



**2022/2023
ANNUAL PERFORMANCE REPORT**



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Acronyms

AG	Auditor General
CoGTA	Provincial Department of Cooperative Governance and Traditional Affairs
CWP	Community Works Programme
DCoG	National Department of Cooperative Governance
ICIP	Integrated Comprehensive Infrastructure Plan
IDP	Integrated Development Plan
IEP	Integrated Energy Plan
KPA	Key Performance Area
KPI	Key Performance Indicators
LEDP	Local Economic Development Plan
LED	Local Economic Development
mSCOA	Municipal Standard Chart of Accounts
MSA	Municipal Systems Act, Act 32 of 2000
MFMA	Municipal Finance Management Act, Act 56 of 2003
MDGs	Millennium Development Goals
NDP	National Development Plan
PMS	Performance Management System
SCM	Supply Chain Management
SDBIP	Service Delivery Budget and Implementation Plan
SMART	Specific, Measurable, Attainable, Realistic and Time-bound

Municipal Manager's Accountability Statement

Honourable Executive Mayor, Councillor ZJ Zwane, it is with great pleasure that I present the Annual Report of Metsimaholo Local Municipality for the financial year ended on 30 June 2023.

In presenting this Annual Report, it is important to highlight that, section 121(3) of the Municipal Finance Management Act 56 of 2003 and section 46 of the Municipal Systems Act 32 of 2000, both prescribes the core contents of an Annual Report for a municipality. In preparation of this annual report, I have therefore considered these and other legislative requirements and National Treasury Guidelines regarding the preparation of a municipality's Annual Report.

Moreover, I have also considered the importance of reliability, usefulness and relevance of the annual financial statements and performance information contained herein as will be submitted to the Auditor-General on the 31st of August 2023 for auditing purposes.

The 2022/23 Annual Report serves as an authoritative record of the activities of the Metsimaholo Local Municipality for the period 1 July 2022 to 30 June 2023 in a manner that seeks to promote accountability to the community.

CHAPTER 1: EXECUTIVE MAYOR'S FOREWORD & EXECUTIVE SUMMARY

1.1. Executive Mayor's Foreword



This being my first full year report as Executive Mayor of Metsimaholo Local Municipality, and the second annual report of this term of Municipal Council. I acknowledge and thank positive contributions by all councillors from various political parties represented in our council. The objective and philosophy of council, I need to reiterate, remains the same which is to mainly improve the quality of life of our communities.

The current five-year term of council (2021-26) will strive to improve on the achievements of the previous council terms and accelerate the provision of the much-needed municipal services; focusing on five developmental local government key performance areas (KPA's) namely: Infrastructure and Service Delivery, Institutional Transformation and Development, Local Economic Development and Planning, Financial Viability, and Good Governance & Public Participation.

I can proudly state that necessary process and steps have taken place towards the end of the financial year 2022-23 to fill critical positions with suitable and competent individuals, with a view to the "operation clean audit 2024-25 target. We need to inculcate in all concerned a culture of excellence, care, accountability, and good governance. The turning point for clean governance, administration and consequently clean audit. This is not entirely lodged solely on the shoulders of administration but requires collective effort from all relevant stakeholders (i.e. council, administration, business, and members of community), to take part and engage in a collective responsibility with prestige, impunity, and integrity.

Chapter 4 of the Municipal Systems Act (MSA) compels the municipality to create conducive environment and conditions to enable communities to participate in Municipal affairs. Our municipality as a community centered institution, values the role of its stakeholders, at all times. We have notably benefited from support programmes and initiatives by our external stakeholders namely Sasol, Seriti Mine, Rand Water, and others.

It is therefore, my pleasure to present to you the following:

Basic Services

Water: –Notwithstanding the water challenges in Deneysville/ Refengkgotso, Our Municipality continues to provide communities with clean water both from our sources and Rand Water, respectively. Currently the water purification projects are underway to ensure good water quality and compliance.

Sanitation: At Orangeville, the construction of a water works treatment plant also underway. This will strengthen the capacity and sewer treatment within the area and comply with green drop status. It is

confirmed that about 12 400 households receive free basic water and electricity, and we continue to appeal those qualifying and deserving households to register as indigents.

Electricity: The project of electrifying households Themba Kubheka in Refenggotso is at an advanced stage and is envisaged to fast-track its completion.

Roads: We acknowledge the decaying state of our road's infrastructure within our Municipality jurisdictions; However, in partnership with businesses and stakeholders Sasol has donated with most critical maintenance of the main road that runs through Zamdela to the railway line. Furthermore, assisting the Municipality with paving a main road that runs through Amelia to Moodraai.

Economic Analysis

The importance of providing support and opportunities to disadvantaged persons cannot be underestimated. It is thus important to roll out targeted support programmes to provide necessary skills and knowledge to organised groups and individuals to venture into relief programmes to address the poverty endemic amongst our communities. To this effect Municipality continues to implement job creation initiatives through Expanded Public Works (EPWPs) and Community Works Programme (CWPs) wherein more than 1000 participants benefited.

Performance overview:

We have made positive strides in the right direction to ensure that sustainable municipal governance principles support our continuous drive to deliver municipal services which reflects our passion for our community needs, which will always be the catalyst to keep us focused on our mandate to serve with pride. The Municipal Council has thus far approved Performance Management System Policy(PMDS) with an intent to inculcate culture of performance amongst all levels of employees. It is believed that this initiative will promote accountability and accelerating service delivery. Above all, it will ensure that the Council's strategic Objectives are realized through systematic process of Performance Management System

Finally, let me acknowledge the following:

- Our roads need to be put in a condition suitable for promoting economic development.
- We must create an environment for growth and investment; that will contribute to sustainable job opportunities for our communities.

Going forward; council, business, and residents must unequivocally strive towards the eradication of key municipal developmental and service delivery challenges. This calls for joint planning that prioritizes core challenges into implementable projects and interventions.

I, therefore, beseech you, municipal council, administration, and community at large to join me on this demanding and challenging but conquerable journey.

Hon Cllr ZJ Zwane
Executive Mayor

1.2. Municipal Manager's Executive Summary

The Annual Report for the 2022/2023 financial year has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, No. 32 of 2000 (as amended), Section 127 (2) of the Local Government Municipal Finance Management Act, No. 56 of 2003, as well as accompanying circulars, templates, and guidelines, in particular, MFMA Circular No. 63, issued in September 2012, added guidance to the preparation of this annual report, requiring all municipalities to report within the established framework and for such reports to be submitted to the Auditor General together with the Annual Financial Statements on or before the 31st of August each year.

This report records the performance and progress made by Metsimaholo Municipality in fulfilling its strategic objectives outlined in the Integrated Development Plan (IDP), and Service Delivery and Budget Implementation Plan (SDBIP) approved by Council for the year under review.

It is with great pleasure to present in this report our municipality's performance in line with its 5 Key Performance Areas, namely:

- Basic Service Delivery
- Local Economic Development
- Financial Viability and Management
- Municipal Transformation and Institutional Development and
- Good Governance and Participation

While progress has been made in improving access to basic services such as water, sanitation, electricity, and waste management, there are still challenges that need to be addressed such as 'mushrooming' of informal settlements, financial constraints, revenue collection and human resource capacity.

However, we are committed as a municipality to strive, within limited resources at our disposal, to achieve the objectives regarding efficient and effective service delivery.

The low revenue collection does not only pose negative financial challenges for the municipality, but this results in an adverse cash flow position, which has negative impact towards successful project implementation and quality service delivery.

The Municipality is making strides to ensure completion of current multi-year capital projects namely; the upgrading and rehabilitation of the wastewater treatment plant(s) in Oranjeville and Refengkgotso, and the construction of our new cemetery in Amelia.

The Project Management Unit has introduced improvement plans that will improve our capital expenditure thus reinforcing monitoring of the completion of the above-mentioned multi-year projects, also taking into consideration acceleration of service delivery and value for money thereof.

An important achievement by the Council was the appointments of Senior Managers, to strategically steer the council strategic objectives and promoting administrative stability. Furthermore, The Municipal Council has adopted the new Municipal Staff Regulations with the quest to professionalize and institutionalize the performance management system.

To this effect the Municipality is in process of reconfiguring its organisational structure, which is anticipated to be finalized in the near future.

Thank you to all employees, management and Council for your commitment and hard work during the past financial year. It is a privilege to be part of an organisation that is so determined to make our municipal area, which includes, Sasolburg, Deneysville and Oranjeville an inclusive, innovative, and inspired towns.

Also, a great appreciation and thank you to the community and stakeholders for their continued involvement and support in the Municipal affairs.

We shall continue to commit and accelerating the delivery of basic services to our communities.

I therefore affirm or assert that the 2022/2023 Annual Report is to my best knowledge the true reflection of what the municipality has managed to do in the financial year under review.

Mr. F J Motloung
Municipal Manager (Acting)

1.3. Municipal Overview

Metsimaholo is a category B municipality as envisaged in section 155(1) (h) of the Constitution, and thus has specific legislative powers and performs such duties and functions which are attributable to a local municipality by the constitution. The municipality is located within Fezile Dabi District Municipality and covers an estimated area of 1 739 square kilometers. The major towns within the Metsimaholo areas of jurisdiction include Sasolburg, Zamdela, Deneysville, Oranjeville Viljoensdrif and Coalbrook.

1.3.1. Overview of Sasolburg / Zamdela

The town owes its existence to the Petro-chemical industry. Its refinery is one of the only two viable coal-derived oil refineries in the world (the other is at Secunda in Mpumalanga). The town was established in the early 1950s to provide housing and facilities for SASOL (South African Coal and Oil Company) employees.

1.3.2. Deneysville / Refenggotso

Named after Deneys Reitz, son of a former Free State president, Deneysville is a small rural village established on the banks of the Vaal Dam in 1939. The town is also known as the Highveld's inland sea and the yachting mecca for its landlocked neighbours. The biggest inland regatta in South Africa, 'Round the Island Race', is held on the dam annually, during February. With six yacht clubs, marinas, boat chandlers, boat builders and repair yards, Deneysville is the home of yachting enthusiasts. (Source: www.freestatetourism.org)

1.3.3. Oranjeville / Metsimaholo

This town, situated on the banks of the Wilge River, was established during 1919 as a halfway stop for ox wagons between Heilbron, Frankfort and Vereeniging. The town was named after the Prins van Orange of Holland. (Source: www.freestatetourism.org)

Table 1.1 - Quick Statistical Facts about Metsimaholo Local Municipality

Details	2016 Community Survey	% Change 2011 - 2016	2011 Census	% Change 2001 - 2011	2001 Census
Total population	163 564	10%	149 108	29%	115 955
Young (0-14)	23.74%	-10%	26.30%	-5%	27.70%
Working Age (15-64)	70.99%	2%	69.30%	0%	69.30%
Elderly (65+)	5.25%	19%	4.40%	19%	3.70%

Details	2016 Community Survey	% Change 2011 - 2016	2011 Census	% Change 2001 - 2011	2001 Census
Dependency ratio	51	15%	44.3	-3%	45.7
Sex ratio	109.6	1%	108.6	4%	104.4
Growth rate	2.10%	-16%	2.51%	55%	1.62%
Population density	95 persons/km2	9%	87 persons/km2	30%	67 persons/km2
Unemployment rate	n/a	n/a	32.10%	-13%	37%
Youth unemployment rate	n/a	n/a	41.60%	-13%	47.70%
No schooling aged 20+	9.30%	63%	5.70%	-47%	10.70%
Higher education aged 20+	9.80%	-21%	12.40%	49%	8.30%
Matric aged 20+	33.20%	11%	29.80%	34%	22.20%
Number of households	59 113	29%	45 757	42%	32 260
Average household size	2.80%	-10%	3.10%	-6%	3.30%
Female headed households	33.60%	3%	32.50%	2%	32.00%
Formal dwellings	87.50%	4%	83.90%	32%	63.60%
Housing owned/paying off	73.60%	28%	57.30%	33%	43.20%
Flush toilet connected to sewerage	74.10%	-3%	76.00%	10%	69.00%
Weekly refuse removal	78.30%	-1%	78.90%	29%	61.10%
Piped water inside dwelling	95.50%	33%	71.70%	66%	43.20%
Electricity for lighting	85.50%	-1%	86.40%	11%	77.70%

Source: Stats SA: CS 2016

CHAPTER 2: GOVERNANCE

2.1. Component A – Governance Structures

2.1.1. Political Governance Structure

The political structure of the municipality is made up of the entire municipal Council consisting of 23 Ward Councillors and 23 PR Councillors. The Executive Mayor, the Speaker, and the Council Whip are elected by Councillors, and the Mayoral Committee appointed by the Executive Mayor. The Council has executive and legislative authority over the affairs of the municipality. To this effect, the Council has the ultimate decision-making powers over the affairs of the municipality. The Executive Mayor is the link between the Council and Administration and is accountable for ongoing monitoring and for tabling of reports to the Council.

2.1.2. Municipal Council

The 1st of November 2021 elections saw an increase in the number of councillors, due to the demarcation of some of the wards. As a result, the Council's composition increased from forty-two (42) councillors to forty-six (46) councillors from seven (7) political parties. The Executive Mayor and the Speaker also form part of this council and are both full time political office-bearers. As of 30 June 2022, the composition of the Council was as follows:

Table 2.1 - Political governance structure

Composition of the Municipal Council	
Name of Political Party	Number of Councillors / Seats
African Independent Congress (AIC)	1 (One)
African National Congress (ANC)	16 (Sixteen)
African Transformation Movement (ATM)	1 (One)
Democratic Alliance (DA)	12 (Twelve)
Economic Freedom Fighters (EFF)	12 (Twelve)
Freedom Front Plus (FF+)	3 (Three)
Metsimaholo Community Association (MCA)	1 (One)
Total	46

2.1.3. Political Office Bearers and Mayoral Committee

For the reporting period under review, the Political Officer Bearers and the Mayoral Committee were as follows below:

Table 2.2 - Structure of Political Officer Bearers and Mayoral Committee

Political Office Bearers	
Executive Mayor	Cllr Z J Zwane (3 Dec 2021 to date)
Speaker	Cllr L Fisher
Council Whip	Cllr F Mosokweni
Mayoral Committee	
Portfolio Responsible for	Name
Corporate Services	Cllr J M Makhema
Spatial Planning, and Human Settlement	Cllr M T Mbana
Social Services and Special Programmes	Cllr R Meyer
Finance and IDP	Cllr J J Barnard
Public Safety and Transport	Cllr F J van der Merwe
Municipal Infrastructure and Technical Services	Cllr T K Rankoe

2.1.4. Decision-Making

Table 2.3 - Key council resolutions taken:

Type of Council Meeting	Date of Meeting	Matter(s) tabled	Resolution Number	Status as at 30 June 2022
Ordinary Council	30 June 2022	Report on the combined Assurance Policy Framework	30	Approved by Council on 30 June 2022
Ordinary Council	30 June 2022	Report on the Anti-fraud & Corruption Strategy	31	Approved by Council on 30 June 2022
Ordinary Council	30 June 2022	Audit And Performance Committee Report	11.1	Approved by Council on 30 June 2022
Ordinary Council	30 June 2022	Reviewed Audit and Performance Committee Charter	11.2	Approved by Council on 30 June 2022
Ordinary Council	30 June 2022	Report Unauthorized, Irregular & Fruitless & Wasteful Expenditure Reduction Strategy	11.4	Approved by Council on 30 June 2022

Type of Council Meeting	Date of Meeting	Matter(s) tabled	Resolution Number	Status as at 30 June 2022
Ordinary Council	30 June 2022	Review and approval of the New Standing Rules and Orders By-Law 2022	11.5	Approved by Council on 30 June 2022
Ordinary Council	30 June 2022	Financial Management Capability Maturity Model	13	Approved by Council on 30 June 2022
Ordinary Council	30 June 2022	Report on the implications of the Local Government Municipal Staff Regulations	26	Approved by Council on 30 June 2022
Ordinary Council	30 June 2022	Risk Management Reports: policy strategy and framework	29	Approved by Council on 30 June 2022
Ordinary Council	30 June 2022	Report on the combined Assurance Policy framework	30	Approved by Council on 30 June 2022
Ordinary Council	30 June 2022	Report on the Anti-fraud & Corruption Strategy	31	Approved by Council on 30 June 2022
Special Council	19 July 2022	Appointment of Director: Social Services, Mr SJ Mokoena	13	Approved by Council on 19 July 2022
Ordinary Council	31 August 2022	2022/2023 IDP and Budget Process Plan and Time Schedule 2023/2024 Integrated Development Plan and 2023/2024 Medium Term Revenue and Expenditure Framework (MTREF) & Performance Management System (PMS)	19	Approved by Council on 31 August 2022
Ordinary Council	31 August 2022	Performance Management Policy (PMS) Policy	20	Approved by Council on 31 August 2022
Special Council	31 October 2022	Municipal Support and Intervention Plan (MSIP)	7	Approved by Council on 31 October 2022
Special Council	31 October 2022	Authorised Signatories on Municipal Bank Accounts	8	Approved by Council on 31 October 2022
Special Council	31 October 2022	Standard Transfer Specification (STS) Prepayment Meter Users (TID Rollover)	9	Approved by Council on 31 October 2022
Special Council	31 August 2022	2022/2023 Annual Performance Agreements	13	The item was deferred to the next meeting and never served in Council
Ordinary Council	08 December 2022	Audit and Performance Committee report	11	
Ordinary Council	08 December 2022	Municipal Support and Intervention Plan (MSIP)	37	Approved by Council on 08 December 2023

Type of Council Meeting	Date of Meeting	Matter(s) tabled	Resolution Number	Status as at 30 June 2022
Ordinary Council	08 February 2023	Mid-Term budget and Assessment performance	6	Approved by Council on 08 February 2023
Ordinary Council	08 February 2023	Metsimaholo Local Municipality's Guiding principles for municipalities Communications Policy	29	Approved by Council on 08 February 2023
Ordinary Council	08 February 2023	Metsimaholo Local Municipality's Communications Strategy	30	Approved by Council on 08 February 2023
Ordinary Council	08 February 2023	2021/22 Annual report	31	Approved by Council on 08 February 2023
Special Council	27 February 2023	Adjustment budget	6	Approved by Council on 27 February 2023
Special Council	27 February 2023	Draft Preferential Procurement Policy Framework	7	Approved by Council on 27 February 2023
Special Council	27 February 2023	Report on the review of the Municipal Staff Establishment		Awaiting comments from the MEC for Local Government
Special Council	31 March 2023	2022/23 SDBIP	6	Approved by Council on 31 March 2023
Special Council	31 March 2023	Oversight report in respect of the Annual report 21/22	8	Approved by Council on 31 March 2023
Special Council	20 June 2023	2023/24 IDP	6	Approved by Council on 20 June 2023
Special Council	30 June 2023	MTREF Budget 23/24, 24/25, 25/26	7	Approved by Council on 30 June 2023
Special Council	30 June 2023	Budget related policies	7.1	Approved by Council on 30 June 2023

2.1.5. Administrative Governance Structure

As legislatively prescribed, the administrative structure of the municipality is headed by the Municipal Manager. As at the end of the reporting period under review, the administrative structure of the municipality consisted of the following administrative departments:

- The Office of the Municipal Manager
- Finance Department
- Infrastructure and Technical Services
- Social Services
- Organisational Development and Corporate Services
- Economic Development, Marketing & Tourism, Housing & Urban Planning

As the Accounting Officer, the Municipal Manager accounts to the Council for all the administrative issues of the municipality, including implementation of Council resolutions. The position of the Municipal Manager became vacant in 2021 and the municipality had an Acting Municipal Manager from Provincial CoGTA as part of support (Section 154, Constitution of the Republic of South Africa)

for business continuity purpose. The Municipal Manager was then appointed 01 June 2022 and in the execution of his duties, the Municipal Manager was assisted by the acting senior managers (since the positions of the Directors had since been vacant for several years), who served as departmental heads and all together, constitutes the senior management team of the municipality. Three (3) Senior Manager posts (Chief Financial Officer, Director Infrastructure and Technical Services, and Director Economic Development, Marketing & Tourism, Housing & Urban Planning) were subsequently filled effective from 01 August 2022. The post for Director Organisational Development and Corporate Services was also filled effective from 01 March 2023. The post for Director Social Services was also filled after the finalization of arbitration processes and awarded retrospectively with appointment effective from 01 December 2020.

