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

Figures in Rand

Note(s)

2024

2023

1.1 BASIS FOR PRESENTATION

The Annual Financial Statements have been prepared on an Accrual Basis of accounting and are in accordance with the historical cost convention, except where indicated otherwise.

The Annual Financial Statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP), as approved by the Minister of Finance, including any interpretations, guidelines and directives issued by the Accounting Standards Board and in accordance with the requirements of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

The municipality implemented the Municipal Standard Chart of Accounts (mSCOA) during the year ended 30 June 2018 as required in terms of the Municipal Regulations on Standard Chart of Accounts, announced by Government Gazette No 37577 of 22 April 2014, in section 168 of the Local Government: Municipal Finance Management Act (Act 56 of 2003) and through directives and guidelines from National Treasury.

1.1.1 Presentation Currency

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand which is the municipality's functional currency.

1.1.2 Changes in Accounting Policy and Comparability

Accounting Policies have been consistently applied, except where otherwise indicated below.

The municipality has the accounting framework as set out in paragraph 1 above. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

1.1.3 Critical Judgements, Estimations and Assumptions

In the application of the municipality's Accounting Policies, which are described below, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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 may differ from these estimates.

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.

The following are the critical judgements and estimations that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

1.1.4 Revenue Recognition

Accounting Policy 1.10 on Revenue from Exchange Transactions and Accounting Policy 1.10 on Revenue from Non-exchange

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Transactions describes the conditions under which revenue will be recorded by the management of the municipality. In making their judgement, the 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). As far as Revenue from Non-exchange Transactions is concerned (see Basis of Preparation above), and, in particular, 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 is rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. Management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Accounting Policy 1.8 on Impairment of Financial Assets describes the process followed to determine the value at which Financial Assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment and used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. The management of the municipality is satisfied that impairment of Financial Assets recorded during the year is appropriate.

Impairment of Trade Receivables:

The calculation in respect of the impairment of Debtors is based on an assessment of the extent to which Debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This is performed per service-identifiable categories across all classes of debtors.

1.1.5 Useful lives of Property, Plant and Equipment, Intangible Assets and Investment Property

As described in Accounting Policies 1.3, and 1.5, the municipality depreciates its Property, Plant & Equipment and amortises its Intangible Assets, over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use.

The estimation of residual values of assets is based on management's judgement as to 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.

1.1.6 Impairment: Write-down of Property, Plant & Equipment, Intangible Assets, and Inventories

Accounting Policy 7 on Impairment of Assets, Accounting Policy 1.5 on Intangible Assets – Subsequent Measurement, Amortisation and Impairment describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to impairment testing of Property, Plant and Equipment and impairment testing of Intangible Assets.

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses. In particular, the calculation of the recoverable service amount for PPE and Intangible Assets and the Net Realisable Value for Inventories involves significant judgment by management.

Estimated impairments during the year to Plant and Equipment, and Intangible Assets are disclosed in Notes 10. and 11. to the Annual Financial Statements, if applicable.

1.1.7 Defined Benefit Plan Liabilities

As described in Accounting Policy 1.12, Employee Benefits – Post-employment Benefits, the municipality obtains actuarial valuations of its Defined Benefit Plan Liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the relevant Notes to the Annual Financial Statements.

Accounting Policies

(continued)

1.1.8 Provisions and Contingent Liabilities

Management judgement is required when recognising and measuring Provisions and when measuring Contingent Liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

1.1.9 Budget Information

Deviations between budget and actual amounts are regarded as material differences when a 5% deviation exists. All material differences are explained in the relevant Notes to the Annual Financial Statements.

1.1.5 Going Concern Assumption

The Annual Financial Statements have been prepared on a Going Concern Assumption.

1.1.6 Standards, Amendments to Standards and Interpretations issued but not yet Effective

The following GRAP Standards have been amended and/or issued but are not yet effective and have not been early adopted by the municipality:

GRAP 25	Employee Benefits (Effective date to be determined)
GRAP 104	Financial Instruments (Effective 1 April 2025)
GRAP7	The limit on a define benefit asset, minimum funding requirement and their interaction (Effective date to be determined)
GRAP 21	The effect of past decisions on materiality (Effective 1 April 2023)

1.2 NET ASSETS

1.2.1 Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to the Revaluation Reserve. Subsequent adjustments to the Revaluation Reserve are made in accordance with GRAP 17 (Property, Plant and Equipment).

1.2.2 Capital Replacement Reserve (CRR)

In order to finance the provision of Infrastructure and other items of Property, Plant and Equipment from internal sources, amounts are transferred from the Accumulated Surplus/(Deficit) to the CRR in terms of delegated powers.

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

The cash funds that back up the CRR are invested until utilised. The cash may only be invested in accordance with the Investment Policy of the municipality.

The CRR may only be utilised for the purpose of purchasing items of Property, Plant and Equipment and may not be used for the maintenance of these items.

Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the Accumulated Surplus/(Deficit) is credited by a corresponding amount.

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(continued)

If a profit is made on the sale of assets other than land, the profit on these assets is reflected in Surplus or Deficit and is then transferred, via the Statement of Changes in Net Assets, to the CRR, provided that it is cash backed. Profit on the sale of land is not transferred to the CRR as it is regarded as revenue.

Accounting Policies

(continued)

1.3 PROPERTY, PLANT AND EQUIPMENT

1.3.1 Initial Recognition

Property, Plant and Equipment are initially recognised at cost.

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.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

1.3.2 Subsequent Measurement

Plant and Equipment

Subsequently all Property Plant and Equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

Revaluation Model:

Buildings and Land

The municipality opted to adopt the application of the Revaluation Model for its land and buildings based on the conclusion that this is the more prudent approach for the municipality to follow. The assets are revalued every 5 years.

Subsequent to initial recognition land and buildings are carried at a revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by experienced valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

1.3.3 Depreciation

Depreciation on assets other than land is calculated on cost, using the Straight-line Method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Accounting Policies

(continued)

Assets Class	Years
Land and Buildings	
Land	Indefinite
Buildings	5 - 50
Other	
Computer Equipment	5 - 27
Emergency Equipment	5 - 27
Furniture and Fittings	4 - 30
Motor Vehicles	5 - 15
Office Equipment	5 - 27
Plant and Machinery	5 - 30
Security Assets	10 - 50
Roads and Pavements	5 - 50
Carpots	5 - 50

1.3.4 Land

Land is stated at fair value and is not depreciated as it is deemed to have an indefinite useful life.

1.3.5 Incomplete Construction Work

Incomplete Construction Work is stated at historical cost. Depreciation only commences when the asset is available for use.

1.3.6 Derecognition

The gain or loss arising from the derecognition of an item of Property, Plant and Equipment is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

1.4 HERITAGE ASSETS

Heritage Assets are not depreciated owing to uncertainty regarding to their estimated useful lives. The municipality assess at each reporting date if there is an indication of impairment.

Accounting Policies

(continued)

1.4.1 Initial Recognition

Heritage Assets are initially recognised at cost.

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.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

1.4.2 Subsequent Measurement

Subsequently all Heritage Assets are measured at cost, less accumulated impairment losses.

1.4.3 Derecognition

The gain or loss arising from the derecognition of an item of Heritage Assets is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

1.5 INTANGIBLE ASSETS

1.5.1 Initial Recognition

Identifiable non-monetary assets without physical substance are classified and recognised as Intangible Assets.

For internally generated Intangible Assets, all research expenditure is recognised as an expense as it is incurred and costs incurred on development projects are recognised as Intangible Assets in accordance with GRAP 31 (Intangible Assets). Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as Intangible Assets and amortised from the point at which the asset is available for use. Development assets are tested for impairment annually.

Intangible Assets are initially recognised at cost.

Where an Intangible 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.

The cost of an Intangible Asset acquired in exchange for non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets, is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

1.5.2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, Intangible Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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Amortisation is charged on a Straight-line Method over the Intangible Assets' useful lives. The residual value of Intangible Assets with finite useful lives is zero, unless an active market exists. Where Intangible Assets are deemed to have indefinite useful lives, such Intangible Assets are not amortised. However, such Intangible Assets are subject to an annual impairment test.

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

Assets Class	Years
Computer Software	3 - 10
Computer Software Licenses	3 - 10

1.5.3 Derecognition

The gain or loss arising from the derecognition of an item of Intangible Asset is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

1.6 INVESTMENT PROPERTY

1.6.1 Initial Recognition

At initial recognition, the municipality measures Investment Property at 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.

Repairs and Maintenance are expenses incurred through servicing equipment or repairing of existing assets. These expenses are not recognised in the carrying value of the asset, but directly recognised in Surplus or Deficit and measured at cost against the attributing segments of the Municipal Standard Chart of Accounts (mSCOA).

1.6.2 Subsequent Measurement

The municipality reviewed its application of the Fair Value Model and concluded that based on a lack of commercial substance for such valuations, the more prudent approach for the municipality would be to carry these assets at their cost prices. The municipality has no intention of selling its land and buildings and thus the Cost Model would represent the value of all land and buildings more fairly. The change has resulted in the municipality's Annual Financial Statements providing reliable and more relevant information about the value of Buildings and Land, based on the intended use of these assets in line with all valuation method of all other assets.

Investment Property is measured using the Cost Model and is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the Straight-line Method over the useful life of the property, which is estimated at 5 - 30 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The gain or loss arising on the disposal of an Investment Property is recognised in Surplus or Deficit.

1.6.3 Derecognition

The gain or loss arising from the derecognition of an item of Investment Property is included in Surplus or Deficit when the item is derecognised. Gains are not classified as Revenue.

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Accounting Policies

(continued)

1.7 IMPAIRMENT OF ASSETS

The municipality classifies all assets held with the primary objective of generating a commercial return as Cash Generating Assets.

All other assets are classified as Non-cash Generating Assets.

1.7.1 Impairment of Cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment of assets measured per the revaluation method reduces the Revaluation Surplus for that asset. The decrease shall be debited directly to a Revaluation Surplus to the extent of any credit balance existing in the Revaluation Surplus in respect of that asset.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for cash generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

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.

Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase and would be credited directly against the Revaluation Surplus to the extent of any previous impairments recognised against said reserve in respect of that asset.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

1.7.2 Impairment of Non-cash Generating Assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the non-cash generating unit to which the asset belongs is determined.

The recoverable service amount of a non-cash generating asset is the higher of its fair value less costs to sell and its value in use.

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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.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

An impairment loss is recognised for non-cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

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.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in Surplus or Deficit.

1.8 FINANCIAL INSTRUMENTS

The municipality has various types of Financial Instruments and these can be broadly categorised as Financial Assets, Financial Liabilities or Residual Interests in accordance with the substance of the contractual agreement.

Initial Recognition

Financial Assets and Financial Liabilities are recognised when it becomes party to the contractual provisions of the instrument.

The municipality does not offset a Financial Asset and a Financial Liability unless a legally enforceable right to set off the recognised amounts currently exist and the municipality intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair Value Methods and Assumptions

The fair values of Financial Instruments are determined as follows:

The fair values of quoted investments are based on current bid prices.

If the market for a Financial Asset is not active (and for unlisted securities), the municipality establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Accounting Policies

(continued)

1.8.1 Financial Assets – Classification

The municipality has the following types of Financial Assets:

Type of Financial Asset	Classification in terms of GRAP 104
Receivables from Exchange Transactions	Financial Assets at Amortised Cost
Receivables from Non-exchange Transactions	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Investment Deposits	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Call Deposits	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Bank	Financial Assets at Amortised Cost
Bank, Cash and Cash Equivalents – Cash	Financial Assets at Fair Value

Cash includes cash-on-hand (including petty cash) and cash with banks (including call deposits). For the purposes of the Cash Flow Statement, Cash and Cash Equivalents comprise cash-on-hand and deposits held on call with banks, net of bank overdrafts.

1.8.2 Financial Liabilities – Classification

The municipality has the following types of Financial Liabilities:

Type of Financial Liability	Classification in terms of GRAP 104
Payables from Exchange Transactions	Financial Liabilities at Amortised Cost
Taxes and Transfers Payable	Financial Liabilities at Amortised Cost

Trade and Other Receivables (excluding Value Added Taxation, Prepayments and Operating Lease receivables), Loans to Municipal Entities and Loans that have fixed and determinable payments that are not quoted in an active market are classified as Financial Assets at Amortised Cost.