The table below outlines the macro-administrative assembly of the municipality as at the end of the reporting period under review.

Table 2.4 - Administrative Governance Structure

Position	Incumbent	Full time / Acting
Municipal Manager	Advocate LMA Mofokeng (01 June 2022)	Full Time
Chief Financial Officer	Ms. K B Lepesa Mr. HI Lebusa (01 August 2022)	Acting Full Time
Director: Infrastructure and Technical Services	Mr. K M Mvulane Mr. DL Ramabitsa (01 August 2022)	Acting Full Time
Director: Organisational Development and Corporate Service	Ms. M M Rapuleng Mr. ME Sediane Dr G Alberts Mr. FJ Motloung (01 March 2023)	Acting Acting Acting Full Time
Director: Social Services	Mr. L P Thile Mr. SJ Mokoena (01 December 2020)	Acting Full Time
Director: Economic Development, Marketing & Tourism, Housing & Urban Planning	Ms. M J Mkhafa Ms MK Tihapane (01 August 2022)	Acting Full Time

2.2. Component B: Intergovernmental Relations (IGR)

Intergovernmental relations in the municipality were mostly facilitated by the three interrelated structures during the period under review, viz – The District Coordinating Forum, The Speakers Forum, and Technical Intergovernmental Relations Forum.

The responsibilities and activities of these forums were as follows during the reporting period under review:

Table 2.5 – IGR Structures

Name of the IGR Structure	Conveners	Core Responsibilities
The District Coordinating Forum	Executive Mayors within the district	Promotion and facilitation of intergovernmental relations within the district.
The Speakers Forum	Speakers within the district	Sharing ideas and integration of municipal programs.
The Technical Intergovernmental Relations Forum	Municipal Managers within the district	Promotion of Intergovernmental Relations within the district and other sector departments at the higher spheres of government.

The table below shows a summary of information for intergovernmental meetings that were attended during the reporting period under review through the above IGR structures.

Table 2.6 - Details of IGR Structures meetings held

The District Coordinating Forum			
Meeting	Date	Venue	Attended? (Yes / No)
District Intergovernmental Forum (DIF)	27 September 2022	Fezile Dabi District Municipality	TF
DIF	22 November 2022	Fezile Dabi District Municipality	TF
DIF	31 March 2023	Fezile Dabi District Municipality	TF
DIF	4 May 2023	Fezile Dabi District Municipality	TF
MM'S IGR Forum (District Coordinating Forum)	14 June 2023 4 May 2023	Fezile Dabi District Municipality	YES NO
IGR Fezile Dabi District Municipality	03 November 2022	Fezile Dabi District Municipality	YES
PRESIDENTIAL IMBIZO			
Meeting	Date	Venue	Attended? (Yes / No)
Local Government Summit	29 September 2022	Emperors Palace, Kempton Park	Yes

Other IGR Structures			
Meeting	Date	Venue	Attended? (Yes / No)
Political MECLOGA Meeting	June 2023	8th Floor Boardroom, OR Tambo Building, Bloemfontein	
Technical MECLOGA	24 March 2023	8th Floor Boardroom, OR Tambo Building, Bloemfontein	
Extended MECLOGA Meeting	24 January 2023	8th Floor Boardroom, OR Tambo Building, Bloemfontein	
Extended MECLOGA Meeting	09 November 2022	Olien Room, 8th Floor Boardroom, OR Tambo Building, Bloemfontein	YES
Meeting	Date	Venue	Attended? (Yes / No)
Provincial IDP Managers Forum	28 - 30 June 2023	Kroonstad	YES
SALGA Provincial MM's Forum	13 June 2023 31 May 2023	Kroonstad Bloemfontein	YES YES
Provincial MM's Forum	13 June 2023 9 May 2023	Kroonstad Bloemfontein	YES NO
Political MECLOGA	09 June 2023	Bloemfontein	YES
Technical PCF	22 May 2023	Bloemfontein	YES
Housing Development Agency	06 September 2022	Metsimaholo Local Municipality	YES
Tourism Stakeholders Committee Meeting	22 November 2022	Metsimaholo Local Municipality	YES
MIG			
Meeting	Date	Venue	Attended? (Yes / No)
Fezile Dabi MIG Quarterly	26 May 2023	Bloemfontein, Kopano Nokeng Lodge (14 Mazelspoort Road)	Yes
Technical IGR			
DCF (Political IGR)	22 November 2022	Fezile Dabi District Council Chambers	
Technical IGR	3 November 2022	Fezile Dabi District Council Chambers	
The LED IGR			
Meeting	Date	Venue	Attended? (Yes / No)
LED Forum	04 October 2022	(Metsimaholo Local Council Chambers)	
Tourism Stakeholders Committee Meeting	22 November 2022	(Oranjeville Library)	Yes

Tourism Stakeholders Committee Meeting	15 February 2023	(Deneysville Council Chambers)	YES
LED Forum Committee	14 March 2023	(Harry Gwala) -	YES
Metsimaholo Tourism Stakeholders	22 June 2023	(Oranjeville Library) -	YES

2.3. Component C: Public Accountability & Participation

2.3.1. Public Meetings

During the period under review, the new political leadership (Executive Mayor and Mayco members) embarked on a coordinated ward based public consultation meetings in all 23 wards of the municipality to establish service delivery aspirations from the broader community. A table below provides in detail meetings held during this reporting period.

2.3.2. IDP Alignment and Participation

Notwithstanding Covid19 pandemic experienced nationwide, the municipality managed to hold intensive public participation in all key planning and reporting procedures, wherein the relevant protocols of the Covid19 Regulations were observed. The municipality relies on public contributions to inform critical decisions involving the Integrated Development Plans, Budgets, Service Delivery and Budget Implementation Plan (SDBIP).

The Public Participation Meetings were planned and held as follows:

Table 2.7 - IDP Public Participation Meetings held:

Ward	Date	Time	Venue	Ward Councilor(s)	Facilitator	Progress
Ward 15 Ward 16 Ward 17	05/09/2022 Monday	18h00	Municipal Council Foyer 2nd Floor Finance Building	Cllr LJ Van Heerden Cllr JJ Barnard Cllr TK Rankoe	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 14 Ward 18 Ward 22 (Vaal Park)	06/09/2022 Tuesday	18h00	Vaalpark Primary School	Cllr FJ van der Merwe Cllr L Day Cllr R Meyer	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 3	07/09/2022 Wednesday	17h00	Refengkgotso Community Hall	Cllr MS Poho	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 8 Ward 9 Ward 10	08/09/2022 Thursday	17h00	Iketsetseng Secondary School	Cllr LW Nhlapo Cllr ME Mqwathi Cllr NM Mtshali	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 11 Ward 12	12/09/2022 Monday	17h00	Zamdela Community Hall	Cllr DV Rani Cllr LA Makhefu	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 5	13/09/2022 Tuesday	18h00	Metsimaholo Community Hall	Cllr SM Mofokeng	Executive Mayor Cllr ZJ Zwane	Achieved

Ward	Date	Time	Venue	Ward Councillors	Facilitator	Progress
Ward 4 Ward 20	14/09/2022 Wednesday	18h00	Deneysville Primary School	Cllr TL Soetsang Cllr L Fisher	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 7 Ward 13	15/09/2022 Thursday	17h00	Sakubusha Secondary School	Cllr P Mahlaela Cllr FD Mosokweni	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 5	19/09/2022 Monday	18h00	Oranjeville Primary School	Cllr SM Mofokeng	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 6 Ward 13 Ward 21	20/09/2022 Tuesday	17h00	Multipurpose Sports Centre	Cllr M Nkheloane Cllr FD Mosokweni Cllr TG Sehaole	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 23 Ward 19	21/09/2022 Wednesday	17h00	Bekezela Secondary School	Cllr MB Mozolo Cllr L Mthetho	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 1 (Phase 3& 4)	22/09/2022 Thursday	17h00	Open Space: Zakwe	Cllr MJ Radebe	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 2	26/09/2022 Monday	17h00	Lehutso Primary School Cllr M Molawa	Cllr Molawa	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 7(Snake Park)	27/09/2022 Tuesday	17h00	Ditamating	Cllr P Mahlaela	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 23 Moodraai	28/09/2022 Wednesday	17h00	Huising (Plot 44)	Cllr MB Mozolo	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 4	29/09/2022 Thursday	17h00	Ntai Mokoena Library	Cllr TL Soetsang	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 20	03/09/2022 Monday	17h00	Themba Kubheka Sports Ground	Cllr L Fisher	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 22 (Lethabo)	04/10/2022 Tuesday	17h00	Lethabo Community Hall	R Meyer	Executive Mayor Cllr ZJ Zwane	Achieved
Ward 1 (Phase 5)	05/10/2022 Wednesday	17h00	Kopanelang Thuto Primary School	Cllr MJ Radebe	Executive Mayor Cllr ZJ Zwane	Achieved
Business, Farmers, NPOs & Religious Groups	06/10/2022 (Thursday)	10h00	Harry Gwala Multi-Purpose Sports Centre	ALL Councillors	Executive Mayor Cllr ZJ Zwane	Achieved

2.4. Component D: Corporate Governance

2.4.1. Risk Management

According to section 62 of the MFMA, the municipality must maintain an effective, efficient, and transparent system of financial and risk management. This therefore means that risk management is an integral part of the internal processes of a municipality.

From the municipality's point of view, risk management is a logical and systematic process of establishing the context, identifying, analyzing, evaluating, treating, monitoring, and communicating risks associated with any activity, function or process, in a way that enables the municipality to minimize losses and maximize opportunities.

During the period under review, the following risk management related activities were performed:

Table 2.8 - Risk Management Activities Performed during 2022/23

Activity / Function	Date Completed
Review of Risk Management Committee (RMC) Charter	26 September 2022
Review of Risk Management (RM) Policy and Strategy	30 June 2022
Quarterly Risk Assessment reports	07 December 2022 (Q1 & Q2) 28 March 2023 (Q3) 27 June 2023 (Q4)
Risk Management Implementation Plan report	26 September 2022
Risk Management Maturity model	17 November 2020

Its strengths in optimizing opportunities and take the appropriate actions in reducing its losses. Over the period under review, risk management trends and components within the municipality were indicating an overlap with those of internal auditing, performance management, project management, financial management, organisational development & change management, customer care, communication, and therefore require incremental inclusion in current and future planning of the entire organization.

The following were the identified top risks that the municipality faced during 2022/23.

Table 2.9 - Top risks in 2022/23

Top Risks in 2022/23 financial year	
No	Risk Description
1	Unauthorised, irregular, fruitless and wasteful expenditure
2	Poor cash management (possible loss of revenue)
3	Inability to timeously and adequately recover from Major Business Interruptions and adverse Circumstances (i.e. Disasters, Loadshedding, etc.)
4	Fraud and corruption
5	Ageing infrastructure (Electricity networks & water, stormwater, and sewer networks)
6	Deterioration of Roads infrastructure
7	Damage to municipal property and possible loss of life (Cable theft)
8	Weak and constrained economic growth
9	Failure to comply with legislative and other requirements
10	Inadequate organisational and individual performance

2.4.2. Anti-Fraud and Corruption

During the period under review, the municipality continued to monitor the implementation of anti-fraud strategies to combat fraud and corruption. The Council has since approved the use of the National Anti-Corruption Hotline number **0800 701 701** to report all cases of fraud and corruption which relates to the Metsimaholo Local Municipality.

The table below listed anti-fraud and anti-corruption plans / strategies that were adopted by Council which serves as guiding principles to deal with any fraud or corruption related activities.

Table 2.10 - Fraud Prevention Plan

Name of plan / strategy	Date Approved by Council
Anti-Fraud & Corruption Strategy	30 June 2022

2.4.3. Investigations conducted

The table below provides a list of all different types of investigations which the municipality embarked on during the year under review.

Table 2.11- Investigations conducted

No of investigations conducted	Type of investigation	Status/Outcome as at 30 June 2022
4 cases of corruption	Corruption	3 Concluded 1 pending
1 case	Fraud	Concluded
3 cases	Theft	3 Concluded

2.4.4. Supply Chain Management

Although not sufficiently staffed in line with the approved organisational structure, the Supply Chain Management unit has appropriately skilled personnel. The municipality managed to appoint the head of unit which is the Supply Chain Manager.

The table below provides an overview of the staffing capacity within the unit.

Table 2.12 - Supply Chain Management Staff Compliment

Designation	Number of available positions	Number of positions filled	Number of vacancies
Manager	1	1	0
Secretary	1	0	1
Supply Chain Practitioner	2	2	0
Supply Chain Clerk (Buyer)	4	2	2
Supply Chain Administration Clerk	1	1	0
Stock Clerk	3	3	0
Total	12	9	3

The composition of the bid committees was also in accordance with the provisions of the Supply Chain Management Regulations, 2005. The Supply Chain Management function is a supportive strategy, and the objective is to manage procurement and provisioning processes in order to eliminate non-value-added cost, infrastructure, time and activities to improve service delivery.

The table below provides an overview of the number of procurements within specified thresholds for the period under review:

Table 2.13 - Tenders / Bids Awarded (Excluding as and when required tenders) in 2021/22

Procurement Range: >R 200 000 & long-term contract		
Period	Number of Tenders Awarded	Total Awarded Amount
First Quarter	2	R 2 599 156.00
Second Quarter	2	Rates
Third Quarter	7	R 8 037 833.41
Fourth Quarter	5	R 41 352 655.77
Sub-Total	16	R 51 989 645.18
Procurement Range: R 30 001 - R 200 000		
Period	Number of Tenders Awarded	Total Awarded Amount
1 st Quarter	8	R 417 935.00
2 nd Quarter	12	R 1 185 909.17
3 rd Quarter	4	R 276 681.00
4 th Quarter	10	R 759 554.00
Sub-Total	34	R 2 640 079.17

Supply Chain Management Activities are conducted were conducted within the framework of the approved supply chain management policy, which is in line with the MFMA Supply Chain Management Regulation and Preferential Procurement Policy Framework Regulations of 2011.

Table 2.14 – Supply Chain Management Policy

Name of Policy	Date Approved by Council
Supply Chain Management Policy	31 May 2022

The municipality has also entered in contracts for the supply of goods and / or services on an “as-and-when required” basis during the period under review. This means that these contracts have no precise price and because a service requirement for such goods and / or service is determined as and when a need arises from the municipality and subsequently procurement occurs based on the scale of the evaluated requirement. The details of such contracts as follows:

Table 2.15 - Contracts procured on an “As-and-When Required” basis

Commodities	
Period	Number of Tenders Awarded
1st Quarter 1	1
2nd Quarter 0	0
3rd Quarter 2	2
4th Quarter 2	2
Sub-Total	5
Professional Services	
Period	Number of Tenders Awarded
1 st Quarter	0
2 nd Quarter	0
3 rd Quarter	4
4 th Quarter	1
Sub-Total	5
Equipment Rental/Lease Services	
Period	Number of Tenders Awarded
1 st Quarter	0
2 nd Quarter	0
3 rd Quarter	0
4 th Quarter	1
Sub-Total	1
Other Services	
Period	Number of Tenders Awarded
1 st Quarter	1
2 nd Quarter	2
3 rd Quarter	1
4 th Quarter	3
Sub-Total	7

2.4.5. By-Laws

No new by-laws were promulgated for 2022/23 financial year; However, the following bylaws were reviewed in the relevant year, namely:

1. Water Service bylaw

2.4.6. Publication of Information on the Municipality's Websites

Section 21A of Municipal Systems Act requires that all documents that must be made public by a municipality in terms of a requirement of this Act, the Municipal Finance Management Act or other applicable legislation, must be conveyed to the local community: -

- a) by displaying the documents at the municipality's head and satellite offices and libraries.
- b) by displaying the documents on the municipality's official website, if the municipality has a website as envisaged by section 21B; and
- c) by notifying the local community, in accordance with section 21, of the place, including the website address, where detailed particulars concerning the documents can be obtained.

On the other hand, section 21B (3) states that the Municipal Manager must maintain and regularly update the municipality's official website, if in existence, or provide the relevant information as required by subsection (2).

Pursuant to the foregoing legislative provisions, the municipality's website was functional and accessible throughout the period under review and the table below provides details of important information that was publicised on the website.

Table 2.16 - Publication of information on municipal website

Documents to be published on the municipality's website	PUBLISHED (YES/NO)
Budget	
Draft Budget	YES
Approved Annual Budget and quality certificate	YES
Adjustment budget and quality certificate	YES
Annual Reports	
Annual Report	YES
Oversight report	YES
Quarterly Reports	
Financial Reports	YES
Supply Chain Management Reports	
SCM Quarterly Reports	NO
Tender and 7 Days Advertisement	YES

Tender Opening Register	YES
Awarded Tenders	YES
Budget Related Policies	
Asset Management Policy	YES
Bad Debts Write Off Policy	YES
Borrowings Policy	YES
Budget Policy	YES
Cash Management Policy	YES
Credit Control Debt Collection and Customer Care Policy	YES
Indigent Policy	YES
Property Rates Policy	YES
Rates Policy	YES
Unauthorized, Irregular, Fruitless and Wasteful Expenditure	YES
Virement Policy	YES
Revised SCM Policy	YES
Risk Management Policy	YES
Financial Statements	
AFS	YES
Mid-Year budget and performance assessment Reports	
Mid-Year Budget & Performance Assessment Report	YES
Performance Management Reports	
Performance Agreements of Section 56/57 Appointments	YES

2.4.7. Public Satisfaction on Municipal Services

No public satisfaction survey was conducted during the period under review.

2.4.8. Municipal Oversight Committees

Municipal Public Accounts Committee (MPAC) and the Audit and Performance Committee are the two committees responsible for the exercise of oversight over the executive functionaries of council; ensure good governance in the municipality. These committees are also responsible for advising the council, the political office-bearers, the accounting officer, and the management of the municipality on various matters dealt with under their responsibilities.