1.8.3 Initial and Subsequent Measurement

1.8.3.1 Financial Assets:

Financial Assets measured at Amortised Cost

Financial Assets at Amortised Cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with interest recognised on an Effective Yield Basis.

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Accounting Policies

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Financial Assets measured at Cost

Financial Assets at Cost are initially measured at the transaction amount and transaction costs that are directly attributable to the acquisition or issue of the Financial Asset. Subsequently, these assets are measured at cost less any impairment.

Financial Assets measured at Fair Value

Financial Assets at Fair Value are initially measured at fair value, excluding directly attributable transaction costs. They are subsequently measured at fair value with unrealised gains or losses recognised directly in Surplus or Deficit.

1.8.3.2 Financial Liabilities:

Financial Liabilities measured at Fair Value

Financial Liabilities at Fair Value are stated at fair value, with any resulted gain or loss recognised in Surplus or Deficit.

Financial Liabilities held at Amortised Cost

Any other Financial Liabilities are classified as Other Financial Liabilities (All Payables, Loans and Borrowings are classified as Other Liabilities) and are initially measured at fair value, net of transaction costs. Trade and Other Payables, Interest-bearing Debt including Finance Lease Liabilities, Non-interest-bearing Debt and Bank Borrowings are subsequently measured at amortised cost using the Effective Interest Rate Method. Interest expense is recognised in Surplus or Deficit by applying the effective interest rate.

Prepayments are carried at cost less any accumulated impairment losses.

1.8.4 Impairment of Financial Assets

Financial Assets, other than those at fair value, are assessed for indicators of impairment at the end of each reporting period. Financial Assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised through the use of an allowance account.

1.8.4.1 Financial Assets at Amortised Cost

A provision for impairment of Accounts Receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The provision is made whereby the recoverability of accounts receivable is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. The amount of the provision is the difference between the Financial Asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of Financial Assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial.

The carrying amount of the Financial Asset is reduced by the impairment loss directly for all Financial Assets carried at Amortised Cost with the exception of Consumer Debtors, where the carrying amount is reduced through the use of an allowance account. When a Consumer Debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against revenue. Changes in the carrying amount of the allowance account are recognised in Surplus or Deficit.

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Accounting Policies

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1.8.4.2 Financial Assets at Cost

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

1.8.5 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expires or it transfers the Financial Asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred Financial Asset, the municipality continues to recognise the Financial Asset and also recognises a collateralised borrowing for the proceeds received.

1.8.6 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the Financial Liability (or part of a Financial Liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in Surplus or Deficit.

1.9 INVENTORIES

1.9.1 Initial Recognition

Inventories comprise current assets held-for-sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the Inventories to their current location and condition. Where Inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

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

Direct costs relating to properties that will be sold as Inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

1.9.2 Subsequent Measurement

1.9.2.1 Consumable Stores, Raw Materials, Work-in-Progress and Finished Goods

Consumable stores distributed at no charge or for a nominal charge are valued at the lower of cost and current replacement cost. The cost is determined using the weighted average Method.

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1.9.2.2 Other Arrangements

Redundant and slow-moving Inventories identified are written down from cost to current replacement cost, if applicable.

1.10 REVENUE RECOGNITION

1.10.1 General

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

1.10.2 Revenue from Exchange Transactions

1.10.2.1 Rentals Received

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

1.10.2.2 Finance Income

Interest earned on investments is recognised in Surplus or Deficit on the Time-proportionate Basis that takes into account the effective yield on the investment.

1.10.2.3 Sale of Goods (including Houses)

Revenue from the sale of goods is recognised when all the following conditions have been met:

The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods;

The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

The amount of revenue can be measured reliably;

It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.10.3 Revenue from Non-exchange Transactions

1.10.3.1 Public Contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

Accounting Policies

(continued)

1.10.3.2 Government Grants and Receipts

Equitable share allocations are recognised in revenue at the start of the financial year if no time-based restrictions exist.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in Surplus or Deficit in the period in which they become receivable.

Unspent conditional grants are financial liabilities that are separately reflected on the statement of financial position. They represent unspent government grants, subsidies and contributions from government organs.

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 as individual investment or part of the general investments of the Municipality 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 creditor. If it is the Municipality's interest, it is recognised as interest earned in the statement of financial performance.

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on 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 the public.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in Surplus or Deficit.

1.10.3.3 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

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 as revenue when the recovery thereof from the responsible councillors or officials became virtually certain in a financial period subsequent to the period when the actual unauthorised, irregular, fruitless and wasteful expenditure was incurred.

1.11 PROVISIONS

The best estimate of the expenditure required to settle the present obligation is the amount that the municipality 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 municipality, 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 provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities.

Accounting Policies

(continued)

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it – this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in Surplus or Deficit as a finance cost as it occurs.

1.12 EMPLOYEE BENEFIT LIABILITIES

1.12.1 Short-term Employee Benefits

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

1.12.2 Provision for Staff Leave

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

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

Accumulated leave is vesting.

1.12.3 Staff Bonuses Accrued

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.

1.12.4 Provision for Performance Bonuses

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 56 employees, is recognised as it accrues to Section 56 employees. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.12.5 Post-employment Benefits

The municipality provides retirement benefits for its employees and councillors, and has both defined benefit and defined contribution post-employment plans.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

(continued)

1.12.5.1 Defined Contribution Plans

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in Surplus or Deficit in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.12.5.2 Defined Benefit Plans

Post-retirement Health Care Benefits

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee. Not all Medical Aid Funds with which the municipality is associated, provide for continued membership.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the Projected Unit Credit Method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through Surplus or Deficit.

Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Defined Benefit Pension Plans

The municipality has an obligation to provide Post-retirement Pension Benefits to certain of its retirees. Pension contributions in respect of employees who were not members of a pension fund are recognised as an expense when incurred. Staff provident funds are maintained to accommodate personnel who, due to age, cannot join or be part of the various pension funds. The municipality contributes monthly to the funds.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

(continued)

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised 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 or losses are recognised immediately in Surplus or Deficit.

Past-service costs are recognised immediately in Surplus or Deficit.

Ex gratia Gratuities

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, including notional interest, resulting from the valuation by the actuaries and are recognised in the statement of financial performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is recognised in the statement of financial performance in the period that it occurs. These obligations are valued annually by independent qualified actuaries.

Provision for Staff Leave

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

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

Accumulated leave is vesting.

1.13 LEASES

1.13.1 The Municipality as Lessor

Rental revenue from Operating Leases is recognised on a Straight-line Basis over the term of the relevant lease.

1.14 GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

Receive any goods or services directly in return, as would be expected in a purchase or sale transaction;

Expect to be repaid in future; or

Expect a financial return, as would be expected from an investment.

These transfers are recognised in Surplus or Deficit as expenses in the period that the events giving rise to the transfer occurred.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

(continued)

1.15 VALUE ADDED TAX

The municipality accounts for Value Added Tax on the Payments Basis in accordance with section 15(2)(a) of the Value-Added Tax Act (Act No 89 of 1991).

1.16 UNAUTHORISED EXPENDITURE

Unauthorised Expenditure is expenditure that has not been budgeted for, 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 the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). All expenditure relating to Unauthorised

Expenditure is accounted for as an expense in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

1.17 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 (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policies. Irregular Expenditure excludes Unauthorised Expenditure. Irregular Expenditure is accounted for as an expense in Surplus or Deficit in the period it occurred and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

1.18 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. All expenditure relating to Fruitless and wasteful expenditure is accounted for as expenditure in Surplus or Deficit in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in Surplus or Deficit.

1.19 MATERIAL LOSSES

The MFMA requires the disclosure of material losses incurred during the year under review. The disclosure is provided in order to comply to the legislative requirements governing municipalities and municipal entities.

1.20 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets and Contingent Liabilities are not recognised. Contingencies are disclosed in Notes to the Annual Financial Statements.

1.21 STATUTORY RECEIVABLES

The municipality recognised and disclosed its Statutory Receivables in its books at year-end. The transactions relates to all the legislative transactions which were due to the municipality at year end.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

(continued)

1.22 COMMITMENTS

Commitments are future expenditure to which the municipality committed and that will result in the outflow of resources. Commitments are not recognised in the Statement of Financial Position as a liability or as expenditure in Surplus or Deficit, but are included in the disclosure Notes. A distinction is made between capital and current commitments.

The municipality discloses capital expenditure budgeted for but not yet committed.

1.23 RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises of the Councillors and Senior Managers.

1.24 SEGMENT REPORTING

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- Whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on, in the segment report. They are the segments identified or alternatively an aggregation of two or more of those segments where the aggregation criteria is met.

The municipality's segments are grouped in accordance with mSCOA functional classification. The material information of actual transactions that relates to segment reporting are derived from the statement of financial performance, which is the same basis applied on section 71 reporting.

1.25 EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as Non-adjusting Events after the Reporting Date have been disclosed in Notes to the Annual Financial Statements.

1.26 BUDGET INFORMATION

The annual budget figures have been prepared in accordance with the GRAP standard and are consistent with the Accounting Policies adopted by the Council for the preparation of these Annual Financial Statements. The amounts are scheduled as a separate additional financial statement, called the Statement of Comparison of Budget and Actual amounts. Explanatory comment is provided in the statement giving reasons for overall growth or decline in the budget and motivations for over- or under spending on line items. The annual budget figures included in the Annual Financial Statements are for the municipality and do not include budget information relating to subsidiaries or associates. These figures are those approved by the Council at the beginning and during the year following a period of consultation with the public as part of the Integrated Development Plan. The budget is approved on an accrual basis by nature classification.

The approved budget covers the period from 1 July 2023 to 30 June 2024.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
2. Inventories		
Consumable stores	335 206	239 492
Reconciliation		
Opening balance	239 492	357 534
Purchases	438 626	289 622
Issues	(342 911)	(316 106)
Inventory write-off	-	(91 558)
Closing balance	335 207	239 492

Inventories are held for own use and measured at the lower of Cost and Current Replacement Cost. No write downs of Inventory to Net Realisable Value were required.

Stores issues amounted to R342,911 for the current year (2023: R316,106)

No Inventories have been pledged as collateral for liabilities of the municipality

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
3. Receivables from exchange transactions		
Gross balances		
Service debtors	7 502 159	7 956 366
Prepayments and Advances	1 614 350	1 574 851
Other Debtors	288 095	589 580
	9 404 604	10 120 797
Less: Allowance for impairment		
Trade debtors	(390 803)	(95 523)
Prepayments and Advances	-	-
	(390 803)	(95 523)
Net balance		
Service Debtors	7 111 356	7 860 843
Prepayments and Advances	1 614 350	1 574 851
Other Debtors	288 095	589 580
	9 013 801	10 025 274
Service Debtors Ageing		
(0 -30 days)	209 485	590 610
31 - 60 days	139 780	63 829
61 - 90 days	314 815	174 436
91+days	6 447 276	7 031 968
	7 111 356	7 860 843
Prepayments and Advances Ageing		
(0 -30 days)	1 614 350	1 574 851
31 - 60 days	-	-
61 - 90 days	-	-
91+days days	-	-
	1 614 350	1 574 851
Other Debtors Ageing		
(0 -30 days)	288 095	589 580
31 - 60 days	-	-
61 - 90 days	-	-
91+days days	-	-
	288 095	589 580
Service Debtors By Type		
Provincial Departments	6 480 769	7 053 475
Councillors	395 065	233 259
Officials	5 979	19 430
Medical Aid Debtor	1 871	1 871
Private Business	618 475	648 331
	7 502 159	7 956 366
Summary of debtors by customer classification		
Service debtors		
(0 -30 days)	209 485	590 610
31 - 60 days	139 780	63 829
61 - 90 days	314 815	174 436