During the period under review, the respective committees have discharged their responsibilities as

follows in accordance with their terms of reference:

Table 2.17 - Activities performed by the MPAC:

Municipal Public Accounts Committee	
Matters considered in 2021/22	Date
Annual Financial Statements for 2021/22 Financial Year.	30 March 2023
Annual Report for 2021/22 Financial Year.	30 March 2023
Issues raised by the A-G in the audit report for 2021/22 Financial Year.	30 March 2023

Table 2.18 - Activities performed by the Audit & Performance Committee

Audit & Performance Committee	
Matters considered in 2022/23	Date
Draft Annual Financial Statement – 2022/23	30 August 2022
Draft Annual Report – 2022/23	30 August 2022
Internal Audit Charter	16 March 2023
Audit and Performance Audit Committee Charter	16 March 2023
Internal Audit Annual Plan – 2023/24	28 June 2023
Audit Engagement Letter and Audit Strategy – 2021/22	30 August 2022
Auditor General – 2021/22 Draft Audit Report	28 November 2022

CHAPTER 3:

Service Delivery Performance (Performance Report Part I)

3.1. Component A: Introduction to Performance Report

This chapter focuses on reporting on service delivery on a service-by-service in line with the approved IDP and SDBIP of the municipality for the 2022/23 financial year. This chapter therefore aims to demonstrating what has been achieved by the Municipality and what remains outstanding as initially planned in terms of the municipality's IDP.

3.2. Component B: Overview of the relevant progress achieved on the relevant outcomes for Local Government as required by National and Provincial Spheres

3.2.1. Water Services

Table 3.1 – Water Service Delivery Levels per Household

Description	2022/23 Actual No.	2021/22 Actual No.	% Variance
<u>Water: (above min level)</u>			
Piped water inside dwelling	15 945	15 945	-
Piped water inside yard (but not in dwelling)	34 433	34 433	-
Using public tap (within 200m from dwelling)	4500	2 000	-
Other water supply (within 200m)	450	10	
Minimum Service Level and Above sub-total	55 328	52 388	
Minimum Service Level and Above Percentage			
<u>Water: (below min level)</u>			
Using public tap (more than 200m from dwelling)		-	-
Other water supply (more than 200m from dwelling)		750	-
No water supply		-	-
Below Minimum Service Level sub-total		750	-
Below Minimum Service Level Percentage		-	-
Total number of households	55 328	52 388	-

Table 3.2 – Total Use by Sector

Total Use of Water by Sector (Kilolitres)	2022/23	2021/22	% Variance
Agriculture		0	
Forestry		0	
Industrial	5 049 393	5 257 379	
Domestic	7 164 551	6 584 394	
Unaccounted Water (TBC)	2 536 488	1 723 883	

Table 3.3 – Water Services Capital Expenditure

Capital Expenditure 2022/23: Water Services R' 000				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget
Water Network		0		
Water Network (WSIG Grant)	7 000	7 000	3 215	46%
Vehicles (Finance lease)	301	301	0	0
Plant and equipment		0		
Vaalpark stands	3 000	3 000	0	0
Water pipes (MIG)	4 782	4 782	4 159	87%
Themba Khubekha	4 480	4 480	3 896	87%
Others	6 900	19 563	11 270	58%
Total	19 563	39 126	22 540	58%

Table 3.4 – Water Services Financial Performance

Financial Performance – Water Services Financial Performance 2021/22: Water Services R'000			
Details	2022/23 Actual	2021/22 Actual	% Variance
Total Operational Revenue	518 616	500 977	97%
Employees	20 815	18 767	90%
Repairs and Maintenance	2 823	5 539	196%
Other	243 542	210 939	87%

Total Operational Expenditure	267 180	235 245	88%
Net Operational Expenditure	251 436	265 732	106%

Table 3.5 – Sanitation Service Delivery Levels per Household

Description	2022/23 Actual No.	2021/22 Actual No.	% Variance
Sanitation/sewerage: (above minimum level)			
Flush toilet (connected to sewerage)	37 591	37 591	
Flush toilet (with septic tank)	1500	1 500	
Pit toilet (ventilated)			
	4500	-	-
Other toilet provisions (above minimum service level)			
Minimum Service Level and Above sub-total	50 878	45 378	
Minimum Service Level and Above Percentage	97.13%	95.77%	
Sanitation/sewerage: (below minimum level)			
Bucket toilet – Refengkgotso/Themba Kubheka	2000	1 500	
No toilet provisions - Moidraai			
	500	2 000	
Below Minimum Service Level sub-total		3 500	
Below Minimum Service Level Percentage		6.68%	
Total households	53 378	48 878	

3.2.2. Sanitation Services

Table 3.6 - Sanitation Services Financial Performance

Financial Performance 2022/23: Sanitation Services			R'000
Details	2022/23 Actual	2021/22 Actual	% Variance
Total Operational Revenue	166 200	R185 143	111%
Operational Expenditure			
Employees	11 851	R11 642	98%
Repairs and Maintenance	23 703	R29 866	126%
Other	13 639	R9 270	68%
Total Operational Expenditure	49 193	R50 778	103%
Net Operational Expenditure	117 007	R134 365	115%

Table 3.7 - Sanitation Services Capital Expenditure

Capital Expenditure 2022/23: Sanitation Services		R'000		
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget
Sewer network (MIG)	0	1 129	1 196	106%
Vehicles (Finance Lease)	269	269	0	0
Plant and equipment		0		
Vehicles (Internal funding)		0		
Sewer Network (own funding)		0		
Wastewater Treatment (RBIG)	50 000	50 000	3 980	8%
Wastewater Treatment (WSIG)	15 316	15 316	4 317	28%
Leitrim Pump station		0		
Total All	65585	66 714	9 493	14%

3.2.3. Electricity Services

Table 3.8 - Electricity Service Delivery Levels per Household

Description	2022/23 Actual No.	2021/22 Actual No.	% Variance
<u>Energy: (above minimum level)</u>	41 710	41 010	
Electricity (at least minimum service level)			
Electricity - prepaid (minimum service level)			
Minimum Service Level and Above sub-total			
Minimum Service Level and Above Percentage			
<u>Energy: (below minimum level)</u>			
Electricity (<minimum service level)			
Total number of households	41 710	41 010	

Table 3.9 - Electricity Services Financial Performance

Financial Performance 2022/23: Electricity Services				R'000
Details	2022/23	2021/22	%	
	Actual	Actual	Variance	
Total Operational Revenue	367 425	R375 250	102%	
Employees	24 170	R22 595	93%	
Repairs and Maintenance	14 892	R12 941	87%	
Other	355 852	R368 280	103%	
Total Operational Expenditure	394 914	R403 816	102%	
Net Operational Expenditure	(27 489)	(R28 566)	104%	

Table 3.10 - Electricity Service Capital Expenditure

Capital Expenditure 2022/23: Electricity Services				R'000
Capital Projects	2022/23			
	Budget	Adjustment budget	Actual Expenditure	% Variance from adjustment budget
Electrical Network (DoE)	35 631	35 631	34 299	96%
Electrical infrastructure (own funding)		0		
Electrical infrastructure (MIG)		0		
Plant + equipment		0		
Transport (Finance lease)	602	602	0	0
Provision (Welgelegen West) – Finance Lease	20 000	20 000	0	0
Total All	56 233	56 233	34 299	61%

Table 3.11 - Gravel Road Infrastructure in Kilometres

Gravel Road Infrastructure in Kilometers	2022/23	2021/22	% Variance
Total gravel roads	326	322	
New gravel roads constructed	4	-	
Gravel roads upgraded to tar		0	
Gravel roads graded/maintained	18.888	50	(37.78%)

Table 3.12 - Tarred Road Infrastructure in Kilometers

Tarred Road Infrastructure in Kilometers	2022/23	2021/22	% Variance
Total tarred roads	379	379	
New tar roads	0		
Existing tar roads re-tarred (SASOL)	4km		
Existing tar roads re-sheeted	0		
Tar roads maintained (Potholes)	6987m ²		

3.2.4.Roads

Table 3.13 - Roads Infrastructure Capital Expenditure

Capital Expenditure 2022/23 : Roads Services R'000				
Capital Projects	2022/23			
	Budget	Adjustment budget	Actual Expenditure	% Variance from adjustment budget
Roads (Paved) MIG	33 000	33 000	0	0
Roads (Paved) MIG	28 686	28 686	25 030	87%
Vehicles		0		
Plant and equipment		0		
Resealing of roads		0		
Gravel Road		0		
Total	61 686	61 686	25 030	41%

3.2.5.Storm-water Infrastructure

Table 3.14 – Storm Water Infrastructure in Kilometres

Storm water Infrastructure in Kilometres	2022/23	2021/22	% Variance
Total Storm water measures	223	219	
New storm water measures	4	-	
Storm water measures upgraded	0	-	
Storm water measures maintained	4	5	

Table 3.15 - Cost of Storm-water Infrastructure Construction/Maintenance

Storm water measures	2022/23	2021/22	% Variance
New (R'000)			
Upgraded (R'000)		-	
Maintained (R'000)			
Renewal of the existing (000)	0	372	

3.2.5.Waste Management**Table 3.16 - Waste Management Services Financial Performance**

Details	2022/23 Actual	2021/22 Actual	% Variance
Total Operational Revenue	71 330	66 042	93%
Employees	35 568	34 842	98%
Repairs and Maintenance	5 747	5 540	96%
Other	7 090	12 661	179%
Total Operational Expenditure	48 405	53 043	110%
Net Operational Expenditure	22 925	12 999	57%

Table 3.17 - Waste Management Services Capital Expenditure

Capital Expenditure 2022/23: : Waste Management Services R'000				
Capital Projects	2022/23			
	Budget	Adjustment budget	Actual Expenditure	% Variance from adjustment budget
Vehicles		0		
Compactor Truck (Lease)		0		
Vehicles (Lease)		0		
Buildings		0		
Plant & Equipment		0		
Total All		0		

3.2.6. Cemeteries

Table 3.18 - Number of People Buried

Area	Actual 2022/23 R 000	Actual 2021/2022 R 000	% Variance
	Number of People Buried		
Sasolburg	61	172	-64%
Zamdela	423	575	-26%
Refengkgotso/Deneysville	143	135	6%
Oranjeville/Metsimaholo	52	34	53%
Total	679	916	-26%

Table 3.19 - Cemeteries Financial Performance

Details	Actual 2022/23 R 000	Actual 2021/22 R 000	% Variance
Total Operational Revenue	8 686	4 336	50%
Expenditure:			
Employees	1 026	1 196	117%
Repairs and Maintenance			
Other	29	29	100%
Total Operational Expenditure	1 055	1 225	116%
Net Operational Expenditure	7 631	3 111	41%

Table 3.20 - Cemeteries Capital Expenditure

Capital Expenditure 2022/23: : Cemeteries R'000				
Capital Projects	2022/23			% Variance from adjustment budget
	Budget	Adjustment budget	Actual Expenditure	
Plant & Equipment	0	0	0	0%
Synapsis Software	0	0	0	0%
Upgrading cemetery (MIG)	0	0	0	0
Fence	0	0	0	0%
Total All	0	0	0	0

3.2.7. Traffic Police Services

Table 3.21 - Traffic Police Service Performance Data

Details	2022/23 Actual No	2021/22 Actual No	% Variance
Number of road traffic accidents reported	152	173	-12%
Number of by-law infringements attended	11	0	-
Average number of police officers in the field on a day	15	14	7%
Average number of police officers on duty on a day	15	14	7%

Table 3.22 - Traffic Police Service Financial Performance

Financial Performance 2022/23: Traffic Police R'000			
Details	2022/23	2021/22	%
	Actual	Actual	Variance
Total Operational Revenue	451	4 308	955%
Operational Expenditure			
Employees	14 917	15 369	103%
Repairs and Maintenance	563	740	131%
Other	567	988	174%
Total Operational Expenditure	16 047	17 097	107%
Net Operational Expenditure	(15 596)	(12 789)	82%

Table 3.23 - Traffic Police Service Capital Expenditure

Capital Expenditure 2021/22: Traffic Police Service R'000				
Capital Projects	2021/22			
	Budget	Adjustment budget	Actual Expenditure	% Variance from adjustment budget
Plant & Equipment	650	500	0	0%
Total All	650	500	0	0%

3.2.8.Fire Services

Table 3.24 - Fire Services Financial Performance

Financial Performance 2022/23: Fire Services R'000			
Details	2022/23	2021/22	%
	Actual	Actual	Variance
Total Operational Revenue	876	1 286	147%
Expenditure:			
Employees	26 083	24 355	93%
Repairs and Maintenance	830	652	79%
Other	862	605	70%
Total Operational Expenditure	27 775	26 612	96%
Net Operational Expenditure	(26 899)	(24 344)	91%

Table 3.25 - Fire Services Capital Expenditure

Capital Expenditure 2021/22: Fire Services R'000				
Capital Projects	2022/23			% Variance from adjustment budget
	Budget	Adjustment budget	Actual Expenditure	
Specialized Vehicles Finance lease	0	0	0	
Vehicles	0	0	0	
Plant & Equipment	0	0	0	
Total All	0	0	0	

3.2.9.Disaster Management

Table 3.26 - Disaster Management Financial Performance

Financial Performance 2022/23: Disaster Management R'000			
Details	2022/23	2021/22	%
	Actual	Actual	Variance
Total Operational Revenue	0	0	0%
Expenditure:			
Employees	1 422	966	68%
Repairs and Maintenance	3	39	1 300%
Other	62	18	29%
Total Operational Expenditure	1 487	1 023	69%

Net Operational Expenditure	1 487	1 023	69%
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Table 3.27 - Disaster Management Capital Expenditure

Capital Expenditure 2022/23: Disaster Management R'000				
Capital Projects	2022/23			
	Budget	Adjustment budget	Actual Expenditure	% Variance from adjustment budget
Plant & Equipment	0	0	0	0%
Total	0	0	0	0%

3.2.10. Sports & Recreation

Table 3.28 - Sports & Recreation Financial Performance

Financial Performance 2022/23: Sports & Recreation R'000			
Details	2022/23	2021/22	%
	Actual	Actual	Variance
Total Operational Revenue	0	0	0%
Employees	0	0	0%
Repairs and Maintenance	0	0	0%
Other	0	0	0%
Total Operational Expenditure	0	0	0%
Net Operational Expenditure	0	0	0%

Table 3.29 - Sports & Recreation Capital Expenditure

Capital Expenditure 2022/23: Sports & Recreation R'000				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget
Refengkgotso stadium – new buildings	0	0	0	0%
Chairs/tables	0	0	0	0%
Total All	0	0	0	0%

3.2.11. Planning & Development

Table 3.30 - Applications for Land Use Development

Area	Actual 2022/23 R 000	Actual 2021/22 R 000	Variance
	Number of Applications Received		
Sasolburg	85	35	50
Zamdela	8	2	6
Refenggotso	0	0	0
Deneysville	7	12	- 5
Oranjeville	1	3	-2
Vaalpark	9	15	-5
Total	110	67	

Table 3.31 - Planning Services Financial Performance

Financial Performance 2022/23: Planning Services R'000			
Details	2022/23	2021/22	%
	Actual	Actual	Variance
Total Operational Revenue	819	806	98%
Expenditure:			
Employees	4 748	5 187	109%
Repairs and Maintenance	5	2	40%
Other	243	869	358%
Total Operational Expenditure	4 996	6 058	121%
Net Operational Expenditure	(4 177)	(5 252)	126%

Table 3.32 - Planning Services Capital Expenditure

Capital Expenditure 2022/23: Planning Services R'000				
Capital Projects	2022/23			
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget
Machinery and equipment	0	0	0	0%
Total All	0	0	0	0%

Table 3.33 - Local Economic Development Services Financial Performance

Financial Performance 2022/23: Local Economic Development R'000			
Details	2022/23	2022/22	%
	Actual	Actual	Variance
Total Operational Revenue	0	0	0%
Expenditure			
Employees	1 276	1 191	93%
Repairs and Maintenance	6	0	0
Other	23	22	96%
Total Operational Expenditure	1 305	1 213	93%
Net Operational Expenditure	1 305	1 213	93%

Table 3.34 - Local Economic Development Services Capital Expenditure

Capital Expenditure 2022/23: Local Economic Development R'000				
Capital Projects	2021/22			
	Budget	Adjustment Budget	Actual Expenditure	% Variance from adjustment budget
Buildings	0	0	0	0%
Vehicles	0	0	0	0%
Plant and equipment	0	0	0	0%
Total All	0	0	0	0%

3.2.12. Free Basic Services & Indigent Support

Table 3.35 - Free Basic Services Structure

Description	2022/23	2021/22	%
			Variance
Property Rates (per month per household) indigent	R 50	R 50	100%
Sanitation/sewerage additional (per month per household) Indigent	100% Rebate	100% Rebate	-
Sanitation/sewerage (per month per household)	100% Rebate	100% Rebate	-
Water (per month per household)	Nil	Nil	-
Water (per month per household) Indigent	6 Kl	6 Kl	-
Electricity (per month per household)	Nil	Nil	-
Electricity (per month per household) indigent	50kWh	50kWh	-
Refuse Removal (per month per household)	100% Rebate	100% Rebate	-

3.2.13. Performance Analysis:

Free basic services are provided to indigent households according to the municipality's indigent policy. This includes 6kl of water, 50kWh electricity, R50 subsidy on assessment rates, free sanitation and refuse removal per household per month.

A total of **7 362** households were recorded in the indigent register at the end of the 2022/23 financial year.

3.3. Component C: Annual Performance Report against Pre-Determined Objectives

KPA 1: Basic Service Delivery & Infrastructure Development



KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
PRIORITY AREA/PROGRAMME: INTEGRATED DEVELOPMENT PLANNING								
Ensure that the municipality broadly delivers service according to the strategic orientation based on key sector plans	1.1.1 Five (5) Sector Plans developed by in compliance with CoGTA and National Treasury guidelines and annually reviewed and approved by council.	Draft WSDP complete	Develop the WSDP, IP, ITP, CIP, IEP and send to Council for approval and install and review infrastructure verification means and methods by 30 June 2022	Q1- Procurement of a service provider Q2- Draft sector plans developed Q3-4 submission to Management and Council	Approved sector plans and Council resolution	Target not achieved (Only Draft WSDP in place)	Awaiting WSDP draft input from various stakeholders. Not enough budget to develop all the plans	Expedite the consolidation of various input from various stakeholders. Request funding from relevant departments on the developments of sector plans.
PRIORITY AREA/PROGRAMME: ROADS								
Ensure universal access to reliable and quality basic Municipal services by all communities	1.19 Number of kms of new municipal roads built (Circular 88 Indicators)		5 Number of kms of new municipal roads built by 30 June 2023	Q1-3 1 km of new road built Q4- 2 kms of new roads built	Progress Report	Target not achieved In Ward 05: 2.294km In Ward 10: 2.139km Total construction of 4.433km	CoGTA approved funding for 2.02 km in Ward 05 and 2.05km in Ward 10, total of 4.07km, whereby the access road built was due to availability of access material bough.	1. For the Municipality to timeously engage stakeholders when sourcing funding and approval for road work projects to be implemented, 2. The municipality needs to source internal funds to attend to the

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
								remaining kms targeted for if COGTA does not approve the proposed project in line with the target. 3. Requests to COGTA will also be done timeously to allow for any adjustments in target due to available resources.
Ensure universal access to reliable and quality basic Municipal services by all communities	1.20 Number of kms of roads resealed/repared (Circular 88 Indicators)	4 834 square meters of potholes repairs	5 kms of roads resealed by 30 June 2023	Q1-3 1 km of road resealed Q4 2 kms of roads resealed	Progress Report	Achieved (The municipality has repaired total area of 8186m ² potholes. Sasol in partnership with the municipality has resealed 2.370km long width 7m width of roads in Zamdela)	n/a	n/a
Ensure universal access to reliable and quality basic Municipal services by all communities	1.21 Number of kms gravel roads graded (Circular 88 Indicators)	Not achieved	20 kms gravel roads graded by 30 June 2023	5 kms gravel roads graded quarterly	Progress Report	Target not achieved. (Total of 18.808km of gravel roads were graded/maintained in all towns).	Shortfall to reach the 20km was as because the municipal fleet is aging, and the municipality relies on external services for the availability of a grader.	The municipality to fast track the purchasing of the grader as planned through the National Treasury Contract Management process.