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
3. Receivables from exchange transactions (continued)		
91+days	6 838 079	7 127 491
	<u>7 502 159</u>	<u>7 956 366</u>
Less: Allowance for impairment	(390 803)	(95 523)
	<u>7 111 356</u>	<u>7 860 843</u>
Prepayments and Advances		
(0 -30 days)	1 614 350	1 574 851
31 - 60 days	-	-
61 - 90 days	-	-
91+days	-	-
	<u>1 614 350</u>	<u>1 574 851</u>
Less: Allowance for impairment	-	-
	<u>1 614 350</u>	<u>1 574 851</u>
Other Debtors		
(0 -30 days)	288 095	589 580
31 - 60 days	-	-
61 - 90 days	-	-
91+days	-	-
	<u>288 095</u>	<u>589 580</u>
Less: Allowance for impairment	-	-
	<u>288 095</u>	<u>589 580</u>
Total Debtors		
(0 -30 days)	2 111 930	2 755 040
31 - 60 days	139 780	63 829
61 - 90 days	314 815	174 436
91+days	6 838 079	7 127 491
	<u>9 404 604</u>	<u>10 120 796</u>
Less: Allowance for impairment	(390 803)	(95 523)
	<u>9 013 801</u>	<u>10 025 273</u>
As at 30 June 2024 Receivables of R6,901,871 (30 June 2023 - R7,270,233) were past due on accounts older than 30 days, -R390,803 (30 June 2023 - R95,523) was assessed to be impaired in accordance with the municipal policy. The age analysis of these Receivables are as follows:		
Total debtor past due and impaired		
(0 -30 days)	-	-
31 - 60 days	139 780	63 829
61 - 90 days	314 815	174 436
91+days	6 447 276	7 031 968
	<u>6 901 871</u>	<u>7 270 233</u>
Reconciliation of allowance for impairment		
Balance at beginning of the year	95 523	88 121
Contributions to allowance	295 280	7 402
Debt impairment written off against allowance	-	-
Reversal of allowance	-	-
	<u>390 803</u>	<u>95 523</u>

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
4. Statutory Receivables		
Recovery of disaster grant DORA	389 000	389 000
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Gross Balances	389 000	389 000
Provision for impairment	-	-
	389 000	389 000
Total Statutory Receivables	389 000	389 000

An amount of R389 000 was gazetted in the 2019/20 Northern Cape Provincial Gazzette. The Disaster Grant was due from Department of Co-operative Governance, Human Settlements and Traditional Affairs and has not yet being received. The Northern Cape Provincial Government has not issued any gazettee reversing the allocation. Such amount has been recognised as a debtor, and management has considered to follow the legal route recover the money.

None of the statutory receivables is pledged as security.

5. Investments

At amortised cost

Fixed term deposit	10 400 000	11 000 000
Fixed deposit at ABSA until 30 June 2024		

Reconciliation

Opening Balance	11 000 000	9 750 000
Invested	10 400 000	1 250 000
Withdrawn	(11 000 000)	-
	10 400 000	11 000 000

2024

	Cashbook	Bank statement
ABSA	10 400 000	10 400 000

2023

	Cashbook	Bank statement
Nedbank	11 000 000	11 000 000

None of the investments is pledged as security.

6. VAT receivable

VAT	1 640 078	2 631 927
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Reconciliation

Opening Balance	2 631 927	2 974 152
Input VAT	7 996 313	7 023 894
Output VAT	(4 196)	17 615
VAT Accruals	(36 767)	(9 525)
Sars Refunds	(8 947 199)	(7 374 209)
	1 640 078	2 631 927

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

6. VAT receivable (continued)

The vat reconciliation note has been restated as follows:

	Restated	Previously reported
Input Vat	R7 023 894	R6 819 451
Output Vat	R 17 615	R 222 058

VAT is payable on the receipts basis. Only once payment is received from debtors, VAT is paid over to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are affected before the due date.

None of the VAT receivable is pledged as security.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand 2024 2023

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand		3 297	3 300
Bank balances		5 937 581	7 055 270
Current Investments - Short-term deposits		107 158 607	106 354 890
		113 099 485	113 413 460

The list of municipal bank accounts

Bank accounts	Bank statement balances		Cash book balances	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
FNB - Kimberley Regional Office - Primary Account	7 106 967	7 167 567	5 937 581	7 055 270

7.1 Current Investment Deposits

	107 158 607	106 354 890
Total Current Investment Deposits	107 158 607	106 354 890

Call Deposits are investments with a maturity period of less than 3 months and earn interest rates varying from 4.60% to 9.6% (2023: 4 % to 7.6 %) per annum.

Notice Deposits are investments with a maturity period of less than 12 months and earn interest rates varying from 4.6% to 9.6 % (2023: 4.9 % to 8.6 %) per annum.

7.2 Notice Deposits

Deposits attributable to Unspent Conditional Grants	1 571 136	1 351 693
Deposits attributable to Capital Replacement Reserve	7 957 082	7 957 082
Deposits attributable to Payables	5 530 222	15 172 185
Deposits attributable to Current Provisions	13 396 888	11 840 926
Deposits attributable to Consumer Deposits	4 370	4 945
Deposits available for operations	78 698 909	70 028 059
Total Deposits attributable to Commitments of the Municipality	107 158 607	106 354 890

7.3 Bank Accounts

Cash in bank	5 937 581	7 055 270
Bank Overdraft	-	-
Total bank accounts	5 937 581	7 055 270

Primary Bank Account

FNB - Kimberley Regional Office - Primary Account:

Cash book balance at end of year	5 937 581	7 055 270
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FNB - Kimberley Regional Office - Primary Account:

Bank statement balance at end of year	7 106 967	7 167 567
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The municipality does not have any overdrawn current account facilities with its banker and therefore does not incur interest on overdrawn current accounts. Interest is earned at different rates per annum on favourable balances.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

2024

2023

7. Cash and cash equivalents (continued)

	Cashbook	Bank statement
2024		
ABSA	26 986 214	26 986 114
FNB	30 998 749	30 998 585
Nedbank	32 173 644	32 100 000
Standard Bank	17 000 000	17 000 000
	107 158 607	107 084 699
2023		
ABSA	30 179 801	30 179 801
FNB	25 975 089	25 998 749
Nedbank	20 100 000	20 100 000
Standard Bank	30 100 000	30 100 000
	106 354 890	106 378 550
Cash on hand		
	3 297	3 300
Total Cash on hand in Cash Floats, Advances and Equivalents	3 297	3 300
Total cash and cash equivalents	113 099 485	113 413 460

The municipality did not pledge any of its Cash and Cash Equivalents as collateral for its financial liabilities.

No restrictions have been imposed on the municipality in terms of the utilisation of its Cash and Cash Equivalents.

8. Long-term Receivables

8.1 Employee Benefits

Opening Balance	7 124 000	7 347 000
Interest cost	818 000	807 000
Payments made	(633 679)	(707 514)
Actuarial loss/(gain)	(969 321)	(322 486)
Total Long Term Receivables	6 339 000	7 124 000
Less: Current Portion transferred to Current Receivables:-Employee Benefits	(611 000)	(736 000)
Non-Current Portion of Long Term Receivables	5 728 000	6 388 000

Employee benefits receivables

The municipality managed an agency service on behalf of the Department of Roads and Public Works until 30 June 2011. The service has been transferred back to the department from 01 July 2011. As per the agreement, the municipality will continue payment of the post-service medical aid premiums of the retired employees to the service provider. The department will refund the employees portion of the instalment and the members will be responsible for the employee portion. Outstanding amounts are treated as receivables from non-exchange transactions. The receivables is valued by actuaries on a yearly basis which forms part of the analysis as per the employee benefits, refer to note 13.

Frances Baard District Municipality
Annual Financial Statements for the year ended 30 June 2024
Notes to the Annual Financial Statements

Figures in Rand

9. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	3 120 700	-	3 120 700	3 120 700	-	3 120 700
Buildings and Ancillary Assets	60 824 549	(5 077 090)	55 747 459	56 532 047	(3 331 718)	53 200 329
Plant and machinery	8 305 511	(5 832 916)	2 472 595	7 938 548	(5 657 872)	2 280 676
Furniture and fixtures	8 878 249	(7 810 875)	1 067 374	8 865 612	(7 638 012)	1 227 600
Motor vehicles	12 030 418	(8 489 874)	3 540 544	10 694 541	(8 450 295)	2 244 246
IT equipment	8 026 139	(5 782 944)	2 243 195	8 144 828	(5 576 960)	2 567 868
Work In Progress	2 182 806	-	2 182 806	5 673 145	-	5 673 145
Total	103 368 372	(32 993 699)	70 374 673	100 969 421	(30 654 857)	70 314 564

Frances Baard District Municipality
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

9. Property, plant and equipment (continued)

9.1 Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers received	Transfers	Revaluations	Other changes, movements	Depreciation	Impairment loss	Total
Land	3 120 700	-	-	-	-	-	-	-	-	3 120 700
Buildings and Ancillary Assets	53 200 329	996 550	-	3 295 951	-	-	-	(1 745 372)	-	55 747 459
Plant and machinery	2 280 676	488 512	(2 096)	157 368	-	-	-	(451 865)	-	2 472 595
Furniture and fixtures	1 227 600	142 665	(496)	37 019	-	-	-	(339 414)	-	1 067 374
Motor vehicles	2 244 246	1 960 725	(1 323)	-	-	-	-	(663 104)	-	3 540 544
IT equipment	2 567 868	496 577	(4 675)	-	-	-	-	(816 576)	-	2 243 195
Work In Progress	5 673 145	-	-	-	(3 490 339)	-	-	-	-	2 182 806
	70 314 564	4 085 029	(8 590)	3 490 338	(3 490 339)	-	-	(4 016 330)	-	70 374 673

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

9. Property, plant and equipment (continued)

9.2 Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Land	3 120 700	-	-	-	3 120 700
Buildings and Ancillary Assets	55 015 500	-	(145 954)	(1 669 217)	53 200 329
Plant and machinery	3 060 064	308 167	(42 912)	(1 044 643)	2 280 676
Furniture and fixtures	1 406 769	260 482	(1 735)	(437 916)	1 227 600
Motor vehicles	1 132 808	1 484 904	-	(373 466)	2 244 246
IT equipment	2 224 736	1 126 209	(5 937)	(777 140)	2 567 868
Work In Progress	2 452 024	3 221 121	-	-	5 673 145
	68 412 601	6 400 883	(196 538)	(4 302 382)	70 314 564

9.3 Gross Carrying Amount of Property, Plant and Equipment that is fully depreciated and still in use

There are no Property, Plant and Equipment that is fully depreciated at year-end and still in use by the municipality.

9.4 Carrying Amount of Property, Plant and Equipment retired from active use and not classified as a Discontinued Operation

No Property, Plant and Equipment were retired from active use and not classified as a Discontinued Operation during the financial year.

9.5 Assets pledged as security

The municipality did not pledge any of its assets as security.

9.6 Impairment of Property, Plant and Equipment

No impairment losses have been recognised on Property, Plant and Equipment of the municipality at the reporting date.

9.7 Change in Estimate - Useful Life of Property, Plant and Equipment reviewed

There were changes in the estimated useful life of various assets during the financial year due to the reassessment of useful life. The changes resulted in a decrease in current year depreciation by R967, 847. Effects on future periods is impractical to estimate as the municipality reassess its useful life at the end of the each financial year.

9.8 Land and Buildings carried at Fair Value

The municipality's Land and Buildings are accounted for according to the revaluation value model. Revaluation is done every five years.

Frances Baard District Municipality

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9. Property, plant and equipment (continued)

9.9 Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment

Buildings	2 182 806	5 673 145
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Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

Project 1: Disaster Management Center - Delayed	2 182 806	5 673 145
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The fire fighting project is completed and has been transferred to PPE.

2 182 806	5 673 145
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Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	-	5 534 674	138 471	5 673 145
Additions/capital expenditure	-	-	-	-
Transferred to completed items	-	(3 351 868)	(138 471)	(3 490 339)
	-	2 182 806	-	2 182 806

Reconciliation of Work-in-Progress 2023

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	-	2 452 024	-	2 452 024
Additions/capital expenditure	-	3 082 650	138 471	3 221 121
	-	5 534 674	138 471	5 673 145

9.10 Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Information and Communication Infrastructure	18 014	16 866
Computer Equipment	9 890	7 065
Furniture and Office Equipment	432 377	272 535
Machinery and Equipment	256 142	394 923
Other Assets - Buildings	377 437	510 545
Transport Assets	244 491	136 121
	1 338 351	1 338 055

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10. Intangible assets

	2024		2023			
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	3 513 903	(2 774 654)	739 249	4 049 621	(2 349 175)	1 700 446

10.1 Reconciliation of intangible assets - 2024

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	1 700 446	9 349	(1 111)	(969 435)	739 249

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10. Intangible assets (continued)

10.2 Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software	2 707 164	(1 006 718)	1 700 446

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 27).