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
Ensure universal access to reliable and quality basic Municipal services by all communities	1.22 Number of kilometers of storm water drainage constructed	Not Achieved	5 km kilometers of storm water drainage constructed by 30 June 2023	Q1-3: 1 km of storm water drainage constructed Q4- 2 kms of storm water drainage constructed	Progress Report	Target not achieved. (The following length of storm water drainage constructed has been achieved: Ward 05: 2.294km Ward 10: 2.139km Total construction of 4.433km	CoGTA approved funding for 2.02 km in Ward 05 and 2.05km in Ward 10, total of 4.07km, whereby the access road built was due to availability of access material bough.	<ol style="list-style-type: none"> 1. For the Municipality to timeously engage stakeholders when sourcing funding and approval for road work projects to be implemented, 2. The municipality needs to source internal funds to attend to the remaining kms targeted for if COGTA does not approve the proposed project in line with the target. 3. Requests to COGTA will also be done timeously to allow for any adjustments in target due to available resources.

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
	1. 23 Number of reports on maintenance of roads and stormwater drainage system infrastructure compiled	New	4 reports on maintenance of roads and stormwater drainage system infrastructure compiled by 30 June 2023	1 report on maintenance of roads and stormwater drainage system infrastructure compiled quarterly.	Reports	Target Achieved (Report on maintenance of roads and stormwater drainage system infrastructure compiled on quarterly basis)	n/a	n/a
PRIORITY AREA/PROGRAMME: ELECTRICITY								
Ensure universal access to reliable and quality basic municipal services by all communities.	1.14 IEP Plans developed, annually reviewed, and submitted to Council for approval		INEP developed, annually reviewed, and submitted to Council for approval by 30 June 2023	Q1 Draft IEP developed Q3-4 submission to Management Portfolio and Council		Target Not Achieved (The Draft IEP is yet to be developed)	Municipality failure to source funding for development of Integrated Energy Plan.	The Municipality to request grant funding from other Sector Departments in the next FY.
Ensure universal access to reliable and quality basic municipal services by all communities.	1.15 Number of households Electricity connections installed. (Circular 88 Indicators)	26% Target Not Achieved	2000 Electricity House connections installed in Themba Kubheka by 30 June 2023	Q1- Procurement Q2- Adjudication and appointment Q3- work commences Q4- Work completed	Approved Integrated Energy Plan & Council Resolution	Target not Achieved. Contractor is on site installing connections and building of substations for power supply. Total of 1300 HHS connections complete with CoC has been achieved in the current quarter.	The project is a multi-year planned for commissioning in the FY due to MTREF allocations.	Accelerate the works to commission the project by March 2024.

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
Ensure universal access to reliable and quality basic municipal services by all communities.	1.16 % of Electricity distribution losses minimized	16,59%	% of Electricity distribution losses minimized to 20% by 30 June 2023	Quarterly minimization of electricity distribution losses to 20%	Progress Reports	Target Not Achieved. The municipality recorded the annual average electricity distribution loss of 26.35%	Illegal connections by community members and faulty meters with leaks	Municipality to undertake an audit to monitor illegal/bypassed connections as well as faulty meters for replacement with new meters.
Ensure universal access to reliable and quality basic municipal services by all communities.	1.18 Number of reports on maintenance of electricity infrastructure compiled		4 reports on maintenance Electricity infrastructure compiled by 30 June 2023	1 report on maintenance of electricity compiled quarterly.	Progress Reports	Target Achieved. Report on maintenance electricity infrastructure compiled on quarterly basis	n/a	n/a
PRIORITY AREA/PROGRAMME: PORTABLE WATER								
Ensure that the municipality broadly delivers service according to the strategic orientation based on key sector plans	1.2 Water and Sewer Master Plan developed		Water and Sewer Master Plan developed by 30 June 2023	Q1- Draft submitted portfolio committee to DWS for inputs Q2- Submission to Council	Approved Water and Sewer Master Plan	Target Not Achieved	The Draft Master Plan did not include other two towns however a request has been made to National Treasury for funding and development of the Municipality W&S Master Plan.	Regular follow up with the National Treasury regarding the funding requested and apply at different sector departments.

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
Ensure universal access to reliable and quality basic municipal services by all communities.	1.3 Number of Conventional water meters replaced with prepaid meters in all the identified areas.	0	1000 Conventional water meters replaced with prepaid meters in all the identified areas by June 2023	Replacement of meters in Q4	Progress report	Target Not Achieved	Residents not interested in the meters.	Seek political by-in and conduct broader community awareness campaigns in partnership with DWS.
Ensure universal access to reliable and quality basic municipal services by all communities.	1.4 Number of kms of obsolete asbestos/old water pipes replaced	20,44%	5 kms asbestos/old water pipes replaced by 30 June 2023	Replacement of water pipes in Q3 and 4	Progress report	Target Achieved 10.065km of asbestos/old water pipes replaced in Ward 11 Zamdela : pipe laying (160mm) 1150m, pipe laying (75mm) 8915m worth of asbestos pipes replaced.	n/a	n/a
Ensure universal access to reliable and quality basic municipal services by all communities.	1.5 % Minimization of Water distribution losses	Not Achieved 9,13%	Water distribution loss minimized to 10% by June 2023	Quarterly minimization of water distribution losses to 10%	Progress report	Target Not achieved The municipality recorded the annual average water distribution loss of 36.53%	1. Theft of water (meters) infrastructure and internal household leaks. 2. Inadequate maintenance vehicles to promptly attend the reported complaints. 3. Lack of plumbing/repairs material/inventory.	1. Conduct quarterly community awareness to promote, improve usage and conservation of water. 2. Improve turnaround time for repairs or maintenance vehicles - expedite

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
								appointment of external service providers for repairs of municipal fleet. 3. Municipality will undertake a WAR ON LEAKS Campaign 4 Municipality is addressing the replacement and maintenance of aging infrastructure and has started on a multi-year project of replacing galvanised pipes. 5. Ensure procurement of plumbing material in advance/ adequate inventory to increase improve on turnaround times to attend to reported leaks. 6. Fast track purchasing of fleet through the National Treasury Contract

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
								Management initiative.
Ensure universal access to reliable and quality basic municipal services by all communities.	1.6 % Compliance with Blue Drop Water Quality accreditation system	83,08%	99% Compliance with Blue Drop Water Quality accreditation system by 30 June 2023	>99 % compliance with the blue drop system in all quarters	BDS Status Report	<p>Target Not Achieved.</p> <p>Microbiological: Acute health (>99.9%): 78.42%, not achieved</p> <p>Chemical: Acute Health (95%): 82.21%, achieved</p> <p>Chemical: Chronic Health: (95%): 69.55%, achieved</p> <p>Chemical: Aesthetic (95%): 75.97%, achieved</p> <p>Chemical: Operational (95%): 63.32%, not achieved</p> <p>Disinfectant: 10.65%</p> <p>Overall water quality within total water services value chain (95%): 63.35%, Not Achieved</p>	<ol style="list-style-type: none"> Shortage of skilled personnel / staff. Unavailability of water treatment chemicals and lab consumables. Uncalibrated testing equipment and apparatus. 	<ol style="list-style-type: none"> Finalise appointment of Process Controllers by 31/7/2023 Readvertisement of the tender to appoint a panel for the supply and delivery of water treatment chemicals for the period of three years.
Ensure universal access to reliable and quality basic Municipal services by all communities	1.7 Number of new water connections to communal or public facilities (<i>Circular 88 Indicators</i>)		5 new water connections to communal (taps) or public facilities by 30 June 2023	Q1-3- 1 new water connection Q4 -2 new water connections	Progress Report	Target not achieved	Financial constraints	Funds to be sourced in the 2023/24 financial year to ensure new water connections

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
PRIORITY AREA/PROGRAMME: SANITATION AND WASTEWATER								
Ensure universal access to reliable and quality basic municipal services by all communities.	1.9 Water and Sanitation Maintenance Plan developed and submitted to Council for approval	New KPI	Water and Sanitation Maintenance Plan developed and submitted to Council for approval by 30 June 2023	Q1 Water and Sanitation maintenance plan developed Q3-4 submission to Management Portfolio and Council	Approved WSMP & Council Resolution	Target Achieved Draft approved by Council on 8 December 2022	n/a	n/a
Ensure universal access to reliable and quality basic municipal services by all communities.	1.11 % of call outs responded to within 24 hours (Circular 88 Indicators)		100% call outs responded to within 24 hours by 30 June 2023	100% call outs responded to within 24 hours in all quarters	Progress report	Target Not achieved Approximately 53.25% of sanitation complaints were attended within 24-hour period.	Lack of Human resources, materials, tools of the trade, plant, and vehicles	Additional staff have been proposed for recruitment. Procurement of maintenance vehicles, high pressure jetting truck and honeysucker needed to attend and clean sewer lines that cannot be attended by internal team.
Ensure universal access to reliable and quality basic municipal services by all communities.	1.12 % Compliance with Green Drop Quality accreditation system	12,50%	100% Compliance with Green Drop Quality accreditation system by 30 June 2023	>99 % compliance with the green drop system in all quarters	GDS Status Report	Target not Achieved	1. Due to capacity constraints of existing WWTW plants due to aging. 2. Cemetery & Skip pump stations in	1.Source funding for the completion of Refenggotso so that capacity can be increased and alleviate pressure on existing plants.

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
							Refengkgotso under refurbishments. 3. Delay in finalisation of the effluent discharge pipeline in Refengkgotso. Noncompliant Oranjeville WWTW.	This will contribute to improvement on compliance to Green Drop quality accreditation system. WWTW. 2.Re-advertisement of Oranjeville WWTW in the next quarter. 3. Finalise appointment of Process Controllers - 31/07/2023 4. Complete refurbishments of Cemetery & Skip pump stations in Refengkgotso.
Ensure universal access to reliable and quality basic municipal services by all communities.	1.13 Number of reports on maintenance of water and sanitation infrastructure compiled		4 reports on maintenance of water and sanitation infrastructure compiled by 30 June 2023	1 report on maintenance of water and sanitation infrastructure compiled quarterly		Target Achieved. Report on maintenance of water and sanitation infrastructure compiled.	n/a	n/a

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
PRIORITY AREA/PROGRAMME: PROJECT MANAGEMENT								
Ensure universal access to reliable and quality basic municipal services by all communities.	1.24 Number of New Capital Projects for which funding is sourced (MIG, DoE, DWS, INEP)	3 projects registered	3 New Capital Projects for which funding is sourced (MIG, DoE, DWS, INEP) by 30 June 20223	Preparation of business plans for funding of 3 registered projects in quarter 4	Submission of Business Plans & approval from Sector Depts.	Target Achieved Three projects have been registered, two under construction and one planned for implementation in the next FY.	n/a	n/a
Ensure universal access to reliable and quality basic municipal services by all communities.	1.25 % in spending of Grants as per DoRA requirements	(95% spending achieved) as follows: 1. MIG - R37,2m (79%) 2. WSIG - R17m (100%) 3. RBIG - R85m (100%) 4. INEP - R30.4m (100%)	100% in spending of Grants as per DoRA requirements by 30 June 2023	Accumulative Spending of grants Q1- 20% Q2- 40% Q3- 70% Q4 100%	Progress Reports	Target not Achieved Cumulative expenditure target achieved is as follows: MIG - 100% RBIG - 86% INEP - 100% WSIG - 90% Annual 94% of expenditure was achieved.	Slow progress achieved on WSIG project due to underperforming contractor. RBIG contractor had not reached completion date due to pending WULA approval for construction of the effluent discharge pipeline and full allocation could not be spent.	Contractor for Oranjeville WWTW project funded by WSIG has been terminated due to poor performance. Oranjeville Water Treatment Works project to be initiated. RBIG project to be completed by end of August 2023
Ensure universal access to reliable and quality basic municipal services by all communities.	1.26 Number of progress reports submitted on monitoring of all Capital Projects submitted to Council	Target not achieved 0 Reports.	4 progress reports submitted on monitoring of all Capital Projects submitted to Council by 30 June 2023	1 report on monitoring of projects compiled and submitted to Management and Council per quarter	Progress Reports & Council Resolution	Target Achieved Q4 Progress report on monitoring of all Capital Projects compiled and will be submitted to the next Council meeting.	n/a	n/a

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
PRIORITY AREA/PROGRAMME: WASTE MANAGEMENT								
Ensure universal access to reliable and quality basic municipal services by all communities.	1.27 Integrated Waste Management Plan (IWMP) Developed and submitted to Council for approval	Not Achieved.	IWMP developed and submitted to Council for approval by 30 June 2023.	IWMP developed and submitted to Council for approval in Quarter 1	Reviewed IWMP and Council resolution	Target Not Achieved	Report was submitted to the Portfolio meeting, but could not serve in council within targeted date	Timeous submission to all platforms and adoption by Council
Ensure universal access to reliable and quality basic municipal services by all communities.	1.28 Number of households provided with weekly waste collection services	Reviewed KPI	53 000 households provided with weekly waste collection services by 30 June 2023	53 000 households provided with weekly waste collection services in all quarters	Progress report	Target Achieved 54 300 households were serviced	n/a	n/a
Ensure universal access to reliable and quality basic municipal services by all communities.	1.29 Number of Illegal dumping sites removed	23 Illegal Dumpings	23 illegal dumping sites removed by 30 June 2023	Q1-3 6 illegal dumping sites removed Q4 - 5 removed	Report on illegal dumping sites and photos	Target Not Achieved 20 illegal dumps were removed during the financial year Quarter 1: 6 Quarter 2: 3 Quarter 3: 6 Quarter 4: 5	Target not achieved due to the POE for some of the illegal dumping sites removed being incomplete to validate all work done as reported.	To ensure that a comprehensive POE is kept for accurate validation of work done
Ensure universal access to reliable and quality basic municipal services by all communities.	1.30 Number of Waste Management Awareness Programmes conducted.	3 Awareness Programmes	4 Waste Management Awareness Programmes conducted by 30 June 2023	1 waste management awareness programme conducted per quarter	Attendance registers and photos	Target Achieved 4 Awareness Programme conducted	n/a	n/a

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
To promote and ensure social cohesion and nation building.	1.32 Number of Sports & Recreational Parks maintained.		8 Sports & Recreational Parks maintained by 30 June 2023	2 Sports & Recreational Parks maintained quarterly.	Progress Report	Target Achieved 8 Sports and Recreational parks were maintained during 2022/23	n/a	n/a
To promote and ensure social cohesion and nation building	1.33 Number of reports on maintenance and management of community facilities (Halls, MPCC)	Target Achieved	4 reports on maintenance and management of community facilities (Halls, MPCC, Parks,) by 30 June 2023	1 Report on maintenance and management of community facilities compiled quarterly	Reports	Target Achieved 4 Reports on maintenance and management of community facilities were compiled each quarter during 2022/23	n/a	n/a
To Build Environmental Sustainability and Resilience	1.34 Number of Cemeteries established and Functional.	1- Target Not Achieved	1 Cemetery Established by 30 June 2023	1 Cemetery established in Quarter 4	Progress Report on establishment of cemetery	Target Not Achieved	The contract of the contractor was terminated	SCM to implement process of appointment of new contractor
PRIORITY AREA/PROGRAMME: PUBLIC SAFETY								
To promote and ensure community safety and social protection	1.41 Number of traffic roadblocks conducted	16 Road traffic blocks	12 Road traffic blocks conducted by 30 June 2022	3 Road traffic blocks conducted per quarter	Quarterly reports	Target Achieved 25 Road traffic blocks conducted by 30 June 2022	n/a	n/a

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
To promote and ensure community safety and social protection	1.42 Number of by law enforcement operations conducted	Achieved	12 by law enforcement operations conducted by 30 June 2023	3 by law enforcement operations conducted quarterly	Report	Target Achieved 19 by law enforcement operations conducted by 30 June 2023	n/a	n/a
PRIORITY AREA/PROGRAMME: DISASTER MANAGEMENT								
To promote and ensure community safety and social protection	1.35 Review of Disaster Management Plan	Not Achieved	Disaster Management Plan reviewed by 30 June 2023	Q1 Disaster Management Plan reviewed Q3-4 submission to Management Portfolio and Council	Approved Disaster Management Plan and Council Resolution	Target Not Achieved The 2023/24 Draft Reviewed Disaster Management plan served at senior management meeting wherein inputs were made and incorporated in the plan thereof. It is for this reason the plan was presented before the mayoral committee on the 23 June 2023 and was further submitted to council for approval.	There were delays in finalising the plan for it to serve before council timeously.	The reviewed Disaster Management Plan will be resubmitted to council for approval during the first quarter of 2023/24 financial year
To promote and ensure community safety and social protection	1.36 % of Disaster incidents within the Municipality attended as and when they occur	0	100% of Disaster incidents within the Municipality attended as and when they occur	100% attendance to Disaster incidents in all quarters	Disaster register	No disaster incidents were reported	n/a	n/a

KEY PERFORMANCE AREA (KPA 1): SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	2021/22 Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
To promote and ensure community safety and social protection	1.37 Number of Disaster Awareness Programmes conducted	0	2 Disaster Awareness Programmes conducted by 30 June 2023	1 Disaster Awareness Programmes conducted in Q2 and Q4	Attendance Register	Target Achieved 9 Disaster Awareness Programmes conducted	n/a	n/a
To promote and ensure community safety and social protection	1.38 Number of Disaster Management training provided to Volunteers	Not achieved	1 Disaster Management training provided to Volunteers by 30 June 2023	100% attendance to fire incidents in all quarters	Reports	Target Achieved 3 Disaster Management volunteers were trained Q3- Ward Committee members (4) Q2 - Ward Committee members (6) Q- 1 Ward Comm Members (3)	n/a	n/a
To promote and ensure community safety and social protection	1.39 % of Fire incidents attended as an when they occur	100%	100% of Fire incidents attended as an when they occur by 30 June 2023	100% attendance to fire incidents in all quarters 1 Firefighting Awareness Programmes conducted in Q2 and Q4	Reports	Target Achieved 100% of Fire incidents attended as an when they occur	n/a	n/a
To promote and ensure community safety and social protection	1.40 Number of Firefighting Awareness Programmes conducted	Not Achieved	2 of Firefighting Awareness Programmes conducted by 30 June 2023	1 Firefighting Awareness Programmes conducted in Q2 and Q4	Reports and Attendance Register	Target Achieved 10 Awareness Programmes conducted	n/a	n/a

KPA 2: Local Economic Development



KEY PERFORMANCE AREA (KPA 2): LOCAL ECONOMIC DEVELOPMENT								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
PRIORITY AREA/PROGRAMME: LOCAL ECONOMIC DEVELOPMENT								
Create conducive environment for improving local economic development.	2.1 LED strategy Reviewed Annually and submitted to council for approval	Not Achieved	Annually reviewed LED strategy and submitted for council approval by end 30 June 2023	Q1-Draft submitted to Portfolio Committee Q2-Submission to Council"	Approved LED Strategy & Council Resolution	Target Achieved Approved LED strategy	n/a	n/a
Create conducive environment for improving local economic development.	2.2 Number of job opportunities created through EPWP initiatives	82 Jobs	100 jobs opportunities created through EPWP initiatives by 30 June 2023	100 EPWP jobs created in quarter 4	Progress report from implementing agents/Depts to municipality	59 EPWP jobs created Not sufficient job opportunities created.	Change of Dept of Labour threshold system	Budget dependent from MIG
Create conducive environment for improving local economic development.	2.3 Number of job opportunities created through CWP initiatives	Not Achieved	1000 jobs opportunities created through CWP initiatives by 30 June 2023	53 000 households provided with weekly waste collection services all quarters	Progress report from implementing agents/Depts to municipality	968 jobs created and 142 in process of appointment	Insufficient grant and funding	Proper submission and review on number of job opportunities
Use the municipality's buying power to advance economic empowerment of SMMEs and Cooperatives	2.4 Number of SMMEs/Corporate provided support through Provincial and National support programmes	1 Not achieved	2 Provincial & National Exhibitions attended by SMMEs/Corporate by 30 June 2023	1 Provincial & National Exhibitions attended by SMMEs/Corporate in quarter 3 and 4	Reports and Attendance registers	Target Achieved 1 Provincial & National Exhibitions attended by SMMEs/Corporate	n/a	n/a

KEY PERFORMANCE AREA (KPA 2): LOCAL ECONOMIC DEVELOPMENT								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
	(exhibitions)							
Use the municipality's buying power to advance economic empowerment of SMMEs and Cooperatives	2.5 Number of SMMEs/Corporate provided support through Incentive support scheme (Financial & Non-Financial)	Not Achieved	20 SMMEs/Corporate provided support through Incentive support scheme by end of June 2023	5 SMMEs/Corporate provided support through Incentive support scheme (financial support) quarterly	Reports	Target Achieved 16 SMMEs /Cooperatives provided with non-financial support	n/a	n/a
Use the municipality's buying power to advance economic empowerment of SMMEs and Cooperatives	2.6 Number of LED/SLP Capital projects implemented	Not Achieved	1 LED/SLP Capital projects implemented by 30 June 2023	1 Capital LED/SLP Project implemented: Formal traders/containers - (Copper Sunset & DoRA) in quarter 4	Reports	Target not Achieved Kgodisong revitalization project (Seriti New Vaal)	Project was only initiated On 15/03/2023.	Consultant has been appointed by Seriti and an MOU should be finalised between Seriti Mine and Metsimaholo Local Municipality
PRIORITY AREA/PROGRAMME: SPATIAL PLANNING								

KEY PERFORMANCE AREA (KPA 2): LOCAL ECONOMIC DEVELOPMENT								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
To promote Integrated and Sustainable Human Settlement and Increasing the supply of Housing	2.10 Number of newly acquired properties registered in Municipality's name	New	2 newly acquired properties registered in municipality's name by 30 June 2022	Q1-Prefeasibility study conducted Q2-Property evaluation studies conducted Q3-Negotiations and deed of sale Q4-Transfer of properties to municipality"	Deed of transfer	Target not achieved Deed of Transfer not required as property already registered under Metsimaholo Local Municipality	Department of Education only finalised application on 20 July 2023	The KPI achievement was dependent on another government Department thus performance was achieved.
To implement the projects that ensure the Spatial and Economic Integration	2.11 Land Use Management Scheme (Wall to Wall) reviewed and approved by Council		Reviewed and approved LUMS by 30 June 2023	Tabling of the reviewed LUMS to Council in quarter 1	Approved Land Use Management Scheme and Council resolution	Target not achieved Consultant in process of compilation of the draft document	Review the KPI as advised	
To implement the projects that ensure the Spatial and Economic Integration	2.12 Compilation of Spatial Development Framework (SDF) and approved by Council	Not Achieved	Compilation of Draft SDF and submitted to Council by 30 June 2023	Q1 Bid Specification & Advertisement Q2 Evaluation & Adjudication Q3 Phase1&2 Project Inception & Visioning Q4 Draft SDF presented to Management and Council"	Approved SDF and Council Resolution	Target not achieved	Delay in Supply chain processes in the appointment of panel of professionals.	The Bid evaluation process to be implemented
To implement the projects that ensure the Spatial and Economic Integration	2.13 Number of informal Settlements formalized	Not Achieved	1 informal settlement formalized by 30 June 2023	1 informal settlement formalized by 30 June 2023	Reports and Council Resolution	Target not achieved	Delay in public participation, consultant request for extension of time	Extension of time Granted to 31 October 2023

KEY PERFORMANCE AREA (KPA 2): LOCAL ECONOMIC DEVELOPMENT								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
To implement the projects that ensure the Spatial and Economic Integration	2.14 Building Control Policy developed, annually reviewed, and approved by Council	New	Building Control Policy developed by 30 June 2023	Q1 Building Control Policy developed Q3-4 Draft submitted to Management Portfolio and Council	Building Control Policy & Council Resolution	Target Achieved	n/a	n/a
To implement the projects that ensure the Spatial and Economic Integration	2.15 % of approved building plans within specified period of time (30 days <500m2 and 60 days >500 m2)	Achieved	100% of approved building plans within specified period of time (30 days <500m2 and 60 days >500 m2) by 30 June 2023	100% of building plans approved within specified period of time: 30 days ≤ 500m2 and 60 days ≥ 500m2) in all quarters	Progress Report & Register	Target Not Achieved	Delays in circulation comments on building plans	KPI reviewed at Mid-Year
To promote Integrated and Sustainable Human Settlement and Increasing the supply of Housing opportunities	2.7 Integrated Human Settlement Plan (IHSP) developed and reviewed annually	Not Achieved	Integrated Human Settlement Plan (IHSP) reviewed by 30 June 2023	Q1 Procurement: Advert and appointment Q2 Development of Draft Q3-4 submission of draft to Management and Council	Report served at Management on 27/03/2023	Target Achieved Council approved the revised Integrated Human Settlements Plan reviewed 2023	n/a	n/a
To promote Integrated and Sustainable Human Settlement and Increasing the supply of Housing opportunities	2.8 Application for Accreditation levels for Metsimaholo Human Settlement		Application for Accreditation level 1 for Metsimaholo Human Settlement by 30 June 2023	"Q1 Engagements with Human Settlement Q3 finalisation Q4 Submission to Council"	Draft Business Plan served at Senior Management on 27 March 2023	Target Achieved Council approved the revised Integrated Human Settlements Plan reviewed 2023	n/a	n/a

KEY PERFORMANCE AREA (KPA 2): LOCAL ECONOMIC DEVELOPMENT								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
To promote Integrated and Sustainable Human Settlement and Increasing the supply of Housing opportunities	2.9 Number of supplementary valuation roll compiled and approved by Council		1 supplementary valuation roll compiled and approved by Council by 30 June 2023	1 supplementary valuation roll compiled and approved by Council in quarter 4	Draft Business Plan served at Senior Management on 27/03/2023	Target Not Achieved		
PRIORITY AREA/PROGRAMME: TOURISM								
Maximise on the tourism potential of the municipality	2.16 Number of Tourism signs erected within Municipal area		20 Tourism signs erected/installed by 30 June 2023	5 Tourism signs erected/installed quarterly	Reports	Target Not Achieved	Target reviewed in Mid-Year The target is a provincial prerequisite.	
Maximise on the tourism potential of the municipality	2.17 Tourism Strategy developed and reviewed annually	Not Achieved	Tourism Strategy developed by 30 June 2023	Q1 Submission of TORs to SCM Q2 Procurement: Advertisement Q3 Appointment of service provider and development of draft strategy Q4 Tabling of strategy in Council"	Report and Council Resolution	Target Achieved Tourism strategy approved by Council	n/a	n/a

KEY PERFORMANCE AREA (KPA 2): LOCAL ECONOMIC DEVELOPMENT								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviations	Corrective Measures Taken/to be taken
Maximise on the tourism potential of the municipality	2.18 Number of Tourism promotional events organised annually	Not Achieved	1 Tourism promotional events organised by 30 June 2023	1 Tourism promotional event organised in quarter 4	Reports	Target Achieved One tourism stakeholder engagement held in Q2	n/a	n/a

KPA 3: Financial Management & Viability



KEY PERFORMANCE AREA (KPA 3): FINANCIAL MANAGEMENT AND VIABILITY								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviation	Corrective Measures taken / to be taken
PRIORITY AREA/PROGRAMME: REVENUE MANAGEMENT								
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.1 Revenue enhancement strategy developed, annually reviewed, and submitted for council approval	Not Achieved	Develop Revenue Enhancement Strategy and submit it for Council approval by 30 June 2023	Q1 Submit Draft Strategy to Strategic Workshop Q2 Submit Draft Strategy to Council for approval	Approved Revenue Enhancement strategy & Council Resolution	Target Not Achieved	The draft report only submitted to Council 30th June 2023 for approval	Re-align the draft report as per Council resolution
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.3 % in improved annual consumer debtors' revenue collection rate	Not Achieved 69,28%	76% in improved annual consumer debtors' revenue collection rate by 30 June 2023	Q1-4 Maintaining 76% collection rate	Debt collection report & Schedule C	Target Not Achieved	Revenue Enhancement to be implemented 61.60% to date	Implement full debt collection and promote Operation Patala
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.5 Number of Bad Debt (irrecoverable) written off		10828 000 Bad Debt (irrecoverable) written off by 30 June 2023	10828 000 Bad Debt (irrecoverable) written off by 30 June 2023	Debt Management Report	Target Not Achieved	Only identification was done for write off, no report compiled yet	Submit report to Council for write offs
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.6 mSCOA compliant Annual Budget prepared and approved by Council	2021/22 Approved Budget in place	mSCOA compliant Annual Budget prepared and approved by Council by 30 June 2023	"Q1- Process Plan developed and tabled in Council Q3 and 4 Draft and Final Budget tabled in Council" Approved Budget & Council Resolution	Approved Budget & Council Resolution	Target Achieved	n/a	n/a

KEY PERFORMANCE AREA (KPA 3): FINANCIAL MANAGEMENT AND VIABILITY								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviation	Corrective Measures taken / to be taken
PRIORITY AREA/PROGRAMME: INDIGENT MANAGEMENT								
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.4 Number of Indigents registered/updated in the Indigent Register.	Not Achieved	13 000 Indigent Registered by 30 June 2023	Cumulative improvement Q1- 11 125 Q2- 11 750 Q3- 12 375 Q4- 13 000	Updated Indigent Register	Target Not Achieved	Deceased estate customers removed only 7362 on register	A service provider was appointed to assist with the Indigent campaign
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.2 Review of Indigent Policy and approved by Council	June 2022	Review and approval of the Policy in quarter 4	Approved Indigent Policy & Council Resolution	Approved Indigent Policy & Council Resolution	Target Achieved Adopted by Council on June 30th	n/a	n/a
PRIORITY AREA/PROGRAMME: FINANCIAL MANAGEMENT AND CONTROL								
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.7 Number of Section 71 reports compiled and submitted to Treasury within 10 days after as per MFMA	New	12 Section 71 reports compiled and submitted to Treasury within 10 days after month end as per MFMA by 30 June 2023	3 Section 71 reports compiled and submitted to Treasury within 10 days after month end as per MFMA in all quarters	Reports on website Portal (GoMun)	Target Achieved Draft and Final Budget tabled in Council	n/a	n/a

KEY PERFORMANCE AREA (KPA 3): FINANCIAL MANAGEMENT AND VIABILITY								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviation	Corrective Measures taken / to be taken
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.8 Number of Section 72 reports submitted to the Executive Mayor & Treasury by the 25th of January, submitted to Council on or before the 31st of January	Achieved	1 Section 72 report submitted to the Executive Mayor & Treasury by the 25th of January, submitted to Council on or before the 31st of January by 30 June 2023	1 Section 72 report submitted to the relevant stakeholders in quarter 3	Sign off letter, Council Resolution & Portal	Target Achieved 12 Section 71 reports compiled and submitted to Treasury	n/a	n/a
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.9 AFS Compiled and submitted to AG by end of August	2020/21 AFS submitted to council and AG in August 2021	AFS Compiled and submitted to AG by end of August	Audit Action Plan developed and submitted to Council in quarter 3	AFS and proof of submission	Target Achieved 31 Aug-22	n/a	n/a
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.10 Audit Action Plan developed and submitted to Council for approval	Not achieved	Audit Action Plan developed and submitted to Council for approval by 31st January 2023	Approved audit action plan and council resolution	Approved audit action plan and council resolution	Action Plan conducted via National Treasury portal, FMCMM	n/a	n/a
Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards	3.13 % of creditors paid within 30 days of receipt of the invoice	As per invoice date: 68 % As per stamp received date: 98 %	100% of creditors paid within 30 days of receipt of the invoice by 30 June 2023	100% of creditors paid within 30 days of receipt of the invoice in all quarters	Expenditure report	Not Achieved As per invoice date: 74% As per stamp received date: 99%	Late submission from user departments.	Timeous submissions

KEY PERFORMANCE AREA (KPA 3): FINANCIAL MANAGEMENT AND VIABILITY								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviation	Corrective Measures taken / to be taken
PRIORITY AREA/PROGRAMME: ASSET MANAGEMENT								
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.11 Asset Management Policy reviewed and submitted to Council for approval	Target Achieved	Asset Management Policy Reviewed and submitted to Council for approval by 30 June 2023	Asset Management Policy developed and submitted to Council in quarter 4	Approved Policy and Council Resolution	Target Achieved Policy updated and was sent to council for approval on the 30June	n/a	n/a
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.12 updating of fixed Asset Register annually	Achieved	Updating of fixed Asset Register by 30 June 2023	Updating of fixed Asset Register in Q3 and 4	Updated fixed Asset Register	Target Achieved FAR was updated with addition and unbundling of Capital Projects	n/a	n/a
PRIORITY AREA/PROGRAMME: SUPPLY CHAIN MANAGEMENT								
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.14 Supply Chain Policy (SCM) Reviewed and submitted to Council for approval	New	Supply Chain Policy (SCM) Reviewed and submitted to Council for approval by 30 June 2023	Supply Chain Policy (SCM) Reviewed and submitted to Council in quarter 4	Approved SCM Policy & Council Resolution	Target Achieved Policy adopted by 30 June 2023	n/a	n/a
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.15 Number of Procurement Plan compiled and submitted to Treasury	New	1 Procurement Plan compiled Annually by 30 June 2023	1 Procurement Plan compiled and submitted to Treasury in quarter 1	Updated Procurement Plan	Target Not Achieved	The procurement plan was not finalised within the prescribed time.	End-users be given strict time frames on submission and senior managers be involve in the process.

KEY PERFORMANCE AREA (KPA 3): FINANCIAL MANAGEMENT AND VIABILITY								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviation	Corrective Measures taken / to be taken
To improve Municipality's financial planning, revenue collection, expenditure and reporting capability	3.16 % of tenders (>R200 000) awarded within 90 days of advertisement	Not Achieved	100% % of tenders (>R200 000) awarded within 90 days of advertisement	100% of tenders (>R200 000) awarded within 90 days of advertisement in all quarters	Appointment Letters	Target Not Achieved	Non-availability of members during bid committee sitting and it causes the committee not to form quorum.	The intervention of the municipal manager was requested, and the commitment was made by chairpersons of the committees to ensure that bid committees sit and will inform the municipal manager if there are any challenges when they fail to sit. A commitment was also requested from the directors to ensure that they release the members of bid committees who are within their directorate. BAC chairperson is send BAC report as soon as it is finalised. Chairperson of BAC to be notified of bid progress report as and when bids are advertised, evaluated and due for adjudication so he can arrange a meeting for BAC to sit.

KEY PERFORMANCE AREA (KPA 3): FINANCIAL MANAGEMENT AND VIABILITY								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for Deviation	Corrective Measures taken / to be taken
Ensure financial management practices that enhance financial viability & compliance with the requirements of MFMA & other relevant legislation and the applicable accounting standards	3.1.12 Appointment letters for adjudicated bids / tenders issued within the set time frames from the date of date of adjudication report.	Achieved	Issue appointment letters to successful bidders for all categories of tenders / bids within 10 days after receiving the report of the Adjudication Committee / Report of the SCM Manager.	Appointment letters to the successful bidders be issued on time	Report on successful bidders	Target Not Achieved	During the 1st and 2nd quarter targets were not achieved and this was due to bid committees not sitting as per the bid sitting schedule. The accounting officer was requested to intervene and there were improvements during the 3rd and 4th quarter.	Bid committees to sit regularly to avoid delays in awarding of bids.

KEY PERFORMANCE AREA (KPA 4): MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE TARGETS AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for deviation	Corrective measures taken or to be taken
PRIORITY AREA/PROGRAMME: INSTITUTIONAL DEVELOPMENT								
To capacitate and empower workforce.	4.1 Organisational Structure reviewed and submitted to Council for approval	Not Achieved	Organisational Structure reviewed and submitted to Council for approval by 30 March 2023	Q1 Review Organisational structure Q2 and 3 Tabling Reviewed structure to SM and Council	Approved Organisational Structure and Council Resolution	Target Achieved Council approved on 08/02/2023	Not yet adopted by council	
To capacitate and empower workforce.	4.2 Human Resource Plan developed, reviewed annually, aligned to Staff Establishment and submitted to Council for approval	Not Achieved	Human Resources Plan developed aligned to Staff Establishment and submitted to Council for approval by 30 June 2023	Q1 Development of the Plan Q2-3 Tabling of the Plan to SM and Council	Approved HR Plan and Council Resolution	Not Achieved		
To capacitate and empower workforce.	4.3 % of funded posts filled within 90 days after advertisement (Circular 88)	Achieved	100% of funded posts filled within 90 days after advertisement by 30 June 2023	100% of funded posts filled within 90 days after advertisement in all quarters	Advertisement and Report	Target Achieved 100% (6/6 positions of Snr Managers were advertised and filled in the Fin Year)	n/a	n/a

KEY PERFORMANCE AREA (KPA 4): MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE TARGETS AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for deviation	Corrective measures taken or to be taken
To capacitate and empower workforce.	4.4 % of signed Performance Agreements by employees (Circular 88	New	100% of signed Performance Agreements by employees by 30 June 2023	Progress Report and signed PAs	Cumulative signing of PAs Q1 50% Q2 100%	Target Not Achieved Only Section 56/57 PA were concluded	No Capacity Review of the positions on the structure	Appointment in vacancies Full implementation of Chapter of MSR
To capacitate and empower workforce.	4.5 Employment Equity Plan developed, annually reviewed, and submitted to Council for approval by 15th January	Achieved	Employment Equity Plan developed and submitted to Council for approval by 30 June 2023	Approved EEP & Council Resolution	Employment Equity Plan developed and submitted to Council for approval in quarter 3	Target Achieved Submitted to DoL on 15/12/2022	n/a	n/a
PRIORITY AREA/PROGRAMME: LEGAL SERVICES								
To promote legal compliance to minimize litigations and lawsuits To promote legal compliance to minimize litigations and lawsuits	4.18 % of attendance of litigations in favour or against the Municipality as an when they occur	Achieved	100 % of attendance of litigations in favour or against the Municipality as an when they occur by 30 June 2023	100% % attendance of litigations in favour or against the Municipality as an when they occur in all quarters	Litigation(s) Register & Progress Report	Target Achieved (100% achieved)	n/a	n/a
	4.19 % of Contracts/SLAs signed in line tender regulations (within 14 days after receipt of acceptance letter) as an when service providers are appointed	Not Achieved	100 % of Contracts/SLAs signed in line tender regulations (within 14 days after receipt of acceptance letter) as an when service providers are appointed by 30 June 2023	100% development of contract and service level agreement in line with tenders/contracts issued	Contract register and the SLAs	Target Not Achieved (0%)	Unclear roles amongst the directorates since the indicator cuts across many directorates	The indicator will be well defined and properly located, in the next financial year