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Intangible Assets of the municipality.

Refer to Appendix "B" for more detail on Intangible Assets.

10.3 Significant Intangible Assets

There are no significant Intangible Assets, that did not meet the recognition criteria for Intangible Assets as stipulated in GRAP 31.

10.4 Intangible Assets with Indefinite Useful Lives and change in accounting estimates

The municipality amortises all its Intangible Assets and no of such assets are regarded as having indefinite useful lives.

There are changes in the estimated useful life of some intangible assets during the financial year due to the reassessment of useful live. The changes resulted in a decrease in current year depreciation by R2,200.

10.5 Impairment of Intangible Assets

No impairment losses have been recognised on Intangible Assets of the municipality at the reporting date.

10.6 Work-in-Progress

The municipality had no capital projects for Intangible Assets which were not completed at year-end.

10.7 Delayed Projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

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10. Intangible assets (continued)		
10.7 Expenditure incurred to repair and maintain intangible assets		
Cumulative expenditure recognised in the carrying value of Intangible assets		
Licenses and franchises	2 660 398	3 068 850
Computer software, internally generated	143 850	139 717
	2 804 248	3 208 567

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11. Heritage assets

	2024		2023	
	Cost / Valuation	Accumulated Carrying value impairment losses	Cost / Valuation	Accumulated Carrying value impairment losses
Art Collections, antiquities and exhibits	631 417	-	631 417	-
			631 417	631 417

11.1 Reconciliation of heritage assets 2024

	Opening balance	Additions	Disposals	Transfers	Impairment losses recognised	Total
Art Collections, antiquities and exhibits	631 417	-	-	-	-	631 417

11.2 Reconciliation of heritage assets 2023

	Opening balance	Additions	Disposals	Transfers	Impairment losses recognised	Total
Art Collections, antiquities and exhibits	631 417	-	-	-	-	631 417

All of the municipality's Heritage Assets are held under freehold interests and no Heritage Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to any of the Heritage Assets of the municipality.

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11. Heritage assets (continued)

11.3 Impairment of Heritage Assets

No impairment losses have been recognised on Heritage Assets of the municipality at the reporting date.

11.4 Heritage Assets measured after recognition using the Cost Model

The municipality's Heritage Assets are accounted for according to the cost model and therefore no fair value has been determined.

11.5 Work-in-Progress

The municipality had no capital projects for Heritage Assets which were not completed at year-end.

11.6 Delayed Projects

No projects that are currently in progress are experiencing significant delays. No projects for the period was halted.

11.7 Expenditure incurred to repair and maintain heritage assets

Expenditure incurred to repair and maintain heritage assets included in Statement of Financial Performance
Contracted services

- -

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12. Operating lease asset (receivable)

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following assets have been recognised:

Non-current assets	-	8 804
Current assets	8 804	30 481
	8 804	39 285

Reconciliation of Operating Lease Receivables

Balance at beginning of year	39 285	51 170
Operating Lease Revenue affected	(30 481)	(11 885)
	8 804	39 285

The following amounts are due as shown below:

Up to 1 year	8 804	30 481
2 to 5 years	-	8 804
	8 804	39 285

The impact of charging the escalations in Operating Leases on a straight-line basis over the term of the lease has been an decrease of -R30 481 (2023: decreased of -R11,885) in current year income.

12.1 Leasing Arrangements

The Municipality as Lessor:

Operating Leases relate to Property owned by the municipality with lease terms of 60 months (2019/20: 60 months), the new lease came into term on the 1 October 2019.

The operating lease contract contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Amounts receivable under Operating Leases

12.2 At the Reporting Date the following minimum lease payments were receivable under Non-cancellable Operating Leases for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	259 738	240 797
2 to 5 years	-	259 738
	259 738	500 535

The following restrictions have been imposed by the municipality in terms of the lease agreements:

- (i) The lessee shall not have the right to sublet, cede or assign the whole or any portion of the premises let.
- (ii) The lessor or its duly authorised agent, representative or servant shall have the right at all reasonable times to inspect the premises let.
- (iii) The lessee shall use the premises let for the sole purpose prescribed in the agreement

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13. Employee benefit obligations		
Defined benefit plan		
13.1 Employee Benefit Liabilities		
Post-retirement Health Care Benefits Liability	29 194 000	28 511 999
Long Service Awards Liability	3 247 000	3 233 963
Total Employee Benefit Liabilities	32 441 000	31 745 962
Less: Current Portion of Employee Benefit Liabilities	-	-
Current - Post-retirement Health Care Benefits Liability	(2 341 000)	(2 347 000)
Current - Long Service Awards Liability	(264 000)	(307 000)
	29 836 000	29 091 962
Non-current liabilities	29 853 233	29 110 513
Current liabilities	13 396 888	11 840 926
	43 250 121	40 951 439

13.2 Post-retirement Health Care Benefits Liability

Liability		
Opening balance	28 511 999	29 999 999
Interest cost	3 309 000	3 329 000
Current service cost	446 000	589 000
Actual employer benefit payments	(2 250 665)	(2 217 253)
Actuarial loss/ (gain) recognised in the year	(822 335)	(2 800 747)
Liability correction	-	(388 000)
Balance at end of Year	29 193 999	28 511 999
Less: Current Portion of Liability	(2 341 000)	(2 347 000)
Non-Current Portion of Liability	26 852 999	26 164 999

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2024 by Mr. Chanan Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligations, and the related current service costs and past service costs, were measured using the Projected Unit Credit Method.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

In-service Members (Employees)	70	69
In-Service Non-members (Employees)	14	16
Continuation Members (Retirees, widowers and orphans)	34	37
Total Members	118	122

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

Liability correction	-	(388 000)
In-service Members (Employees)	6 666 000	5 933 000
In-service Non-members (Employees)	281 000	276 000
Continuation Members (Retirees, widowers and orphans)	22 247 000	22 691 000

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13. Employee benefit obligations (continued)

Total Liability	29 194 000	28 512 000
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The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Keyhealth
- LA Health
- Hosmed
- Samwumed

The Interest Cost for the year ending 30 June 2024 is estimated to be R3,309,000 whereas the cost for the ensuing year is estimated to be 3,243,000 (30 June 2023: R3,329,000 and R3,356,000 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	1	Yield Curve	Yield Curve
Health Care Cost Inflation Rate	1	Equal to CPI + 1	Equal to CPI + 1
Net Effective Discount Rate	1	Yield Curve Based	Yield Curve Based
Expected Rate of Salary Increase		5%	4.90%
Expected Retirement Age - Females		63	63
Expected Retirement Age - Males		63	63

Movements in the present value of the Defined Benefit Obligation were as follows:

Liability		
Opening balance	28 511 990	29 999 990
Interest cost	3 309 000	3 329 000
Current service cost	446 000	589 000
Actual employer benefit payments	(2 250 665)	(2 217 253)
Actuarial loss/(gain) recognised in the year	(822 335)	(2 800 747)
Liability correction	-	(388 000)
Total Recognised Benefit Liability	29 193 990	28 511 990

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	29 193 990	28 511 990
Unfunded Accrued Liability	29 193 990	28 511 990
Total Benefit Liability	29 193 990	28 511 990

The history of fair values are as follows:

	2024	2023	2022	2021	2020
Present Value of Defined Benefit Obligation	29 193 990	28 511 990	29 999 999	28 967 999	23 729 970

	2024	2023	2022	2021	2020
Experienced adjustments on Plan Liabilities	(640 000)	578 000	864 000	4 073 000	(1 569 000)

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13. Employee benefit obligations (continued)

The experienced adjustments on plan liabilities has been restated as follows:

	Restated amounts	Previously reported
2020:	(1 569 000)	(7 362 030)
2021:	4 073 000	5 238 030
2022:	864 000	1 031 991
2023:	578 000	(1 100 009)

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

Increase:	-	-
Effect on the aggregate of the current service cost and the interest cost	1	4 234 000
Effect on the defined benefit obligation	1	32 417 000
Decrease:	-	-
Effect on the aggregate of the current service cost and the interest cost	(1)	(3 358 000)
Effect on the defined benefit obligation	(1)	(26 468 000)

The define benefit obligation has been restated as follows:

	Restated	Previously Reported
Closing Balance R28 511 990		R28 899 990

The effect of a 15% movement in the withdrawal rate is as follows:

The municipality expects to make a contribution of R2,341,000 (2023: R2,347,000) to the Defined Benefit Plans during the next financial year.

Refer to Note 48, "Multi-employer Retirement Benefit Information", to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

13.3 Long Service Awards Liability

Opening Balance	3 233 963	3 431 963
Increases	281 074	390 669
Other Reductions	(268 074)	(588 669)
Balance at end of year	3 246 963	3 233 963
Less: Current Portion of Liability	(264 000)	(307 000)
Total Non-Current - Long Service Awards Liability	2 982 963	2 926 963

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service, and every 5 years of continuous service thereafter to 45 years, to employees. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2024 by Chanan Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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13. Employee benefit obligations (continued)

At year end, 84 (2023: 85) employees were eligible for Long-service Awards.

The Current-service Cost for the year ending 30 June 2024 is estimated to be R312,000 whereas the cost for the ensuing year is estimated to be R302,000 (30 June 2023: R342,000 whereas the cost for the ensuing year is estimated to be R312,000).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Cost Inflation Rate	CPI+1	CPI+1
Expected Rate of Salary Increase	5%	4.90%
Expected Retirement Age - Females	63	63
Expected Retirement Age - Males	63	63

Movements in the present value of the Defined Benefit Obligation were as follows:

Opening balance	3 233 963	3 431 963
Increases	281 074	390 669
Payments Made	-	-
Other reductions	(268 074)	(588 669)
	-	-
	3 246 963	3 233 963

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	3 246 963	3 233 963
Unfunded Accrued Liability	3 246 963	3 233 963

The amounts recognised in the Statement of Financial Performance are as follows:

Current service cost	312 000	342 000
Interest cost	358 000	352 000
Expected return on reimbursement rights	-	-
Actuarial losses / (gains)	(388 926)	(303 331)
Total Post-retirement Benefit included in Employee Related Costs	281 074	390 669

The history of fair values are as follows:

	2024	2023	2022	2021	2020
	3 246 963	3 233 963	3 431 963	3 102 963	2 206 054

The effect of a 1% movement in the assumed rate of long service cost inflation is as follows:

Increase

Effect on the aggregate of the current service cost and the interest cost	1	719 000
Effect on the defined benefit obligation	1	3 449 000

Decrease

Effect on the aggregate of the current service cost and the interest cost	(1)	(626 000)
Effect on the defined benefit obligation	(1)	(3 063 000)

The municipality expects to make a contribution of R264,000 (2023: R307,000) to the defined benefit plans during the next financial year.

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13. Employee benefit obligations (continued)

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

Carrying value

Present value of the defined benefit obligation - wholly unfunded	(29 853 233)	(29 110 513)
Present value of the defined obligation - current	(13 396 888)	(11 840 926)
	(43 250 121)	(40 951 439)

Non-current liabilities	(29 853 233)	(29 110 513)
Current liabilities	(13 396 888)	(11 840 926)
	(43 250 121)	(40 951 439)

The major categories of plan assets as a percentage of total plan assets are as follows:

13.4 Current Liabilities: Employee benefit obligation

Reconciliation - 2024	Opening Balance	Additions	Payments made	Reversed/ Reductions during the year	Total
Ex-gratia Pensions	11 420	-	-	(140)	11 280
Leave provision	8 760 200	9 046 308	(7 546 363)	-	10 260 145
Performance bonus provision	415 306	440 783	(335 627)	-	520 462
Employee benefit cost	2 347 000	-	(6 000)	-	2 341 000
Long service award	307 000	-	-	(43 000)	264 000
	11 840 926	9 487 091	(7 887 990)	(43 140)	13 396 887

Reconciliation - 2023	Opening Balance	Additions	Payments made	Reversed/ Reductions during the year	Total
Ex-gratia Pensions	31 100	-	-	(19 680)	11 420
Leave provision	9 741 071	7 849 579	(8 830 450)	-	8 760 200
Performance bonus provision	641 763	343 836	(430 832)	(139 461)	415 306
Employee benefit cost	2 161 000	186 000	-	-	2 347 000
Long service award	575 000	-	-	(268 000)	307 000
	13 149 934	8 379 415	(9 261 282)	(427 141)	11 840 926

13.5 The movement in Non-current Employee benefit obligations are reconciled as follows:

Staff Benefit:

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13. Employee benefit obligations (continued)

Ex-Gratia Pension

Opening balance	18 551	91 211
Increases	2 280	9 000
Payments made	(13 331)	(15 061)
Other reductions	-	(86 279)
Reversals	9 631	19 680
	17 131	18 551

Ex-gratia Pensions

Ex-gratia Pensions 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

Leave Provision

Leave Provision 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.

Performance Bonus

Performance accrue to senior managers on an annual basis, subject to certain conditions. The provision is an estimate of the amount due at the reporting date.

14. Payables from exchange transactions

Trade payables	3 485 802	12 845 270
Bonus	2 038 524	2 040 026
Retentions	-	285 453
Third Party Payments	5 896	1 438
	5 530 222	15 172 187

The payables from exchange transactions were restated as follows:

	Restated	Previously Reported
Trade payables	R12 845 270	R12 844 706
Third Party Payments	R 1 438	R 2 000

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

The municipality did not default on any payment of its Creditors. No terms for payment have been re-negotiated by the municipality.

The management of the municipality is of the opinion that the carrying value of Creditors approximates their fair values.

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15. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Rural Road Asset Management System Grant (RRAMS)	42 625	73 541
National Revenue Fund - Fuel Levy & Equitable Share	1 031 708	1 031 708
Provincial Government	199 686	221 038
Financial Management Grant (FMG)	296 702	24 991
Extended Public Works Programme (EPWP)	415	415
	1 571 136	1 351 693

Movement during the year

Balance at the beginning of the year	1 351 693	1 360 210
Additions during the year	5 535 313	5 412 075
Income recognition during the year	(5 216 870)	(5 168 592)
Repayment of unspent grant	(99 000)	(252 000)
	1 571 136	1 351 693

The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

See note for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

16. Consumer deposits

Rental Properties	4 370	4 945
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Consumer deposits comprise deposits for properties rented out by the municipality.

No interest is paid on Consumer Deposits held.

17. Reserves

Opening balance	43 620 661	44 668 521
Transfers to/from Accumulated Surplus	(1 047 859)	(1 047 860)
	42 572 802	43 620 661

Reserves

Revaluation Reserve	34 615 717	35 663 577
Capital Replacement Reserve	7 957 082	7 957 082
	42 572 799	43 620 659

The reserve reconciliation note was restated as follows:

	Restated	Previously Reported
Revaluation Reserve	R35 663 577	R36 711 437

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17. Reserves (continued)

17.1 Reconciliation of the Capital Replacement Reserve

Revaluation surplus beginning of period	7 957 082	7 957 082
Movements in the reserve for the year	-	-
	7 957 082	7 957 082

The Capital Replacement Reserve arises from cash backed accumulated surplus for the replacement of capital infrastructure/equipment.

17.2 Reconciliation of Revaluation Reserve

Revaluation surplus beginning of period	35 663 577	36 711 437
Transfers to/from Accumulated Surplus	(1 047 860)	(1 047 860)
	34 615 717	35 663 577

The Revaluation Reserve arises on the revaluation of Land and Buildings. Where revalued Land or Buildings are sold, the portion of the Revaluation Reserve that relates to that asset, and is effectively realised, is transferred directly to Accumulated Surplus.

18. Accumulated surplus

Reconciliation of Accumulated Surplus:

Opening Balance	116 407 940	107 143 614
Correction of Prior Period Error	-	375 559
Depreciation Offsets	1 047 860	1 047 860
Accumulated Surplus As Per Financial Performance	2 586 263	7 840 907
	120 042 063	116 407 940

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

19. Revenue

Rental of facilities and equipment	195 237	195 237
Other Income	68 151	59 119
Actuarial Gains	232 309	2 867 871
Interest received - investment	13 418 050	9 986 289
Government grants & subsidies	141 487 870	137 339 592
	155 401 617	150 448 108

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

Rental of facilities and equipment	195 237	195 237
Other income	68 151	59 119
Actuarial Gains	232 309	2 867 871
Interest received - investment	13 418 050	9 986 289
	13 913 747	13 108 516

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19. Revenue (continued)		
The amount included in revenue arising from non-exchange transactions is as follows:		
Transfer revenue		
Government grants & subsidies	141 487 870	137 339 592
20. Rental of facilities and equipment		
Premises		
Rental of facilities and equipment	195 237	195 237
Rental income generated are at market related premiums.		
21. Other revenue		
Other income	68 151	59 119
The other revenue has been restated as follows:		
Restated		Previously reported
R59 119		R2 926 990
22. Investment revenue		
Interest revenue		
Bank - Investment account	13 122 104	9 893 355
Bank - Operating account	295 946	92 934
	13 418 050	9 986 289

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23. Government grants & subsidies

Operating grants

National Revenue Fund: Equitable share	136 271 000	132 171 000
National Government: Rural Road Asset Management System Grant (RRAMS)	2 663 916	2 623 598
National Governments: Extended Public Works Programme (EPWP)	959 000	1 072 585
National Governments: Financial Management Grant (FMG)	703 289	975 009
Departmental Agencies and Accounts: SETA	119 313	142 074
Provincial Government	771 352	355 326
	141 487 870	137 339 592

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	5 216 870	5 168 592
Unconditional grants received	136 271 000	132 171 000
	141 487 870	137 339 592

23.1 National Revenue Fund - Fuel Levy & Equitable Share

Balance unspent at beginning of year	1 031 708	1 031 708
Current year receipts	136 271 000	132 171 000
Conditions met - transferred to Revenue	(136 271 000)	(132 171 000)
	1 031 708	1 031 708

This grant has been used to fund operational expenses within the municipality. Included in the Equitable share allocation is the Covid-19 share allocation of R1 469 000 which was received during the 2020/21 FY. The unspent amount is of Covid-19.

23.2 Rural Road Asset Management System Grant (RRAMS)

Balance unspent at beginning of year	73 541	252 138
Current-year receipts	2 707 000	2 697 000
Conditions met - transferred to revenue	(2 663 916)	(2 623 597)
Repayment of unspent grant	(74 000)	(252 000)
	42 625	73 541

Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to assist the municipality in monitoring the conditions of the municipal roads within the district.

23.3 Provincial Government

Balance unspent at beginning of year	221 038	76 364
Current-year receipts	750 000	500 000
Conditions met - transferred to revenue	(771 352)	(355 326)
	199 686	221 038

Conditions still to be met - remain liabilities (see note 15).

The grants were used for operation and maintenance of clean up amenities, Tourism Grant and HIV/AIDS awareness (AIDS Grant) from provincial government.

Frances Baard District Municipality

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Figures in Rand	2024	2023
23. Government grants & subsidies (continued)		
23.4 Financial Management Grant (FMG)		
Balance unspent at beginning of year	24 991	-
Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(703 289)	(975 009)
Repayment of unspent grant	(25 000)	-
	296 702	24 991

Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to assist the municipality in building in house capacity, promote and support reform to financial management and implementation of the Municipal Financial Management Act (MFMA) 56 of 2003.

23.5 Extended Public Woks Programme (EPWP)

Balance unspent at beginning of year	415	-
Current-year receipts	959 000	1 073 000
Conditions met - transferred to revenue	(959 000)	(1 072 585)
	415	415

Conditions still to be met - remain liabilities (see note 15).

The purpose of the grant is to expand job creation programs in the Frances Baard District.

23.6 SETA: Skills grant

Current-year receipts	119 313	142 074
Conditions met - transferred to revenue	(119 313)	(142 074)
	-	-

Conditions still to be met - remain liabilities (see note 15).

This grant has been used to fund training within the municipality No funds have been withheld.

Frances Baard District Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
24. Employee related costs		
Basic	48 230 440	49 086 416
Bonus	3 893 308	4 102 209
Medical aid - company contributions	2 660 912	2 777 521
UIF	227 994	243 540
Other payroll levies	16 012	16 330
Leave pay provision charge	2 579 977	228 922
Pension	6 449 223	6 657 988
Overtime payments	193 981	175 425
Long-service awards	312 000	342 000
Car allowance	3 104 141	3 237 795
Housing benefits and allowances	482 981	519 160
Cellular and Telephone	321 688	337 600
Group life insurance	1 159 786	1 259 968
Post retirement benefits movement - Current Service Cost	446 000	589 000
Post retirement benefits movement - Interest cost	2 851 280	2 883 000
	72 929 723	72 456 874

The employee related cost note has been restated as follows:

	Restated	Previously reported
Basic	R49 086 416	R49 488 415
Medical Aid	R 2 777 521	R 2 731 210
Pension	R 6 657 988	R 6 378 470
Housing benefits and allowances	R 519 160	R 495 889
Group life insurance	R 1 259 968	R 1 207 068
Leave pay provision charge	R 228 922	R 742 588
Car Allowance	R 3 237 795	R 2 724 129

No advances were made to employees.

24.1 Remuneration of municipal manager - Ms ZM Bogatsu

Annual Remuneration	1 207 239	1 129 440
Allowance	236 932	240 322
Performance Bonuses	63 724	277 359
Contributions to UIF, Medical and Pension Funds	2 262	18 324
Leave Payout	-	177 442
	1 510 157	1 842 887

24.2 Remuneration of chief finance officer - Ms. O Moseki (Acting)

Annual Remuneration	1 218 543	1 077 127
Allowance	179 837	179 181
Performance Bonuses	114 199	213 358
Contributions to UIF, Medical and Pension Funds	250 920	248 855
	1 763 499	1 718 521

24.3 Remuneration of Executive Director: Administration - Ms. K.G Gaborone

Annual Remuneration	-	44 021
Leave Payout	-	59 876
Contributions to UIF, Medical and Pension Funds	-	617
	-	104 514

Frances Baard District Municipality

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Figures in Rand	2024	2023
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24. Employee related costs (continued)

The remuneration balance for Ms. K.G. Gaborone for 2022/23 has been restated as follows:

Restated	Previous Reported
R104 514	R44 638

24.4 Remuneration of Executive Director: Planning & Development - Mr F Netshivhodza (Acting)

Annual Remuneration	1 076 567	951 568
Allowance	179 837	179 181
Performance Bonuses	76 133	170 019
Contributions to UIF, Medical and Pension Funds	217 863	216 258
Long Service Awards	36 322	-
	1 586 722	1 517 026

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24. Employee related costs (continued)

24.5 Remuneration of Executive Director: Administration - Mr T Ndlazi (Acting)

Annual Remuneration	117 862	111 821
Allowance	29 973	29 864
Contributions to UIF, Medical and Pension Funds	31 938	32 391
	179 773	174 076

24.6 Remuneration of Executive Director: Infrastructure Services- Mr R.R Setshogoe (Acting)

Annual Remuneration	930 313	822 334
Allowance	150 797	150 141
Performance Bonuses	81 571	102 012
Contributions to UIF, Medical and Pension Funds	191 878	189 927
	1 354 559	1 264 414

Total Remuneration of Section 56 Employees

Annual Remuneration	6 394 710	6 621 438
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The presentation for the remuneration of section 56 employees note has been adjusted to better present the information. As such comparative amounts have also been presented in line with the current year. There has been changes in the prior year balance:

	Restated	Previously Reported
Total Remuneration	R6 621 438	R6 561 561

Frances Baard District Municipality

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25. Remuneration of councillors

Executive Mayor	1 040 254	993 847
Mayoral Committee Members	3 604 570	4 343 718
Speaker	842 114	795 242
Other Councillors	2 247 892	2 057 413
	7 734 830	8 190 220

25.1 Remuneration Councillors: Reconciliation 2024

	Basic salary	Allowance	Total
Executive Mayor	990 646	49 608	1 040 254
Speaker	792 506	49 608	842 114
Mayoral Committee Members	2 806 824	454 329	3 261 153
MPAC Chairperson	343 417	-	343 417
Other Councillors	1 982 991	264 901	2 247 892
	6 916 384	818 446	7 734 830

25.2 Remuneration Councillors: Reconciliation 2023

	Basic salary	Allowance	Total
Executive Mayor	949 447	44 400	993 847
Speaker	750 842	44 400	795 242
Mayoral Committee Members	3 468 232	223 470	3 691 702
MPAC Chairperson	652 016	-	652 016
Other Councillors	1 835 413	222 000	2 057 413
	7 655 950	534 270	8 190 220

Additional information

The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

26. Depreciation and amortisation

Property, plant and equipment	4 016 331	4 302 382
Intangible assets	969 435	1 006 719
	4 985 766	5 309 101

26.1 Depreciation: Property, Plant and Equipment Reconciliation

Buildings	1 745 372	1 673 025
Other assets	2 270 959	2 624 669
	4 016 331	4 297 694

27. Debt impairment

Debt impairment	314 343	7 402
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Debt impairment is for debtors which the municipality foresee not collecting its remaining debt on the debtors list.