KEY PERFORMANCE AREA (KPA 4): MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE TARGETS AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for deviation	Corrective measures taken or to be taken
PRIORITY AREA/PROGRAMME: HUMAN RESOURCE DEVELOPMENT								
To capacitate and empower workforce.	4.6 Number of Workplace Skills Plan (WSP) developed, annually reviewed, and submitted to LGSETA by end of April	Achieved	1 Workplace Skills Development Plan (WSP) developed and submitted to LGSETA by end of April 2023	Workplace Skills Development Plan (WSP) developed and submitted to LGSETA in quarter 4	Compiled WSP	Target Achieved Submitted to LGSETA on 29/04/2023	n/a	n/a
To capacitate and empower workforce.	4.7 Annual Training Report compiled and submitted to LGSETA by April	Achieved	Annual Training Report compiled and submitted to LGSETA by April 2023	Annual Training Report compiled and submitted to LGSETA in quarter 4	Compiled ATR and acknowledgment letter from LGSETA	Target Achieved Submitted to LGSETA on 29/04/2023	n/a	n/a
PRIORITY AREA/PROGRAMME: LABOUR RELATIONS								
To ensure sound Labour Relations so as to minimize Labour disputes and disruptions	4.13 % of reported cases of misconduct attended to within 90 days of reporting	100%	100% of reported cases of misconduct attended to within 90 days of reporting by 30 June 2023	100 % attendance to reported cases of misconduct within 90 days in all quarters	Case Management Register	Target Achieved – 100% 37 Disciplinary Cases were finalised and 21 Disputes were concluded	n/a	n/a
To ensure sound Labour Relations so as to minimize Labour disputes and disruptions	4.14 Number of LLF Meetings held monthly	Not Achieved	12 LLF Meetings held monthly by 30 June 2023	3 LLF Meetings held quarterly	Attendance Register & Minutes	Target Achieved 18 meetings held	n/a	n/a

KEY PERFORMANCE AREA (KPA 4): MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE TARGETS AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for deviation	Corrective measures taken or to be taken
PRIORITY AREA/PROGRAMME: HEALTH AND SAFETY								
To promote Occupational Health and Safety Environment for all Employees	4.8 Number of Health and Safety Representative Committee meetings held	Achieved	4 Health and Safety Representative Committee meetings held by 30 June 2023	1 Health and Safety Representative Committee meetings held quarterly	Attendance Register & Minutes	Target Not Achieved 3 meeting held	Delayed in approval of appointment of Safety Reps	Safety reps were appointed in March 2023
To promote Occupational Health and Safety Environment for all Employees	4.9 Number of Trainings/Workshop For OHS Reps conducted	Achieved	1 Trainings/Workshop for OHS Representatives conducted by 30 June 2023	1 Training /Workshop for OHS Representatives conducted in quarter 2	Attendance Register & Reports	Not Achieved	Appointment of Service Provider finalized on 27 June 2023	Training took place on 19 - 21 July 2023
To promote Occupational Health and Safety Environment for all Employees	4.10 Number of OHS Awareness campaigns conducted	New KPI	4 OHS Awareness campaigns conducted by 30 June 2023	1 OHS Awareness campaign conducted quarterly	Attendance Register	Target Achieved 5 Awareness conducted	n/a	n/a
To promote Occupational Health and Safety Environment for all Employees	4.11 Number of Employee Wellness Programmes conducted	Achieved	1 Employee Wellness Programme conducted by 30 June 2023	1 Employee Wellness Programme conducted in quarter 2	Attendance Register & Report	Target Achieved. 1 Wellness Day held on 04 November 2022	n/a	n/a
To promote Occupational Health and Safety Environment for all Employees	4.12 % of reported occupational injuries attended to in a required time frame(7days)	New KPI	100% attendance to occupational injuries reported by 30 June 2023	100 % attendance to reported occupational injuries within a required time frame(7days) in all quarters	Incident Register and progress report	Target Achieved (100%) 31 incidents reported and attended to within 7 days	n/a	n/a

KEY PERFORMANCE AREA (KPA 4): MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT								
PLANNED PERFORMANCE OBJECTIVES AND INDICATORS						ACTUAL PERFORMANCE TARGETS AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for deviation	Corrective measures taken or to be taken
PRIORITY AREA/PROGRAMME: RECORDS MANAGEMENT								
To Improve administrative capability of Municipality	4.15 Record Management Policy & Procedure Manual developed and submitted to Council for approval.	Not Achieved	Record Management Policy & Procedure Manual developed and submitted to Council for approval by 30 June 2023	Q1 Review of Policy Q2 and 3 Draft presented to SM and Council	Approved Record Management Policy & procedure manual and Council Resolution	Not Achieved	Review draft not yet adopted. Old policy	Review draft, Review the policy with inputs and adopt by council By June 2024
To Improve administrative capability of Municipality	4.16 % in disposal of records in accordance with National archives Act	Not Achieved	100% % in disposal of records in accordance with National archives Act by 30 June 2023	100% disposal of records in accordance with National archives Act in all quarters	Distraction or Transfer certificate	Not Achieved	Still waiting for COGTA intervention in Records Management to be completed	COGTA intervention in Records Management still in progress
To Improve administrative capability of Municipality	4.17 Number of Record Management Awareness programmes conducted	New	1 Record Management Awareness programmes conducted by 30 June 2023	1 Record Management Awareness programme conducted in quarter 4	Attendance Registers	Target Achieved 1 Awareness programme conducted	n/a	n/a

KPA 5: Good Governance & Public Participation



KEY PERFORMANCE AREA (KPA 5): GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
PLANNED PERFORMANCE OBJECTIVE AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for deviation	Corrective measures taken/to be taken
PRIORITY AREA/PROGRAMME: PUBLIC PARTICIPATION/STAKEHOLDER ENGAGEMENT								
To implement special programmes aimed at the needs of Vulnerable groups and Youths within the community To Ensure that there is coherent approach in the Municipality in dealing with pandemics (HIV/AIDS & TB including Covid 19 & GBV)	5.1 Number of public and special outreach programmes conducted for the needs of Vulnerable groups (Women, elderly, children & Disabled) within the community	Not Achieved	4 public and special outreach programmes conducted for the needs of Vulnerable groups (Women, elderly, children & Disabled) within the community by 30 June 2023	1 public and special outreach programmes conducted quarterly	Attendance Register	Target achieved 6 programs held	n/a	n/a
	5.4 Number of Public Health Awareness programmes conducted (HIV/AIDS, TB, Cancer & Covid 19.)	Not Achieved	4 Public Health Awareness programmes conducted (HIV/AIDS, TB, Cancer & Covid 19.)	1 Public Health Awareness programmes conducted quarterly	Attendance Register	Target Not Achieved 3 public health awareness held	Poor planning	
	5.5 Number of GBV Awareness programmes held	Not Achieved	1 GBV Awareness programmes held by 30 June 2023	1 GBV Awareness programmes held (16 days of activism against GBV in quarter 2	Attendance Register	Target Achieved 2 GBV awareness held	n/a	n/a
To implement special programmes aimed at the needs of Vulnerable groups and Youths within the community	5.2 Number of Youth Summit held	Achieved (1 event)	1 Youth Summit held by June 2023	1 Youth Summit held in quarter 4	Attendance Register	Target Achieved 1 Youth Summit	n/a	n/a

KEY PERFORMANCE AREA (KPA 5): GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
PLANNED PERFORMANCE OBJECTIVE AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for deviation	Corrective measures taken/to be taken
To implement special programmes aimed at the needs of Vulnerable groups and Youths within the community	5.3 Number of Youth Awareness programmes (Alcohol/Drug Abuse, Teenage pregnancy & Youth Day commemoration) conducted	Achieved (12 Programmes)	4 Youth Awareness programmes (Alcohol/Drug Abuse, Teenage pregnancy & Youth Day commemoration) conducted by end of June 2023	1 Youth Awareness programme conducted quarterly	Attendance Register	Target Achieved 4 Youth Awareness Programmes held	n/a	n/a
Ensure transparency, accountability and regular engagements with communities and stakeholders	5.7 Public Participation Strategy developed, reviewed annually, and submitted to Council for approval	New	Public Participation Strategy developed and submitted to Council for approval by 30 June 2023	Q1 Development of the Draft strategy Q2 and Q3 Draft submitted to Management and Council	Approved Public	Target Not Achieved Developed - Draft	Not adopted by Council	Submit for Adoption to Council, then implement
Ensure that Ward Committees are functional and interact with communities	5.8 Number of ordinary Council meetings held, and community members invited	Achieved	4 ordinary Council meetings held, and community members invited by 30 June 2023	1 ordinary Council meeting held quarterly	Participation strategy & Council Resolution	Target Achieved Total number of 4 Ordinary Council meetings sat as prescribed in Rule 3(2)(a) of the Standing Rules and Orders	n/a	n/a
Ensure that Ward Committees are functional and interact with communities	5.9 Number of Ward Meetings held by Ward Councillors per ward.	Not Achieved	92 Ward Meetings held by Ward Councillors per ward by 30 June 2023	23 Ward Meetings held by Ward Councillors per ward quarterly	Public Notice & Attendance Register	Target not achieved 44 meetings held	Delays, no schedule, no commitment, misalignment of programmes	Encourage timeous sitting Develop schedules

KEY PERFORMANCE AREA (KPA 5): GOOD GOVERNANCE AND PUBLIC PARTICIPATION

PLANNED PERFORMANCE OBJECTIVE AND INDICATORS **ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS**

Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for deviation	Corrective measures taken/to be taken
Ensure that Ward Committees are functional and interact with communities	5.10 Number of Ward plans developed by Ward Committees	New	23 Number of Ward plans developed by Ward Committees by 30 June 2023	23 Number of Ward plans developed by Ward Committees in quarter 4	Attendance Register & Minutes Developed ward plans	Target not achieved	Performance was not measure	
Ensure that Ward Committees are functional and interact with communities	5.11 Number of Ward Committee meetings held annually per ward	Not Achieved	4 Ward Committee meetings held per ward by 30 June 2023	1 Ward Committee meeting held per ward committee quarterly	Attendance Register & Minutes	Target not achieved 63 meetings held		
Ensure transparency, accountability and regular engagements with communities and stakeholders	5.12 % of Petitions received and attended to within 7 days of receipt	New	100% of Petitions received and attended to within 7 days of receipt by 30 June 2023	100% attendance to Petitions received in all quarters	Petition Register	Target Achieved 2 petitions received	n/a	n/a
PRIORITY AREA/PROGRAMME: GOOD GOVERNANCE								
To provide leadership and oversight on Council matters	5.6 Number of MAYCO Meetings held	New	4 MAYCO Meetings held	1 MAYCO Meeting held quarterly	Attendance registers	Target Achieved Total number of 8 Ordinary MAYCO meetings were held during the 2022/23 FY	n/a	n/a
To provide continuous political support on matters affecting Council management and stability	5.13 No of Whippery meetings convened to deal with Municipal matters.	2 Meetings Not Achieved	12 Whippery meetings convened to deal with Municipal matters by 30 June 2023	3 Whippery meetings convened to deal with Municipal matters quarterly.	Whippery Attendance Register	18 Whippery meetings convened to deal with Municipal matters	n/a	n/a

KEY PERFORMANCE AREA (KPA 5): GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
PLANNED PERFORMANCE OBJECTIVE AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for deviation	Corrective measures taken/to be taken
Ensure all Council Committees (s80) sit regularly and process items for Council decisions	5.14 Number of Portfolio Committees(s80) meetings held		24 Portfolio Committees(s80) meetings held by 30 June 2023	6 Portfolio Committees(s80) meetings held quarterly	Attendance Register & Minutes	Target Not Achieved. A total of 22 portfolio meetings were held during the 2022/23 FY (90%)	The two portfolio meetings did not sit due a quorum not being formed by members.	The Speaker and the Executive were informed so that they may encourage Councillors to attend meetings as and when requested to do so.
Ensure all Council Committees (s80) sit regularly and process items for Council decisions	5.15 % Monitoring of Council Resolutions implemented	Not Achieved	100% Monitoring implementation of Council Resolution by 30 June 2023	100 % Monitoring of Council Resolutions implemented in all quarters	Council Resolution Register	Target not achieved 90% monitored	Senior Managers and middle management did not respond to the memorandum issued in order to indicate which resolutions were implemented. Only Legal Services submitted an updated template.	The matter was escalated to the Director Organisational Development and Corporate Services for intervention.
To provide continuous strategic support on organisational goals and performance	5.16 Number of Senior management Meetings held	New	12 Senior management Meetings held by 30 June 2023	3 Senior management Meetings held quarterly	Attendance Register & Minutes	Target not Achieved Total number of 11 meetings were held during the 2022/23 FY 99%	Council for IDP and budget approval was postponed two times, thus leading to Senior Management only meeting for budget issues.	Meetings will sit as scheduled during the first quarter of 2023/2024

KEY PERFORMANCE AREA (KPA 5): GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
PLANNED PERFORMANCE OBJECTIVE AND INDICATORS						ACTUAL PERFORMANCE AGAINST INDICATORS AND TARGETS		
Strategic Objective	Key Performance Indicator	Baseline	Annual Target	Explanation of Target	Means of Verification	Actual Performance	Reasons for deviation	Corrective measures taken/to be taken
Integrated Development Planning								
To ensure development of legally compliant and credible IDP	5.17 Legally compliant and credible IDP developed	2022/2023 Approved IDP in place	Legally compliant and credible IDP reviewed and approved by the 31st of May 2022	Q1 -Development of a process plan IDP Steering committee and IDP Rep forum meeting held Q-2 Public participation meetings Q-3- development and tabling of a Draft IDP to Council Q4 tabling of a Final IDP to Council	Approved IDP; Council resolution	Target Not Achieved Final IDP was Approved in June 2023	Delay by Council to adopt IDP within legislative timeframe	Council adoption on time to meet the legislative requirements
PRIORITY AREA/PROGRAMME: PERFORMANCE MANAGEMENT								
To improve the administrative capability of the municipality	5.18 PMDS Policy reviewed and approved by Council	MSR	PMDS Policy reviewed and approved by Council by 30 June 2023	Review of PMDS Policy and submit to Council for approval in quarter 4	Approved PMDS Policy and Council resolution	Target Not Achieved	Annual Review in August. Adoption of 2022/23 delayed	Rectify the adoption cycle. Policy to be workshopped

To improve the administrative capability of the municipality	5.19 SDBIP developed and approved by Executive Mayor 28 days after the approval of IDP & Budget To improve the administrative capability of the municipality	Achieved	SDBIPs developed and approved by Executive Mayor 28 days after the approval of IDP & Budget	SDBIPs developed and submitted to the Executive Mayor for approval (28 days after the approval of IDP & Budget) in quarter 4	Approved SDBIP	Target not achieved (Adopted on 24 July 2023)	Council delay in the adoption of budget. Budget adopted on the 30 June 2023	Encourage timeous adoption of budget
To improve the administrative capability of the municipality	5.20 Number of Performance Reports compiled and submitted to Council	All reports compiled	4 Performance Reports submitted to Council by 30 June 2023	Q1- 1 Annual Performance Report submitted to AG Q2- Quarter 1 report submitted to Council Q3- Midyear report submitted to Council Q4- Quarter 3 report submitted to Council	Submitted reports and Council resolution	Target not achieved Mid-year and annual reports were compiled and approved by Council; however quarterly reports could not be tabled in Council	Council deferred back the PMS report in October 2022. Q3 Performance Reports not submitted to council. delay in assessments (self & supervisors). Delay in submission of POE File	Encourage and commit to timeous assessments (self & supervisors) and submission of POE File
PRIORITY AREA/PROGRAMME: INTERNAL AUDIT								
To improve the administrative capability of the municipality	5.21 Number of Internal Audit reports on Performance review conducted and submitted to Audit committee	Achieved	4 Quarterly Internal Audit Reports compiled and submitted to Audit committee by 30 June 2023	1 Quarterly Internal Audit Report compiled and submitted to Audit committee quarterly	Quarterly Internal Audit Reports	Target Achieved Q3 Performance Information audited, and report submitted to Audit & Performance Committee	n/a	n/a
To improve the administrative capability of the municipality	5.22 Annual Internal Audit Plan developed and approved by Audit Committee by 30 June annually	Achieved	Approved Internal Audit Plan by Audit Committee by 30 June 2023	Quarter 4- Annual Internal Audit Plan developed and approved by Audit Committee	Approved Internal Audit Plan and Minutes by Audit Committee	Target Achieved Audit Plan was approved by APC on the 28 June 2023	n/a	n/a

To improve the administrative capability of the municipality	5.23 % Implementation of Annual Internal Audit Plan	Not Achieved 95%	100% implementation of Annual Internal Audit Plan by 30 June 2023	Cumulative implementation Q1 -25% Q2- 50% Q3- 75% Q4- 100%	Report on the progress implementation of Annual Internal Audit Plan	Target Not Achieved The plan is 95% completed. SCM audit still in progress	Department's failure to submit requested information to perform the audits on time. Load shedding,	The remaining audits will be finalised in July 2023
To improve the administrative capability of the municipality	5.24 Annual Review of Internal Audit Committee Charter	Achieved	Internal Audit Charter and Audit Committee Charter reviewed and submitted to Council by 30 June 2023	Review of Internal Audit Charter & Audit Committee Charter in quarter 4	Approved Internal Audit Committee Charter & Audit Committee Charter and Council resolution	Target Achieved Audit Committee Charter was approved by council on the 04th of May and Internal Audit Charter was approved by the Audit & Performance Committee in March 2023	n/a	n/a
To improve the administrative capability of the municipality	5.25 Number of Audit Committee meetings convened annually	5 meetings	4 Audit Committee meetings convened by 30 June 2023	1 Audit Committee meeting convened quarterly	Attendance registers and minutes of the meetings	Target Achieved 4 Audit and Performance Committee meetings were held in this financial year ending 30 June 2023	n/a	n/a
PRIORITY AREA/PROGRAMME: COMPLIANCE MANAGEMENT								
To improve the administrative capability of the municipality	5.26 Compilation of compliance Assessment Register and monitoring conducted annually	Not Achieved	Compliance Assessment Register compiled and monitored by 30 June 2023	Q1 Compilation of the register Q2-4 Monitoring and reporting on compliance register	Compliance Assessment Register and reports	Target not achieved	No Capacity No appointment since the resignation of the Compliance Officer	Vacancy budgeted for in the 2023/24 Financial Year
To improve the administrative capability of the municipality	5.27 Number of MPAC meetings held (S79)	Not Achieved	4 MPAC Meetings held	1 MPAC Meetings held quarterly	Attendance registers	Target not achieved		