28. Contracted services

Outsourced Services	3 158 313	5 342 638
Consultants and Professional Services	3 593 378	3 430 028
Contractors	5 420 545	5 492 945
Total Contracted Services	12 172 236	14 265 611

Frances Baard District Municipality
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Notes to the Annual Financial Statements

Figures in Rand 2024 2023

29. Inventory consumed

Consumables	-	34 840
Materials and Supplies	1 116 964	1 050 923
	1 116 964	1 085 763

30. Transfer and subsidies paid

Capital Grants		
Local Municipalities	24 505 801	14 441 738
Non-Profit Institutions	-	-
	24 505 801	14 441 738

Operational Grants		
Local Municipalities	16 754 112	15 525 357
Households	1 435 956	605 345
Non-Profit Institutions	274 460	-
	18 464 528	16 130 702
	42 970 329	30 572 440

Capital Grants		
Local Municipalities	24 505 801	14 441 738
Non-Profit Institutions	-	-
	24 505 801	14 441 738

Operational Grants		
Departmental Agencies and Accounts	-	-
Local Municipalities	16 754 112	15 525 357
Households	1 435 956	605 345
Non-Profit Institutions	274 460	-
	18 464 528	16 130 702

The allocations made to non-profit institutions consist of donations made to NGO's.

31. Gains and losses on disposal of assets

Property, Plant and Equipment	(9 702)	(205 417)
Disposal of inventory	-	(91 558)
	(9 702)	(296 975)

The loss on disposal of PPE and inventory is assets/goods which were no longer in use for the municipality and were donated to either local municipalities or NGO's.

32. Acturial Gain / Losses

Actuarial Gain	232 309	2 867 871
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The actuarial gains and losses relate to the employee benefit obligations. Refer to employee benefit obligations note 13.

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
33. General expenses		
Advertising, Publicity and Marketing	496 308	578 532
External Audit Fees	2 156 627	2 451 617
Bank Charges, Facility and Card Fees	67 973	71 208
Cleaning Services	10 757	10 349
Legal costs	174	441
Entertainment	20 888	18 620
Fines and penalties	-	137 592
Insurance Underwriting	825 108	685 618
Registration Fees	130 429	99 504
External computer service	590 121	445 144
Licences	21 365	20 192
Wet Fuel	-	1 700
Printing, Publications and Books	11 808	10 409
Event Promoters	197 456	210 463
Uniform and Protective Clothing	52 938	84 822
Maintenance of equipment	909 662	794 725
Maintenance of buildings and facilities	394 115	520 127
Business and Advisory	4 666 021	6 815 822
Security services	1 170 092	1 060 165
Maintenance of computer software	2 804 248	3 208 566
Employee Wellness	49 614	4 351
Professional Bodies, Membership and Subscription	1 052 704	875 972
Communication	39 447	36 153
Transport and freight	2 799	1 371
Disability Training	612 804	589 709
Travel and Subsistence	1 052 554	1 053 735
Municipal Services	2 260 902	2 225 625
Catering Services	886 825	874 499
Exhibit installations	472 907	135 210
Bursaries (employees)	237 263	307 278
Resettlement costs	167 906	2 917
Transport provided as part of Departmental activities	220 071	295 558
Burial Services	-	4 800
Stage and sound crew	164 000	6 531
Graphic designers	7 628	12 064
Skills Development Levy	637 195	663 737
Workmen's Compensation Fund	362 988	373 300
	22 753 697	24 688 426

The general expenses has been restated as follows:

	Restated	Previously reported
Business and Advisory	R6 815 822	R6 843 311
Bursaries (Employees)	R307 278	R279 789

Calculation of Cash Flow:

Expenditure for Operational Costs	22 753 697	24 688 426
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Trave and subsistence

Accomodation	465 112	389 620
Daily allowance	158 101	144 297
Food and beverage (served)	61 860	54 532
Transport without operator	367 481	465 286
Transport with operator	-	-

Frances Baard District Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
33. General expenses (continued)	1 052 554	1 053 735
No other extra-ordinary expenses were incurred.		
34. Cash generated from operations		
Surplus	2 586 263	7 840 907
Adjustments for:		
Depreciation and amortisation	4 985 766	5 309 101
Loss on disposal of assets	9 702	296 975
Debt impairment	314 343	7 402
Movements in operating lease assets and accruals	30 481	11 885
Contribution to Employee Benefits	5 537 665	3 771 253
Expenditure incurred from Post-retirement Employee Benefits	(2 250 665)	(2 217 253)
Contribution to Long Service Awards Liability	13 000	(198 000)
Contribution to Provisions - Current	(7 105 720)	(8 506 293)
Contribution to Provisions - Non-Current	11 911	(57 299)
Expenditure incurred from Employee Benefits - Current	6 105 820	4 624 982
Expenditure incurred from Provisions - Non-current	(13 331)	(15 061)
Changes in working capital (Decrease/Increase):		
Inventories	(95 714)	118 042
Receivables from exchange transactions	1 011 473	(1 900 964)
Debt Impairment	(314 343)	(7 402)
Current Portion Long-term Receivables	125 000	(60 000)
Payables from exchange transactions	(9 641 965)	8 339 456
Decrease/(Increase) in VAT Receivable	991 849	342 225
Unspent conditional grants and receipts	219 443	(8 517)
Increase/(Decrease) in Consumer deposits	(575)	1 955
Loss on inventories	-	(91 558)
	2 520 403	17 601 836
35. Auditors' remuneration		
Fees	2 156 627	2 451 617

Frances Baard District Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
36. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Land and Buildings	-	-
• Other	-	-
	<u>-</u>	<u>-</u>
Not yet contracted for and authorised by accounting officer		
• Land and Buildings	315 000	1 000 000
• Other Property Plant and Equipment	4 152 000	6 565 400
• Intangible assets	6 250 000	-
	<u>10 717 000</u>	<u>7 565 400</u>
Total capital commitments		
Already contracted for but not provided for	-	-
Not yet contracted for and authorised by accounting officer	10 717 000	7 565 400
	<u>10 717 000</u>	<u>7 565 400</u>
Total commitments		
Total commitments		
Authorised capital expenditure	10 717 000	7 565 400

This committed expenditure relates to property, plant and equipment and Intangible assets and will be financed by internally generated funds.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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37. Contingencies

37.1 Contingent liabilities

Case 1 - State Attorney	100 000	100 000
Case 2 - Opinion - Appointed Adv C. Towell	77 533	77 533
	177 533	177 533

The municipality was engaged in the following transaction / event during the year under review involving Contingent Liabilities:

2024 Litigation and Claims

**Case 1
State Attorney**

Damages to infrastructure. filed plea:

MTN claims that they suffered damages as a result of employees of the municipality that were working in a project which led to the damage of their fibre cables.

**Case 2
(i) Opinion. Appointed Adv.C.Towell:**

In this matter the former senior manager for administration filed a High Court application requesting the court to review the decision of council that resolved that she be granted leave without pay for being absent from work without authorization. We are awaiting matter to be set down for hearing.

2023 Litigation and Claims

**Case 1
State Attorney**

Damages to infrastructure. filed plea:

(i) MTN claims that they suffered damages as a result of employees of the Municipality that were working in a project which led to the damage of their fibre cables.

**Case 2
(i) Opinion. Appointed Adv.C.Towell:**

In this matter the former senior manager for administration filed a High Court application requesting the court to review the decision of council that resolved that she be granted leave without pay for being absent from work without authorization. We are awaiting matter to be set down for hearing.

37.2 Contingent assets

The municipality was not engaged in any transaction or event during the year under review involving Contingent Assets.

Frances Beard District Municipality

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Notes to the Annual Financial Statements

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38. Related parties

Relationships

Accounting Officer

Councillors

Members of key management

Refer to accounting officers' report note

Refer to general information

Refer to employee related note

All Related Party Transactions are conducted at arm's length, unless stated.

38.1 Services rendered to Related Parties

The municipality did not render any services during the year to anyone that can be considered as a related party.

38.2 Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. No loans were granted to Councillors, Management, Staff and Public by Frances Beard District Municipality, during the financial year under review.

38.3 Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Note 24 and 25, to the Annual Financial Statements.

38.4 Purchases from Related Parties

No transactions were entered into with businesses in which councillors, management and/or those charged with governance have an interest for the 2023/24 financial year

39. Going concern

We draw attention to the fact that at 30 June 2024, the municipality had an accumulated surplus of R 120 042 062 and that the municipality's total assets exceed its liabilities by R 162 614 864.

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

The municipality's cash flow forecast for the year to 30 June 2025 has been reviewed and management is satisfied that the municipality can continue in operational existence for the foreseeable future. The accumulated surplus and cash & cash equivalents as at 30 June 2023 was taken into consideration during the review.

40. Events after the reporting date

Management has requested for disposal of some of the property, plant and equipment assets as at 30 June 2023. The finance committee which sat on the 13 August 2024 and mayoral committee which sat on the 21 August 2024 recommended for those disposal. Council approved the disposal of some of the property, plant and equipment assets during its sitting on the 23 September 2024.

Frances Baard District Municipality
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41. Unauthorised expenditure

Opening balance as previously reported	-	-
Add: Unauthorised expenditure - current	387 874	387 874
Add: Unauthorised expenditure - prior period	-	-
Less: Amount recovered - current	-	-
Less: Amount recovered - prior period	(100 461)	-
Less: Amount authorised - current	-	-
Less: Amount authorised - prior period	(287 413)	-
Closing balance	-	387 874

Unauthorised expenditure is presented exclusive of VAT.

Unauthorised expenditure awaiting write off/recovery

Amount written off

Overspending of depreciation	287 413	-
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Amount to be recovered

Overspending on Bid: 04/22	100 461	-
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Incidents/cases identified/reported in the current year include those listed below:

Disciplinary steps taken/criminal proceedings

Overspending on Bid: 04/22	-	100 461
Depreciation	-	287 413
	-	387 874

Frances Baard District Municipality

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Figures in Rand	2024	2023
42. Fruitless and wasteful expenditure		
Opening balance as previously reported	138 799	1 207
Add: Fruitless and wasteful expenditure identified - current	-	137 592
Add: Fruitless and wasteful expenditure identified - prior period	-	-
Less: Amount recovered - current	-	-
Less: Amount recovered - prior period	-	-
Less: Amount written off - current	-	-
Less: Amount written off - prior period	-	-
Closing balance	138 799	138 799

Fruitless and wasteful expenditure is presented exclusive of VAT

Fruitless and Wasteful Expenditure awaiting write off/recovery.

Frances Baard District Municipality
Annual Financial Statements for the year ended 30 June 2024

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42. Fruitless and wasteful expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

	Disciplinary steps taken/criminal proceedings
Fines/Penalties for late payment to SARS	Under investigation

-	137 592
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Frances Baard District Municipality
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42. Fruitless and wasteful expenditure (continued)

Amount written-off

Opening Balance 1 207 -

43. Irregular expenditure

Opening balance as previously reported -
Add: Irregular expenditure - current -
Add: Irregular expenditure - prior period -
Less: Amount recovered - current -
Less: Amount recovered - prior period -
Less: Amount written off - current -
Less: Amount written off - prior period -

Closing balance

- -

Frances Baard District Municipality

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44. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he/she records the reasons for any deviations and reports them to the next meeting of the and includes a note to the annual financial statements.