PRIORITY AREA/PROGRAMME: RISK MANAGEMENT								
To build a risk conscious culture within the organisation.	5.28 Review of Risk Management Policy and submission to Council for approval	2022 approved Risk Management Policy in place	Annually Review of Risk Management Policy and submission to Council for Approval by 30 June 2023.	Review of Risk Management Policy and submission to Council in quarter 4	Reviewed Risk Management Policy and Council Resolution	Target Not Achieved Risk Management Policy and Framework were reviewed and presented to the Risk Management Committee and Audit and Performance Committee but were not presented to Council in the 4th quarter.	No Ordinary Council Meeting was convened in the 4th quarter.	The Risk Management Policy and Framework will be presented to Council in the next Council sitting in the 2023/2024 FY
To build a risk conscious culture within the organisation.	5.29 Review of Risk Management strategy and submission to Council for Approval	2022 approved Risk Management Strategy in place	Annually Review of Risk Management Strategy and submission to Council for Approval by 30 June 2023.		Reviewed Risk Management Strategy and Council Resolution	Target Not Achieved Risk Management Strategy was reviewed and presented to the Risk Management Committee and Audit and Performance Committee but were not presented to Council in the 4th quarter.	No Ordinary Council Meeting was convened in the 4th quarter.	The Risk Management Strategy will be presented to Council in the next Council sitting in the 2023/2024 FY
To build a risk conscious culture within the organisation.	5.30 Compilation and updating of Risk Register and Risk Assessment conducted	Achieved	Quarterly Compilation and updating of Risk Register and Risk Assessment conducted by 30 June 2023.	Q1 – Q4 Submission of Quarterly Risk Reports to the Senior Management, Risk Management Committee, and Council	Updated Risk Register and Assessment report	Target Achieved Q1 - Q4 Operational and Strategic Risk Registers were monitored and updated on a quarterly basis.	n/a	n/a

To build a risk conscious culture within the organisation.	5.31 Number of Risk Management Committee meetings convened.	2 meetings held	4 Risk Management Committee Meetings convened by 30 June 2023.	1 Risk Management Committee meeting convened per quarter	Reports and Attendance Registers	Target Achieved Risk Management Committee meeting were convened for Q1 - Q4 of the 2022/23 FY	n/a	n/a
To build a risk conscious culture within the organisation.	5.32 Annual Review of Risk Management Committee Charter	RMC Charter 2022	Risk Management Committee Charter reviewed and submitted to Council by 30 June 2023	Review of Risk Management Committee Charter and submission to Council in quarter 4	Approved Risk Management Charter and Council Resolution	Target Not Achieved Risk Management Committee Charter was reviewed and presented to the Risk Management Committee and Audit and Performance Committee but were not presented to Council in the 4th quarter.	No Ordinary Council Meeting was convened in the 4th quarter.	The Risk Management Committee Charter will be presented to Council in the next Council sitting in the 2023/2024 FY
PRIORITY AREA/PROGRAMME: INFORMATION COMMUNICATION TECHNOLOGY								
To improve the administrative capability of the municipality	5.33 Review of ICT Policy and submitted to Council for approval	Not Achieved	Reviewed and approved ICT Policy by 30 June 2023	Q1 Review of ICT policy Q2-4 Reviewed policy submitted to Management, ICT steering committee and Council	Approved ICT Policy and Council Resolution	Draft policy submitted to relevant committees for inputs		
To improve the administrative capability of the municipality	5.34 Number of ICT Steering committee meetings convened	Not Achieved	4 ICT Steering committee meetings convened by 30 June 2023	1 ICT Steering committee meeting convened quarterly	Reports & Attendance Registers	Target Not Achieved 1 Steering committee meeting held		

To improve the administrative capability of the municipality	5.35 % Wide Area Network up time to over 95% as per the system (to be generated by the system)	Achieved	95 % Wide Area Network up time to over 95% as per the system (to be generated by the system) by 30 June 2023	95 % Wide Area Network up time to over 95% as per the system (to be generated by the system) in all quarters	Systems Reports	Target Achieved 95% uptime in the 90-day period	n/a	n/a
PRIORITY AREA/PROGRAMME: INTERGOVERNMENTAL RELATIONS (IGR)								
To promote Intergovernmental Relations (IGR) and Communication channels with relevant stakeholders	5.36 Communication Policy developed, reviewed annually, and submitted to Council for approval	New	Communication Policy developed and submitted to Council for approval by 30 June 2023	Q1 Development of the communication policy Q2 and 3 Draft submitted to Management and Council	Approved Communication Policy & Council Resolution	Target Achieved The Communications Policy has been approved by council. See POE for date of approval.	n/a	n/a
To promote Intergovernmental Relations (IGR) and Communication channels with relevant stakeholders	5.37 Communication Strategy developed, reviewed annually, and submitted to Council for approval	New	Communication Strategy developed, and submitted to Council for approval by 30 June 2023	Q1 Development of the communication strategy Q2 and 3 Draft submitted to Management and Council	Approved Communication Strategy & Council Resolution	Target Achieved The Communications Strategy has been approved by council. See POE for date of approval.	n/a	n/a
To promote Intergovernmental Relations (IGR) and Communication channels with relevant stakeholders	5.38 % of publications publicized to community as an when received		100 % of publications publicized to community as an when received by 30 June 2023	100 % of publications publicized to community as an when received in all quarters	Publication register	Target Achieved Adverts have been placed on publications as and when needed. See POE for dates	n/a	n/a
To promote Intergovernmental Relations (IGR) and Communication channels with relevant stakeholders	5.39 Number of Technical IGR Meetings attended	Not Achieved	4 Technical IGR Meetings attended by 30 June 2023	1 Technical IGR Meeting attended quarterly	Attendance Register & Report	Target Achieved DCF meetings have been attended as scheduled. See POE for dates and venue.	n/a	n/a

To promote Intergovernmental Relations (IGR) and Communication channels with relevant stakeholders	5.40 % of quarterly updates made on Municipal website		100 % update of Municipal Website by 30 June 2023	100 % update of Municipal Website in all quarters	Website update Register & Report	Target Achieved Updates were done on website as and when needed.	n/a	n/a
PRIORITY AREA/PROGRAMME: SECURITY MANAGEMENT								
To ensure safety and security of municipal assets/property	5.42 Security Plan developed, reviewed annually and submitted to Council for approval	Not Achieved	Security Plan developed and submitted to Council for approval by 30 June 2023	Q1 -Develop a Draft Security Plan Q2- Submit a Draft Security Plan to Council for approval	Approved Security Plan and Council Resolution	Not Achieved Draft Security Plan awaiting inputs	Encourage Inputs and adoption by the council	Develop a draft for inputs. Or SOP for order within the Municipality
To ensure safety and security of municipal assets/property	5.43 % of reported cases to SAPS as and when they occur	100% Achieved	100% of reported cases to SAPS as and when they occur by 30 June 2023	100% of reported cases to SAPS as and when they occur in all quarters	Security incident register with case numbers	Target Achieved	n/a	n/a
To ensure safety and security of municipal assets/property	5.44 Number of Security Reports compiled	Achieved	4 Security Reports compiled by 30 June 2023	1 Security Report compiled quarterly	Reports	Target Not achieved 3 Reports	Suspended Security Manager did not comply with Report Request timeframes	Encourage timeous reporting and familiarize managers with the
To ensure safety and security of municipal assets/property	5.45 Number of Security Awareness programmes provided to Employees	New	4 Security Awareness programmes provided to Employees	1 Security Awareness programme provided to Employees quarterly	Attendance Registers	Not Achieved	Poor Planning	Request support to conduct awareness programmes

PRIORITY AREA/PROGRAMME: UNIT MANAGEMENT (DENEYSVILLE & ORANJEVILLE)								
To Ensure Universal Access to reliable and quality Basic Municipal services by all communities	5.41 Number of quarterly reports on service delivery submitted to Municipal Manager	Achieved	4 quarterly reports on service delivery (Unit Management) submitted to Municipal Manager by 30 June 2023	1 service delivery report (Unit Management) submitted to Municipal Manager quarterly	Progress Reports	Target Achieved 4 Progress Reports		

CHAPTER 4:

Organisational Development Performance (Performance Report Part II)

4.1. Component A: Introduction to the Municipal Workforce

The focus of chapter is on details pertaining to the implementation of an efficient and effective organisational development and performance of a municipality in line with performance management regulations. This information in this chapter is therefore vital in identifying skills gaps and plans for the purpose of sourcing and / or development of such skills.

Below are the key organisational development areas that are reported on to measure the outcome of effective organisational development against the municipality's strategic plans:

- Municipal Human Resource.
- Capacitating the municipal workforce.
- Managing the municipal workforce expenditure.
- Organisational structure enhancement.
- Increased accountability.
- Increased participation in problem solving, goal setting and new ideas; and
- Identifying and development of skills needed to perform.

4.1.1. Workforce Profile

The chapter addresses information pertaining to the implementation of an effective performance management system, organisational development and performance of municipality. The information that follows in this chapter is important in identifying skills gaps and plans for the development of such skills.

During the period under review, the Municipality had 1148 approved posts on its Organisational Structure. As at the Financial Year under review, the vacancy rate stood at 35% and the turnover rate at 4.24%. The table below summarizes the total workforce of the municipality per race group for the period under review.

Metsimaholo Local Municipality

Table 4.1 - Workforce profile of the municipality

Occupations	Females				Males				Total
	A	C	I	W	A	C	I	W	
Legislators	16	00	00	02	23	00	00	05	46
Managers	04	01	00	00	23	01	01	00	30
Professionals	18	00	00	00	24	00	01	00	43
Technicians and Associate Professional	15	00	00	03	37	00	00	01	56
Services and Sales Workers	30	00	00	00	49	00	00	01	80
Skilled, Craft and Related Trade	00	00	00	00	43	00	00	00	43
Clerical and Administrative Workers	48	00	00	03	28	00	00	00	79
Machinery Operators and Drivers	03	00	00	00	42	00	00	00	45
Elementary Occupations	110	00	00	00	205	00	00	00	315
Total	244	01	00	08	474	01	02	07	737

4.1.2. Employment Equity Profile

The municipality's employment equity profile as presented on the below provides an overview of the municipality's employment equity achievements. The overall objectives of the Employment Equity is to enable the municipality, as an employer to achieve reasonable progress towards employment equity, to assist in eliminating unfair discrimination in the workplace, and to achieve equitable representation of employees from designated groups by means of affirmative action measures

Table 4.2 - Employment Equity Profile

Category	2022/23		2021/22	
	Total	% of total Employees	Total	% of total Employees
Black* employees	722	97%	684	91%
Women employees	253	34%	309	41%
Employees with Disabilities	04	0,5%	04	05%
Employees over age 51	189	25%	167	22%
Employees between 31 & 50	492	66%	505	67%
Employees under age of 30	56	08%	77	10%

* African, Coloured, Indian

4.1.3. Staff Turnover

The staff turnover of the municipality over the period under review is presented in the table below under the different termination categories:

Table 4.3 - Staff turnover rate

Category	Numerical Data					
	2022/23			2021/22		
	Male	Female	Total	Male	Female	Total
New appointments	03	01	04	36	21	57
Resignations	10	05	15	12	0	(12)
Pensioned	03	02	05	9	2	(11)
Dismissed	05	0	05	1	0	(1)
End of Contract	0	0	0	13	6	(19)
Deceased	06	02	08	4	2	(6)
Medical Board	0	02	02	0	0	0
Net Movement	-21	-10	-31	-3	11	8
Turnover Rate			4.2%			6.54

4.2. Component B: Managing the Municipal Workforce Levels

4.2.1. Vacancy Rate by Occupational Category

The table below provides an overview of vacancy rate for the period under review per occupational category in line with the municipality's current organisational structure.

Metsimaholo Local Municipality

Table 4.4 – Vacancy rate by occupation category

Designations	Total approved post No.	Vacancies (Total time that vacancies exist using fulltime equivalents)	Vacancies (as proportion of total posts in each category) %
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (Excl. Finance posts)	4	0	0
Other S57 Managers (Finance Posts)	0	0	0
Traffic Officials	61	36	59%
Fire Officials	55	23	42%
Officials: level 13-15 (Excl. Finance Posts)	125	59	47%
Officials: level 13-15 (Finance posts)	29	12	41%
Officials: levels 9-12 (Excl. Finance Posts)	149	98	66%
Officials: levels 9-12 (Finance posts)	37	18	49%
Other Officials: level 1-3	56	20	36%
Officials: level 4-6	150	66	44%
Officials: level 7-8	141	58	38%
Average Vacancy Rate	809	390	34%

4.2.2.Sick Leave

During the period under review, employees took sick leave which made up of (2022/23: 14.84%) of the total sick leave days provision.

A total number of sick leave days taken is (2022/23: 4999.50) at an estimated cost of (2022/23: R 9 893 752.94) Full details are set on the table below:

Table 4.5 - Number of Days and Cost of Sick Leave

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employee	Estimated Cost
	Days	Days	No.	No.	%	R' 000
Lower skilled (Levels 1-2)	3057	826	312	361	2.99	R2 023 160.25
Skilled (Levels 3-5)	1385	320	149	237	2.63	R6 692 277.84
Highly skilled production (Levels 6-8)	120	19	14	46	3.42	R 190 548.45
Highly skilled supervision (Levels 9-	303.50	47	31	38	3.03	R 612 814.50
Middle management (Levels 13-15)	128	19	13	29	2.8	R 350 705.12
MM and S56	06	0	02	06	03	R 24 246.78
Total /Average	4999.50	1231	521	717	14.84	R 9 893 752.94

4.3. Component C: Capacitating Municipal Workforce

During the period under review, several skills programmes were in place to support the employees and all programmes were aimed at building capacity for acceleration of knowledge and skills within workplace.

The following table provides a comprehensive summary of several employees who participated in different skills development Programmes and provides details of associated expenditure.

Table 4.6 - Skills Development Expenditure

Original Budget and Actual Expenditure on skills development 2022/23										
Details	Gender	Employees as at the beginning of the financial year	Learner ships		Skills Programmes & other short courses		Other forms of training		Total	
Budget Details			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
Occupational level		No.	R'000							
MM and S57	Female	01	00	00	00	00	38	38	38	38
	Male	05	00	00	00	00	38	38	38	38
Legislators, senior officials, and managers	Female	22	120	00	50	04	124	114	294	118
	Male	48	180	00	80	16	200	190	460	206
Professionals	Female	18	80	00	20	38	00	00	100	38
	Male	25	120	00	50	10	00	00	170	10
Technicians and associate professionals	Female	18	100	00	100	00	00	00	200	00
	Male	38	120	00	170	76	00	00	290	76
Services and sales workers	Female	30	100	00	50	04	00	00	150	04
	Male	50	160	00	80	04	00	00	240	04
Skilled, craft and related trades	Female	00	00	00	00	00	00	00	00	00
	Male	43	180	00	130	08	00	00	310	08

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Clerical and administrative	Female	51	160	00	40	24	00	00	200	24
	Male	28	160	00	60	33	00	00	220	33
Plant and machine operators and assemblers	Female	03	20	00	30	00	00	00	50	00
	Male	42	180	00	30	00	00	00	210	00
Elementary occupations	Female	110	160	00	40	08	00	00	200	08
	Male	205	200	00	70	61	00	00	270	61
Sub total	Female	253	740	00	330	78	162	152	1 232	230
	Male	484	1 300	00	670	208	238	228	2 208	436
Total		737	2 040	00	1 000	286	400	380	3 440	666

**Learnership budget are based on the approval of discretionary grants projects that the municipality submitted as declaration of intent to Local Government Sector Education and Training Authority.*

4.4. Component D: Managing Municipal Workforce Expenditure

Table 4.7 - Workforce Expenditure

Details	2022/23 R	2021/22 R	Year on Year Movement (%)
Original Budget	R455 677	R427 109	
Budget Adjustment	R419 570	R433 276	
Final Budget	R419 570	R433 276	
Actual Outcome	R362 040	R351 514	
Unauthorised Expenditure		-	
Variance			
Actual Outcome as % of Final Budget	86%	81%	5%
Actual Outcome as % of Original Budget	79%	82%	-3%

4.4.1. Other Matters

Information below pertains to the Competency assessments conducted in different levels within the municipality.

The table below provides details on competency assessments conducted.

Table 4.8 - Competency Levels

No of Sec 57 Managers employed	Total no of Sec 57 Managers' competency assessments completed	Total no of SCM officials employed	Total no of Sec 57 Managers that meet the prescribed competency levels
06	03	09	03

No of financial officials employed	Total no of finance officials' competency assessments completed	Total no of any other officials' competency assessments completed	Total no of SCM officials employed	Total no of SCM officials competency assessments completed	Total no of SCM &finance officials that meet the prescribed competency
85	32	29	09	07	39

CHAPTER 5: Financial Performance

5.1. Implementation of mSCOA

mSCOA, being the municipal Standard Chart of Accounts, is part of the broader local government reform process initiated and driven by the National Treasury.

mSCOA is a regulated reform and its regulations came into effect on 1 July 2017. The municipality is implementing the mSCOA requirements in line with the National Treasury guidelines.