The following deviations from the tender stipulations in terms of the municipality's Supply Chain Management Policy were ratified by the Municipal Manager and reported to Council:

Service	Supplier	Nature	2024	2023
Testing of water samples	SIMLAB	Emergency/Impractical/Impossible	203 859	132 082
Calibration and maintenance of polludrone ambient air pollution monitoring system	Envirocon Instruments	Sole supplier	45 764	-
Catering: Economic Summit (Net working session)	Julies Malay Kitchen and Photo Shop	Emergency/Impractical/Impossible	61 075	-
Procurement of trailer mounted diesel generator for Dikgatlong LM	Tencon Trading	Emergency/Impractical	-	1 562 033
Annual maintenance charge of the of the Teammate software licence.	Wolters Kluwer	Sole supplier	20 716	19 396
Competency assessment for senior managers	Gijima Holdings	Impractical	-	36 120
Catering: Economic Summit	Thepa Trading 646	Emergency/Impractical/Impossible	145 630	-
Venue: Economic Summit	Amor De Dios	Emergency/Impractical/Impossible	160 000	-
			637 044	1 749 631

45. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At fair value	At amortised cost	Total
Receivables From Exchange Transactions - Other Services Charges	-	7 484 275	7 484 275
Receivables from Exchange Transactions - Other Debtors	-	288 095	288 095
Investments	-	10 400 000	10 400 000
Cash and cash equivalents - Call Deposits	-	107 158 607	107 158 607
Cash and cash equivalent - Bank Balances	-	5 937 581	5 937 581
Cash and cash equivalents - Cash Floats and Advances	3 297	-	3 297
	3 297	131 268 558	131 271 855

Financial liabilities

	At amortised cost	Total
Payables from Exchange Transactions - Trade Creditors	3 485 802	3 485 802

Frances Baard District Municipality

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45. Financial instruments disclosure (continued)

2023

Financial assets

	At fair value	At amortised cost	Total
Receivables from Exchange Transactions - Other Services Charges	-	7 938 482	7 938 482
Receivables from Exchange Transactions - Other Debtors	-	589 580	589 580
Investments	-	11 000 000	11 000 000
Cash and cash equivalents - Call Deposits	-	106 354 890	106 354 890
Cash and cash equivalents - Bank Balance	-	7 055 270	7 055 270
Cash and cash equivalents - Cash Floats and Advances	3 300	-	3 300
	3 300	132 938 222	132 941 522

Financial liabilities

	At amortised cost	Total
Rentention	285 453	285 453
Payables from Exchange Transactions - Trade Creditors	12 844 706	12 844 706
	13 130 159	13 130 159

The line for payables from exchange transactions - bonus and third party payments has been removed from the financial instruments.

The following restatements were done:

Restated	Previously Reported
R13 130 159	R15 172 185

No Financial Instruments of the municipality have been reclassified during the year.

Assumptions used in determining Fair Value of Financial Assets and Financial Liabilities

The table below analyses Financial Instruments carried at Fair Value at the end of the reporting period by the level of fair-value hierarchy as required by GRAP 104. The different levels are based on the extent to which quoted prices are used in the calculation of the Fair Value of the Financial Instruments. The levels have been defined as follows:

Level:-

Fair Values are based on quoted market prices (unadjusted) in active markets for an identical instrument.

Level 2:-

Fair Values are calculated using valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3:-

Fair Values are based on valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. Also, this category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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45. Financial instruments disclosure (continued)

Financial Instruments at Fair Value: 30 June 2024

	Level 1	Level 2	level 3	Total
Cash and Cash Equivalents	-	3 297	-	3 297
Total Financial Assets	-	3 297	-	3 297
Total Financial Instruments	-	3 297	-	3 297

Financial Instruments at Fair Value: 30 June 2023

	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	-	3 300	-	3 300
Subtotal	-	3 300	-	3 300
Total Financial Instruments	-	3 300	-	3 300

Frances Baard District Municipality

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46. Risk management

46.1 Capital Risk Management

Gearing Ratio

The gearing ratio is not applicable because the municipality does not have long-term debt.

- -

46.2 Financial risk management

The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by the municipality, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Department Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal Audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

46.3 Significant Risks

It is the policy of the municipality to disclose information that enables the user of its Annual Financial Statements to evaluate the nature and extent of risks arising from Financial Instruments to which the municipality is exposed on the reporting date.

The municipality has exposure to the following risks from its operations in Financial Instruments:

- Liquidity Risk;
- Credit Risk; and
- Market Risk.

Risks and exposures are disclosed as follows:

Frances Baard District Municipality

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46. Risk management (continued)

46.3.1 Liquidity risk

Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.

Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

A maturity analysis for Financial Liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in Note 45.3.4 to the Annual Financial Statements.

46.3.2 Credit risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of variable rate deposit investments, consumer debtors, other debtors, bank and cash balances.

Investments/Bank, Cash and Cash Equivalents

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Trade and Other Receivables

There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk during the year under review. The municipality's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position, without taking into account the value of any collateral obtained. The municipality has no significant concentration of credit risk, with exposure spread over a large number of consumers, and is not concentrated in any particular sector or geographical area.

The municipality establishes an allowance for impairment that represents its estimate of anticipated losses in respect of trade and other receivables.

Trade Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The table below shows the balance of the 5 major counterparties at the balance sheet date. Management is of the opinion that, although these parties are the 5 counterparties with highest outstanding balances, no significant credit risk exposure exists based on the payment history of the parties, except for Councillors and Department of Roads and Public Works for which there is uncertainty about the collectivity. Councillors have been included in the Provision for Impairment of Consumer Debtors.

Counterparty and Location	Credit Limit 30 June 2024	Carrying Amount 2024	Credit Limit 30 June 2023	Carrying Amount 2023
Department of Safety & Liaison	-	55 234	-	55 234

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Figures in Rand	2024	2023
46. Risk management (continued)		
Department of Roads and Public Works	-	365 931
Department of Transport	6 407 654	6 632 310
Councillors	395 065	246 710
Officials	5 979	5 979
Lateral Unison Insurance Brokers (Pty) Ltd	12 620	-
Medical Aid	1 871	1 871
Railex	30 000	130 461
Sedibeng Water	499 986	499 986
Orange Development (Pty) Ltd	75 866	-
	7 484 275	7 938 482

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Maximum Credit and Interest Risk Exposure

Receivables from Exchange Transactions	9 013 801	10 025 274
Investments	10 400 000	11 000 000
Bank, Cash and Cash Equivalents	113 099 485	113 413 460
Maximum Credit and Interest Risk Exposure	132 513 286	134 438 734

Credit quality of Financial Assets:

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Capital Risk Management

46.3.3 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates. No formal policy exists to hedge volatilities in the interest rate market.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

Foreign Currency Risk Management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

Interest rate risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with Absa Bank, First National Bank, Nedbank and Standard Bank. No investments with a tenure exceeding twelve months are made.

Trade Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to credit interest rate risk as the municipality has no borrowings.

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46. Risk management (continued)

The municipality's exposure to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The sensitivity analysis has been determined based on the exposure to interest rates at the Statement of Financial Position date. The analysis is prepared by averaging the amount of the investment at the beginning of the financial year and the amount of the investment at the end of the financial year. A 100 basis point increase or decrease was used, which represents management's assessment of the reasonably possible change in interest rates. The short and long-term financial instruments at year-end with variable interest rates are set out in Note 46.3.4 below:

Cash and Cash Equivalents:

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the municipality's:

• Surplus for the year ended 30 June 2024 would have decreased by R-5,254,644 (30 June 2023: R2,945,389). This is mainly attributable to the municipality's exposure to interest rates on its variable rate investments.

The surplus for 30 June 2023 has been restated as follows:

Restated	Previously Reported
R2 945 389	R3 097 888

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46. Risk management (continued)

46.3.4 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the municipality, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 46.3.4 is a listing of additional undrawn facilities that the municipality has at its disposal to further reduce liquidity risk (cash).

Liquidity and Interest Risk Tables

The municipality ensures that it has sufficient cash on demand or access to facilities to meet expected operational expenses through the use of cash flow forecasts.

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

Reconciliation	Average effective interest rate	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	Over 5 years
30 June 2024		-	-	-	-	-	-
Non-interest Bearing	0.00%	5 056 938	5 056 938	-	-	-	-
- Payables from Exchange transactions		5 056 938	5 056 938	-	-	-	-
		5 056 938	5 056 938	-	-	-	-
30 June 2023		-	-	-	-	-	-
Non-interest Bearing	0.00%	14 482 416	14 482 416	-	-	-	-
- Payables from Exchange transactions		14 482 416	14 482 416	-	-	-	-
		14 482 416	14 482 416	-	-	-	-

The amounts for bonus and third party payments has been removed amounting to R2,040,026 and R1,438 respectively.

The following table details the municipality's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the municipality anticipates that the cash flow will occur in a different period.

Description	Average effective interest rate	Total	6 months or less	6-12 months	1 - 2 years	2 - 5 years	over 5 years
30 June 2024		-	-	-	-	-	-
Non-interest Bearing	0.00%	9 017 098	9 017 098	-	-	-	-
- Trade Receivables from Exchange Transactions		9 013 801	9 013 801	-	-	-	-
- Cash and Cash Equivalents		3 297	3 297	-	-	-	-
		-	-	-	-	-	-
Variable Interest Rate Instruments	9.60%	113 096 188	113 096 188	-	-	-	-
- Call Deposits		107 158 607	107 158 607	-	-	-	-
- Bank Account		5 937 581	5 937 581	-	-	-	-
		-	-	-	-	-	-
Fixed Interest Rate Instruments		10 400 000	-	10 400 000	-	-	-

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46. Risk management (continued)							
- Fixed Deposits	9.60%	10 400 000	-	10 400 000	-	-	-
		132 513 286	122 113 286	10 400 000	-	-	-
30 June 2023							
Non-interest Bearing	0.00%	10 021 549	10 021 549	-	-	-	-
- Trade Receivables from Exchange Transactions		10 018 249	10 018 249	-	-	-	-
- Cash and Cash Equivalents		3 300	3 300	-	-	-	-
Variable Interest Rate Instruments	8.60%	113 410 160	113 410 160	-	-	-	-
- Call Deposits		106 354 890	106 354 890	-	-	-	-
- Bank Account		7 055 270	7 055 270	-	-	-	-
Fixed Interest Rate Instruments		11 000 000	-	11 000 000	-	-	-
- Fixed Deposits	10.30	11 000 000	-	11 000 000	-	-	-
		134 431 709	123 431 709	11 000 000	-	-	-

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	2024	2023
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47. Additional disclosure in terms of Municipal Finance Management Act

47.1 Contributions to organised local government

Current year subscription / fee	1 039 551	864 569
Amount paid - current year	(1 039 551)	(864 569)
	<u>-</u>	<u>-</u>

The municipality made the above contributions to SALGA.

47.2 Audit fees

Current year subscription / fee	2 156 627	2 451 617
Amount paid - current year	(2 156 627)	(2 451 617)
	<u>-</u>	<u>-</u>

Any unpaid balances are included as part of creditors.

47.3 PAYE, Skills Development Levy and UIF

Opening balance	5 555	5 555
Current year subscription / fee	44 730 506	30 018 869
Amount paid - current year	(44 730 506)	(30 018 869)
	<u>5 555</u>	<u>5 555</u>

Any unpaid balances are included as part of creditors.

47.4 Pension and Medical Aid Deductions

Opening balance	5 928	5 928
Current year subscription / fee	49 615 548	33 395 461
Amount paid - current year	(49 615 548)	(33 395 461)
	<u>5 928</u>	<u>5 928</u>

Any unpaid balances are included as part of creditors.

47.5 VAT

VAT receivable	1 640 078	2 631 927
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Refer to note 6

47.6 Non-compliance with the Municipal Finance Management Act

None

48. Multi-employer retirement benefit information

The municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to different pension schemes.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

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48. Multi-employer retirement benefit information (continued)

All of these afore-mentioned funds are multi-employer plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R2,217,253 (2023: R2,068,464) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

48.1 Defined Contribution schemes

The municipality contribute to the Municipal Workers Pension Fund and Cape Retirement 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. Current contributions by the municipality are charged against expenditure on the basis of current service costs. The contribution rate paid by the members (9%) and the municipalities (18%) is sufficient to fund the benefits accruing from the fund in the future.

49. In-kind donations and assistance

Mr. G Botha served on the audit committee for the 2023/24 financial year, he is a government employee and therefore is not entitled to receive any compensation for duties performed as a member of the audit committee.

50. Private Public Partnerships

The municipality was not a party to any Private Public Partnerships during the year under review.

51. Declaration of suppliers

Supplier	Capacity		
Chanic Holdings PTY (LTD)	N. Damon - Spouse HR Department at Transnet	-	1 121 858
Nkadvho Development Consultant Bid01/23	Dept. Of Home Affairs - Spouse is an administration officer	350 000	-
Cash asset trading	Dept. of Sports arts and Culture - Wife work as assistant librarian	390 488	-
Mosima IT Solutions	DR. T.C. Motaung - Spouse Department of Health Medical Officer	-	918 621
		740 488	2 040 479

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52. Segment information

General information

Identification of segments

For management purposes the municipality is broadly organised into business units based on the nature of operations and the services they provide. The municipality has seven primary reportable segments:

- Executive and Council: consist of mayor and council, and the department of the municipal manager.
- Finance and Administration: consist of finance, and administration.
- Internal Audit: consist of internal audit services.
- Community and Social Services: consist of the fire-fighting and disaster services.
- Housing: consist of housing services.
- Environmental Protection: consist of environmental health and safety services.
- Planning and Development: consist of project and advisory services and, planning and development services.

No individually material operating segments have been aggregated to form the above reportable operating segments.

The Municipality operates within the following local geographical area:

Dikgatlong Local Municipality
Magareng Local Municipality
Phokwane Local Municipality
Sol Plaatje Municipality

The municipality does however not monitor operating results for these geographical segments, and operational results are only monitored within the business units as previously disclosed.

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52. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2024

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Housing	Environmental Protection	Planning and Development	Total
Revenue								
Revenue from non-exchange transactions	279 880	137 093 602	-	-	-	-	4 114 388	141 487 870
Transfers and subsidies	-	-	-	-	-	-	-	-
Revenue from exchange transactions								
Other Revenue	-	68 151	-	-	-	-	-	68 151
Rental of facilities and equipment	-	195 237	-	-	-	-	-	195 237
Interest, Dividends and Rent on Land Earned	-	13 418 050	-	-	-	-	-	13 418 050
Actuarial Gains	-	232 309	-	-	-	-	-	232 309
Total segment revenue	279 880	151 007 349	-	-	-	-	4 114 388	155 401 617
Entity's revenue	155 401 617							
Expenditure								
Employee related costs	14 273 673	27 135 468	1 272 129	5 277 853	2 957 582	6 341 902	15 671 117	72 929 724
Remuneration of councillors	7 734 830	-	-	-	-	-	-	7 734 830
Depreciation and amortisation	346 537	3 892 781	6 671	380 682	18 348	64 944	275 804	4 985 767
Debt Impairment	314 343	-	-	-	-	-	-	314 343
Interest, Dividends and Rent on Land	-	-	-	-	-	-	-	-
Contracted services	940 500	4 136 036	60 437	1 556 890	423 550	584 812	4 499 551	12 201 776
Inventory consumed	159 546	883 228	7 080	4 969	8 137	17 642	36 410	1 117 012
Transfers and subsidies paid	274 460	3 716 647	-	1 258 600	-	3 824 109	33 896 513	42 970 329
Operational costs	2 501 404	6 706 239	113 905	128 330	50 493	145 319	906 153	10 551 843
Loss on disposal of Property, Plant and Equipment	578	5 538	563	29	5	2 538	452	9 703
Total segment expenditure	26 545 871	46 475 937	1 460 785	8 607 353	3 458 115	10 981 266	55 286 000	152 815 327
Total segmental surplus/(deficit)	(26 265 991)	104 531 412	(1 460 785)	(8 607 353)	(3 458 115)	(10 981 266)	(51 171 612)	2 586 290

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52. Segment information (continued)

	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Housing	Environmental Protection	Planning and Development	Total
Assets								
Intangible Assets	15 598	716 395	4 017	52	-	-	3 187	739 249
Property Plant and Equipment	70 760	66 211 745	15 220	3 377 965	91 659	138 179	469 145	70 374 673
Heritage Assets	-	631 417	-	-	-	-	-	631 417
Operating lease receivable	-	-	-	-	-	-	-	-
Long-Term Receivables	-	5 728 000	-	-	-	-	-	5 728 000
Statutory	-	389 000	-	-	-	-	-	389 000
Inventories	-	335 206	-	-	-	-	-	335 206
Receivables from exchange transactions	-	9 013 801	-	-	-	-	-	9 013 801
Investments	-	10 400 000	-	-	-	-	-	10 400 000
Vat Receivables	-	1 640 078	-	-	-	-	-	1 640 078
Current Portion Long-Term Receivables	-	611 000	-	-	-	-	-	611 000
Operating Lease	-	8 804	-	-	-	-	-	8 804
Cash and Cash equivalents	-	113 099 485	-	-	-	-	-	113 099 485
Total segment assets	86 358	208 784 931	19 237	3 378 017	91 659	138 179	472 332	212 970 713
Total assets as per Statement of financial Position								212 970 713
Liabilities								
Payables from exchange transactions	-	5 530 222	-	-	-	-	-	5 530 222
Consumer deposits	-	4 370	-	-	-	-	-	4 370
EEmployee benefit obligation	-	13 396 888	-	-	-	-	-	13 396 888
Unspent conditional grants and receipts	-	1 571 136	-	-	-	-	-	1 571 136
Employee benefit obligation	-	29 853 233	-	-	-	-	-	29 853 233
Total segment liabilities	-	50 355 849	-	-	-	-	-	50 355 849
Total liabilities as per Statement of financial Position								50 355 849

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52. Segment information (continued)

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52. Segment information (continued)

2023

Revenue	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Housing	Environmental Health	Planning and Development	Total
Revenue from non-exchange transactions	-	-	-	-	-	-	-	-
Transfers and subsidies	355 326	133 288 083	-	-	-	-	3 696 183	137 339 592
Revenue from exchange transactions	-	-	-	-	-	-	-	-
Other Income	-	59 119	-	-	-	-	-	59 119
Rental from Fixed Assets	-	195 237	-	-	-	-	-	195 237
Interest, Dividends and Rent on Land Earned	-	9 986 289	-	-	-	-	-	9 986 289
Actuarial Gains	-	2 867 871	-	-	-	-	-	2 867 871
Total segment revenue	355 326	146 396 599	-	-	-	-	3 696 183	150 448 108
Entity's revenue	150 448 108							
Expenditure	150 448 108							
Employee related costs	14 098 899	26 430 230	2 784 702	4 761 833	3 052 306	5 750 807	15 578 097	72 456 874
Remuneration of councillors	8 190 220	-	-	-	-	-	-	8 190 220
Depreciation and amortisation	199 762	3 828 354	1 750	916 265	19 411	73 027	270 532	5 309 101
Debt Impairment	7 402	-	-	-	-	-	-	7 402
Interest, Dividends and Rent on Land	-	-	-	-	-	-	-	-
Contracted services	1 352 166	4 707 413	68 155	1 476 709	870 896	166 212	5 624 060	14 265 611
Inventory consumed	134 344	836 303	1 764	2 799	37 671	46 108	26 774	1 085 763
Transfer and subsidies paid	-	187 997	-	552 725	-	3 525 357	26 306 361	30 572 440
Operational costs	2 380 953	6 806 809	106 169	131 665	62 038	173 569	761 613	10 422 816
Loss on disposal of Property, Plant and Equipment	178	283 692	-	1 257	-	108	11 740	296 975
Total segment expenditure	26 363 924	43 080 798	2 962 540	7 843 253	4 042 322	9 735 188	48 579 177	142 607 202
Total segmental surplus/(deficit)	(26 008 598)	103 315 801	(2 962 540)	(7 843 253)	(4 042 322)	(9 735 188)	(44 882 994)	7 840 906

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	Executive and Council	Finance and Administration	Internal Audit	Community and Social Services	Housing	Environmental Health	Planning and Development	Total
52. Segment information (continued)								
Assets								
Intangible Assets	6 249	1 684 708	6 354	52	-	-	3 187	1 700 550
Property Plant and Equipment	390 058	62 377 277	2 221	6 539 585	98 332	181 320	725 771	70 314 564
Heritage Assets	-	631 417	-	-	-	-	-	631 417
Long-Term Receivables	-	6 388 000	-	-	-	-	-	6 388 000
Operating Lease	-	8 804	-	-	-	-	-	8 804
Cash and cash equivalent	-	113 413 460	-	-	-	-	-	113 413 460
Investment	-	11 000 000	-	-	-	-	-	11 000 000
Current portion Long-Term Receivables	-	736 000	-	-	-	-	-	736 000
Inventory	-	239 492	-	-	-	-	-	239 492
Operating Lease	-	30 481	-	-	-	-	-	30 481
Statutory Receivables	-	389 000	-	-	-	-	-	389 000
Vat Receivables	-	2 631 927	-	-	-	-	-	2 631 927
Receivables from exchange transactions	-	10 025 274	-	-	-	-	-	10 025 274
Total segment assets	396 307	209 555 840	8 575	6 539 637	98 332	181 320	728 958	217 508 969
Total assets as per Statement of financial Position								
Liabilities								
Payables from exchange transactions	-	15 172 187	-	-	-	-	-	15 172 187
consumers deposits	-	4 945	-	-	-	-	-	4 945
Employee benefit obligation	-	11 840 926	-	-	-	-	-	11 840 926
Unspent conditional grant and receipts	-	1 351 693	-	-	-	-	-	1 351 693
Employee benefit obligation	-	29 110 513	-	-	-	-	-	29 110 513
Total segment liabilities	-	57 480 264	-	-	-	-	-	57 480 264
Total liabilities as per Statement of financial Position								
								57 480 264

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52. Segment information (continued)

53. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

Net surplus per the statement of financial performance 2 586 263 7 840 907

Revenue from Non-exchange Transactions			
Transfer and Subsidies			
Revenue from Exchange Transactions			
Other Income	(3 724 130)		3 001 408
Rental from Fixed Assets	(51 849)		60 881
Interest, Dividends and Rent on Land Earned	(54 763)		4 763
Gains on Disposal of Property, Plant and Equipment	6 778 050		(2 829 265)
Actuarial Gains	-		-
Expenditure	232 309		(2 867 871)
Employee Related Cost	13 121 277		(16 051 127)
Remuneration of Councillors	2 486 170		(2 096 780)
Depreciation and Amortisation	922 234		287 413
Impairment Losses	95 657		(2 598)
Inventory Consumed	534 036		(818 237)
Grants and Subsidies	756 671		(3 353 560)
Operational Costs	18 903 303		(13 820 574)
Loss on Disposal of Property, Plant and Equipment	12 298		(968 859)
Fair Value Gains/Losses	1 413 000		-
	41 424 263		(39 454 406)

54. Operating deficit

Operating deficit for the year is stated after accounting for the following:

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54. Operating deficit (continued)

Loss on sale/ disposal of property, plant and equipment	(9 702)	(205 417)
Loss on disposal of inventory	-	(91 558)
Amortisation on intangible assets	969 435	1 006 719
Depreciation on property, plant and equipment	4 016 331	4 302 382
Employee costs	80 664 553	80 647 094

55. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments. The prior period error was mainly necessitated by unadjusted prior period errors identified by management and the auditors during the audit.

Statement of financial position

2022

	Note	As previously reported	Correction of error	Restated
Employee benefit obligation		29 498 513	(388 000)	29 110 513
Property Plant and Equipment		70 486 528	12 441	70 498 969
		99 985 041	(375 559)	99 609 482

2023

	Note	As previously reported	Correction of error	Re-classification	Restated
Current Assets		-	-	-	-
Receivables from exchange transactions	10	18 249	7 025	-	10 025 275
Statutory Receivables		389 000	-	(389 000)	-
Non-Current Assets		-	-	-	-
Statutory Rceivables		-	-	389 000	389 000
Property Plant and Equipment	70	486 528	(171 964)	-	70 314 565
		-	-	-	-
		-	-	-	-
		80 893 777	(164 939)	-	80 728 840

Statement of financial performance

2023

	Note	As previously reported	Correction of error	Restated
Interest received		9 979 265	7 024	9 986 289
Depreciation		5 304 413	4 688	5 309 102
Loss on disposal of Property Plant and Equipment		142 141	154 834	296 976
		-	-	-
Surplus for the year		15 425 819	166 546	15 592 367

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