5.2. Component A: Statement of Financial Performance

FS204 Metsimaholo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		211 196	194 330	194 330	18 721	211 327	194 330	16 997	9%	194 330
Service charges - electricity revenue		328 954	457 451	415 307	28 389	307 156	415 307	(108 151)	-26%	415 307
Service charges - water revenue		443 254	531 359	495 251	43 383	426 771	495 251	(68 481)	-14%	495 251
Service charges - sanitation revenue		68 294	88 780	79 864	6 501	64 651	79 864	(15 214)	-19%	79 864
Service charges - refuse revenue		41 960	44 239	44 197	11 043	52 466	44 197	8 269	19%	44 197
Rental of facilities and equipment		6 691	6 319	6 571	541	6 515	6 571	(56)	-1%	6 571
Interest earned - external investments		5 160	3 000	4 800	-	10 099	4 800	5 299	110%	4 800
Interest earned - outstanding debtors		61 222	52 400	52 400	10 420	100 239	52 400	47 839	91%	52 400
Dividends received		123	100	100	-	133	100	33	33%	100
Fines, penalties and forfeits		4 285	13 600	4 080	76	539	4 080	(3 541)	-87%	4 080
Licences and permits		15	105	105	-	7	105	(98)	-93%	105
Agency services								-		
Transfers and subsidies		236 230	254 009	254 009	-	251 651	254 009	(2 357)	-1%	254 009
Other revenue		7 161	27 893	9 763	218	6 013	9 763	(3 750)	-38%	9 763
Gains		15 736	-	-	134	134	-	134	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		1 430 281	1 673 585	1 560 778	119 425	1 437 702	1 560 778	(123 076)	-8%	1 560 778
Expenditure By Type										
Employee related costs		335 632	434 807	398 700	28 007	342 109	398 700	(56 591)	-14%	398 700
Remuneration of councillors		19 384	20 870	20 870	1 662	19 931	20 870	(939)	-4%	20 870
Debt impairment		358 572	285 690	285 690	22 905	281 177	285 690	(4 513)	-2%	285 690
Depreciation & asset impairment		72 789	86 279	86 279	7 205	83 925	86 279	(2 354)	-3%	86 279
Finance charges		9 354	5 816	449	-	13	449	(436)	-97%	449
Bulk purchases - electricity		333 806	363 153	353 653	25 318	295 773	353 653	(57 880)	-16%	353 653
Inventory consumed		218 260	236 487	236 213	6 389	122 184	236 213	(114 028)	-48%	236 213
Contracted services		74 647	119 231	91 633	7 335	47 136	91 633	(44 497)	-49%	91 633
Transfers and subsidies		334	378	447	16	90	447	(356)	-80%	447
Other expenditure		49 703	61 871	58 361	10 159	43 919	58 361	(14 443)	-25%	58 361
Losses		1 509	32 346	32 346	555	43 313	32 346	10 967	34%	32 346
Total Expenditure		1 473 990	1 646 928	1 564 641	109 552	1 279 570	1 564 641	(285 071)	-18%	1 564 641

Surplus/(Deficit)	(43 709)	26 656	(3 863)	9 873	158 131	(3 863)	161 994	(0)	(3 863)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77 712	106 165	111 265	17 969	82 330	111 265	(28 935)	(0)	111 265
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)							-		
Transfers and subsidies - capital (in-kind - all)	97 593	50 000	50 000	-	28 656	50 000	(21 344)	(0)	50 000
Surplus/(Deficit) after capital transfers & contributions	131 596	182 821	157 402	27 842	269 117	157 402			157 402
Taxation							-		
Surplus/(Deficit) after taxation	131 596	182 821	157 402	27 842	269 117	157 402			157 402
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	131 596	182 821	157 402	27 842	269 117	157 402			157 402
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	131 596	182 821	157 402	27 842	269 117	157 402			157 402

5.3. Component B: Spending Against Capital Budget

FS204 Metsimaholo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	538	-	-	535	-	535	#DIV/0!	-
Vote 02 - Municipal Manager		2 361	3 118	125	-	439	125	314	251%	125
Vote 03 - Corporate Services		368	1 461	-	-	-	-	-		-
Vote 04 - Social Services		4 547	29 954	19 431	2 812	3 640	19 431	(15 791)	-81%	19 431
Vote 05 - Technical Services		147 286	271 369	218 938	13 496	113 068	218 938	(105 870)	-48%	218 938
Vote 06 - Financial Services		-	402	177	-	-	177	(177)	-100%	177
Vote 07 - Local Economic Development And Planning		-	1 683	323	-	-	323	(323)	-100%	323
Vote 08 -		-	-	-	-	-	-	-		-
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	154 563	308 525	238 994	16 309	117 682	238 994	(121 312)	-51%	238 994
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal Manager		763	-	-	-	-	-	-		-
Vote 03 - Corporate Services		-	1 103	-	-	-	-	-		-
Vote 04 - Social Services		2 568	13	25	-	-	25	(25)	-100%	25
Vote 05 - Technical Services		-	-	-	-	-	-	-		-

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Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Local Economic Development and Planning		-	-	-	-	-	-	-	-	-
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	3 331	1 115	25	-	-	25	(25)	-100%	25
Total Capital Expenditure		157 894	309 640	239 019	16 309	117 682	239 019	(121 337)	-51%	239 019
Capital Expenditure - Functional Classification										
Governance and administration		3 493	8 112	177	-	974	177	796	449%	177
Executive and council		-	538	-	-	535	-	535	#DIV/0!	-
Finance and administration		3 493	7 574	177	-	439	177	262	148%	177
Internal audit								-		
Community and public safety		7 115	14 112	12 224	2 812	3 563	12 224	(8 661)	-71%	12 224
Community and social services		5 950	545	4 574	2 457	3 254	4 574	(1 320)	-29%	4 574
Sport and recreation		715	4 641	753	-	-	753	(753)	-100%	753
Public safety		450	8 603	6 575	355	309	6 575	(6 266)	-95%	6 575
Housing		-	323	323	-	-	323	(323)	-100%	323
Health								-		
Economic and environmental services		26 209	82 339	66 886	4 194	19 278	66 886	(47 608)	-71%	66 886
Planning and development		-	110	125	-	-	125	(125)	-100%	125
Road transport		26 209	82 229	66 761	4 194	19 278	66 761	(47 483)	-71%	66 761
Environmental protection								-		
Trading services		121 077	203 827	159 732	9 302	93 867	159 732	(65 865)	-41%	159 732
Energy sources		28 531	82 533	56 233	2 937	32 136	56 233	(24 097)	-43%	56 233
Water management		6 907	36 232	29 230	4 653	16 093	29 230	(13 137)	-45%	29 230
Wastewater management		85 640	68 885	66 713	1 713	45 561	66 713	(21 153)	-32%	66 713
Waste management		-	16 177	7 555	-	77	7 555	(7 478)	-99%	7 555
Other		-	1 250	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	157 894	309 640	239 019	16 309	117 682	239 019	(121 337)	-51%	239 019
Funded by:										
National Government		141 806	156 165	161 390	15 954	115 170	161 390	(46 220)	-29%	161 390
Provincial Government								-		
District Municipality		763	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		11 882	-	-	-	-	-	-		-
Transfers recognised - capital		154 451	156 165	161 390	15 954	115 170	161 390	(46 220)	-29%	161 390
Borrowing	6	-	77 504	77 504	-	-	77 504	(77 504)	-100%	77 504
Internally generated funds		3 443	75 971	125	355	2 512	125	2 387	1910%	125
Total Capital Funding		157 894	309 640	239 019	16 309	117 682	239 019	(121 337)	-51%	239 019

5.4. Component C: Cash flow Management and Investment

FS204 Metsimaholo - Table C7 Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		191 717	153 091	153 091	10 989	128 493	153 091	(24 598)	-16%	153 091
Service charges		943 373	959 588	959 588	35 763	505 431	959 588	(454 157)	-47%	959 588
Other revenue		376 435	288 451	288 451	31 180	1 063 874	288 451	775 423	269%	288 451
Transfers and Subsidies - Operational		221 575	7 261	7 261	-	119 091	7 261	111 830	1540%	7 261
Transfers and Subsidies - Capital		180 096	156 165	156 165	-	95 857	156 165	(60 308)	-39%	156 165
Interest		1 798	-	-	-	-	-	-	-	-
Dividends		123	100	100	-	133	100	33	33%	100
Payments										
Suppliers and employees		(1 978 347)	(1 270 444)	(1 270 444)	(77 016)	(1 054 113)	(1 270 444)	(216 331)	17%	(1 270 444)
Finance charges		-	(8 032)	(8 032)	-	-	(8 032)	(8 032)	100%	(8 032)
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		(63 229)	286 179	286 179	916	858 766	286 179	(572 587)	-200%	286 179
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		1 810	(1 810)	-	(1 810)	45	45	-		45
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(157 894)	(309 640)	(309 640)	(16 309)	(117 682)	(309 640)	(191 957)	62%	(309 640)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(156 084)	(311 450)	(309 640)	(18 119)	(117 637)	(309 595)	(191 957)	62%	(309 595)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		-	56 000	56 000	-	-	56 000	(56 000)	-100%	56 000
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		(493)	(2 964)	(2 964)	-	(38)	(2 964)	(2 926)	99%	(2 964)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(493)	53 036	53 036	-	(38)	53 036	53 074	100%	53 036
NET INCREASE/ (DECREASE) IN CASH HELD		(219 806)	27 765	29 575	(17 203)	741 091	29 621			29 621
Cash/cash equivalents at beginning:		50 975	66 028	66 028	(13 710)	117 479	66 028			117 479
Cash/cash equivalents at month/year end:		(168 831)	93 793	95 603		858 570	95 649			147 100

5.5. Component D: Other Financial Matters

5.5.1. Financial Ratios based on Key Performance Indicators

5.5.1.1. Revenue Management

i. Level of Reliance on Government Grants

Purpose: The purpose of this ratio is to determine what percentage of the municipality's revenue is made up of government grants, to determine level of reliance on government funding by the municipality.

Formula	2022/23 R'000			2021/22
	Government Grants	Total Revenue	%	%
Grants & Subsidies/Total Revenue	R396 717 837	R1 617 099 164,00	24.53%	16.52%

Analysis and Interpretation:

2022/23 FY shows that the Municipality's reliance on government grants has increased by 1%, from FY 2021/22.

The ratio above indicates that the municipality is still less reliant on grant revenue, which contributes 17.52% of the total revenue.

ii. Actual Revenue versus Budgeted Revenue

Purpose: The purpose of this ratio seeks to determine deviations between actual and budgeted revenue and to ascertain reasons for the deviations.

Formula	Actual Revenue 2022/23	Budgeted Revenue 2022/23	Variance	Variance	
Formula	R'000			2021/22 %	2021/22 %
Variance/Actual Revenue	R1 437701 566,52	R1 284970060,00	R152 731 506,52	10,6	7.3%

iii. **Analysis and Interpretation:**

The acceptable standard is that the actual revenue must be equal or exceed the approved budget for the financial year. The municipality's actual revenue is less than the budget by 7.3%. The previous financial year, actual revenue was less than budget revenue by 10.0%.

5.5.2.1. Expenditure Management

i. Employee Related Costs to Total Operating Expenditure

Purpose: The purpose of this ratio is to indicate Personnel Cost as a percentage of Total Expenditure.

Formula	2022/23			2021/22
	Employee Cost	Total Operating Expenditure	%	%
Actual Salaries, Wages and Allowances/Total Expenditure	R 337 088 489.00	R1 566 589 634.00	21.51%	22.77%

ii. Remuneration of Councillors

Purpose: The purpose of this ratio is to indicate Remuneration of Councillors as a percentage of Total Expenditure.

Formula	2022/23			2021/22
	Remuneration of Councillors	Total Expenditure	%	%
Actual Remuneration of Councillors/ Total Expenditure	R19 947 189.00	R1 566 589 634.00	1,27%	1.3%

Analysis and Interpretation:

From the above computations, it is evident that employee related cost increased from 22.77% in 2020/21 to 26.77% in 2021/2022 and on the other hand, remuneration of councillors as a percentage of total expenditure, showed an increase of 0,3% on a year on year to total expenditure

iii. Repairs and Maintenance to Total Expenditure

Purpose: The purpose of this ratio is to indicate Repairs and Maintenance as a percentage of Total Expenditure.

Formula	2022/23			2021/22
	Repairs & Maintenance	Total Expenditure	%	%
Actual Repairs & Maintenance/ Total Expenditure	R12 816 958.00	R1 566 589 634.00	0.82%	19,9%

Analysis and Interpretation:

The National Treasury’s norm for this ratio is that it should equal to at least 10% of total operating expenditure. In this case the expenditure is below 10% for both periods, as the expenditure figure does not include the salaries of the employees responsible for the work performed on repair and maintenance of assets. However, the percentage decreased from 19,9% in 2021/22 to 13,2% in 2022/23. repairs and maintenance decreased by 6,7% in the 2022/23 fy mainly due to existing assets either still in good conditions or not sufficient funds allocated to repairs & maintenance

5.2.3.1. Liability Management

i. Acid Test Ratio

Purpose: To test the extent to which the municipality’s current assets can cover the short-term obligations.

	2022/23			2021/22
Formula	Current Assets less Inventory	Current Liabilities	Ratio	Ratio
Current Assets less Inventory/Current Liabilities.	R495 922 282.00	R427 572 422	1.15	1.2

Analysis and Interpretation:

The norm for this ratio is 1.5:1. In other words, current assets less inventory must be able to cover the current liabilities 1.5 times. For both FY's the Acid test ratio is above 1.0 meaning the municipality can meet its short-term financial obligations (short term liabilities) for the period under review.

CHAPTER 6: Auditor-General's Findings

6.1. Introduction

In terms of the Section 20 of the Public Audit Act, Act 25 of 2004 (PAA), the Auditor General must in respect of each audit performed in respect of the auditee, in this case Metsimaholo Local Municipality, prepare a report on the audit.

With the above background in mind, this chapter outlines the final Auditor-General's Report in respect of the audit of the financial year under review (i.e 2022/23 financial year). This chapter further provides an overview of means to deal with the Auditor-General's findings with specific focus on the following:

- a) Matters raised during the previous year's audit (i.e. 2021/22);
- b) Matters raised during the year under review year's audit (2022/23); and
- c) Remedial actions to be taken to address those issues raised in year under review and preventative measures taken.

6.3. COMPONENT A: AUDITOR-GENERAL OPINION :2021/2022

2

AUDITOR GENERAL REPORTS FOR 2021/2022 FINANCIAL YEAR

6.3.1. Audit Action Plan

Table: Auditor General Report on Financial Performance

Auditor-General Report on Financial Performance 2021/2022	
Status of Audit Report*: Qualified	
Issues Raised	Remedial Action to be taken
Property, Plant and Equipment The municipality did not correctly classify infrastructure assets in accordance with GRAP 17, <i>Property, plant and equipment</i> , as infrastructure assets were incorrectly classified as information technology (IT) equipment. Consequently, infrastructure assets were understated by R18 939 200, and IT equipment was overstated by the same amount. In addition, I was unable to obtain sufficient appropriate audit evidence that property, plant, and equipment had been properly accounted for, due to the status of the accounting records. I was unable to confirm the property, plant, and equipment by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to property, plant, and equipment, stated at R1 319 635 770 (2021: R1 231 528168) in note 7 to the financial statements	<ol style="list-style-type: none"> i. Perform physical verification of all movable properties and all immovable assets. ii. Reconcile the outcome of physical verification against the FAR. iii. Assess the conditions of all movable assets to determine the take-on value / fair value for omitted assets. iv. Investigate the following assets numbers, 21834, 22869, 22887 which were not verified during audit 2021/22 v. Prepare a report of assets that are in the FAR which were not verified during physical verification for possible write-off (existence and omission), vi. Review the Assets Management Policy to align it with Accounting Standard of GRAP. vii. Prepare a report of assets that are in the FAR which were not verified during physical verification for possible write-off (existence and omission). Users of unverified movable assets must provide evidence

	that lost or stolen movable assets were reported to law enforcement agency (police case number)
Investment Property	
<p>4.The municipality did not account for investment property in accordance with GRAP 16, Investment property. The municipality accounted for land and buildings over which it has, in substance, lost control, resulting in investment property being overstated by R14 793 167. In addition, I was unable to obtain sufficient appropriate audit evidence that investment property had been properly accounted for, due to the status of the accounting records. I was unable to confirm the investment property by alternative means.</p> <p>Consequently, I was unable to determine whether any further adjustment was necessary to investment property, stated at R242 260 298 (2021: R240 181 961) in note 9 to the financial statements. This also has an impact on the surplus for the period and on the accumulated surplus.</p>	<ul style="list-style-type: none"> i. Perform physical verification of land parcel and properties owned by Council and confirm with Housing Unit (LED Department) municipal land or properties leased / sold, ii. Municipal land / properties occupied illegally or without formal contract, apply the Accounting Standard of GRAP and impairment of the cost / carrying value of the asset. iii. Perform physical verification of all investment property, iv. Assess the investment property criteria in line with Accounting Standard GRAP 16, (property held to earn rentals or for capital appreciation or both) v. Based on the assessment above disclose the assets into the correct class either land or building or investment property vi. Review all council resolution for disposal of municipal land from 2013 to date. vii. Derecognise the land based on the Council resolution relating to land disposal. viii. Ensure that each Investment Property is linked to the correct useful life for depreciation purpose, ix. Separate Investment Property which is not subject to depreciation i.e. land x. Recalculate the depreciation to confirm accuracy of the depreciation expense. xi. Assess the investment property criteria in line with Accounting Standard GRAP 16, (property held to earn rentals or for capital appreciation or both) xii. Based on the assessment above disclose the assets into the correct class either land or building or investment property xiii. Review all council resolution for disposal of municipal land from 2013 to date. xiv. Derecognise the land based on the Council resolution relating to land disposal. xv. Ensure that each Investment Property is linked to the correct useful life for depreciation purpose, xvi. Separate Investment Property which is not subject to depreciation i.e. land xvii. Recalculate the depreciation to confirm accuracy of the depreciation expense.

<p>Service Charges</p>	
<p>5.The municipality did not recognize service charges from exchange transactions, as required by GRAP 9, Revenue from exchange transactions. Consumers were identified that were incorrectly classified as indigent and service charges were levied against accounts registered in the name of the municipality. Consequently, service charges and receivables from exchange transactions were each understated by R23 954 904 (2021: R19187 908).</p>	<ul style="list-style-type: none"> i. Review and update the indigent register based on the outcome of CAATS audit, ii. Inform the affected indigent families and allow 30 days to reapply before removing the non-qualifying indigent from the indigent register, <p>- Send the register after update to Office of the Auditor General for CAATS verification</p>
<p>Impairment losses</p>	
<p>The municipality did not calculate the provision for impairment of its debtors in accordance with GRAP 104, <i>Financial Instruments</i>. The municipality did not apply the correct assumptions and rates for debtors due to the incorrect assessment of the credit risk for a group of debtors. Consequently, impairment losses disclosed in note 32 to the financial statements is understated by R41 557 752 and receivables from non - exchange transactions are overstated by the same amount. Additionally, there was an impact on the surplus for the period and on the accumulated surplus</p>	<ul style="list-style-type: none"> i. Review all debt individually and assess the recoverability of debt ii. Make provision for doubtful debt where payment has not been received over a period of six (6) month in line with the Debt Impairment Methodology iii. Implement credit control for long outstanding debt over 60 days iv. Review the debt impairment methodology for Council approval (remove government exclusion and approval by Council),
<p>Irregular expenditure</p>	
<p>7.The municipality did not disclose all instances of irregular expenditure incurred in the notes to the financial statements as required by section 125(2)(d)(i) of the MFMA. The municipality made payments in contravention of supply chain management (SCM) requirements which were not disclosed. I was unable to determine the full extent of the understatement of irregular expenditure, stated at R649 234 975 (2021: R480 723 536) in note 45.3 to the financial statements, as it was impracticable to do so.</p>	<ul style="list-style-type: none"> i. Review the reason for deviation procurement from user department, ii. Determine if the reason is justifiable for emergency procurement or whether the procurement on emergency is due to poor planning, iii. Encourage user department to prepare specification for frequently required service for appointment of panel of suppliers. iv. Update deviation register on regular basis (monthly), v. Report all deviation to Council on quarterly basis.
<p>EMPHASIS MATTERS:</p>	
<p>Restatement of corresponding figures</p>	
<p>12. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2022.</p>	<p>Review the AFS to ensure discloser Notes agree to the working papers before submission to Auditor General.</p>
<p>13.With reference to note 50 to the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result were provided for in the financial statements</p>	
<p>Unauthorized expenditure</p>	
<p>14.As disclosed in note 45.1 to the financial statements, the municipality incurred unauthorized expenditure of R25 418 564 {2021: R19 051 380), due to overspending of the budget</p>	<ul style="list-style-type: none"> i. Maintain unauthorized expenditure register in line with the overspending of the VOTE. ii. Submit unauthorized register to Council and MPAC for investigation
<p>Material losses</p>	
<p>15.As disclosed in note 46.1.8 to the financial statements, the municipality incurred material water distribution losses of R15 750 944 (2021: R65 888 545) and material electricity distribution losses of R55 498 644 (2021: R48 296 420), mainly due to illegal connections, leakages, burst water pipes, line losses, tampering and theft.</p>	<ul style="list-style-type: none"> I. Distribution losses are reported on a monthly basis to management. II. It will also be addressed in the proposed Revenue enhancement strategy. III. Water meters need to be installed in areas where water is used but no control over. Installation of these water meters are influenced also by cash flow and the budget that is not funded. IV. Electricity meters (pads) must also be replaced to resolve the issue of consumers receiving free electricity (pre-paid electricity)

	V. Readings of meters must be taken on a monthly basis to have accurate figures.
Other matters	
Unaudited disclosure notes	
17. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.	The opinion was not expressed in this regard, however the Municipality will comply with Section 125(2)(e) of the MFMA.

Table: Auditor General Report on Service Delivery Performance

Auditor-General Report on Service Delivery Performance 2021/2022	
Status of Audit Report*: Qualified	
27. The material findings on the usefulness and reliability of the performance information of the selected KPA are as follows: KPA 1 - service delivery and infrastructure development	
Issues Raised	Remedial Action to be taken
Refuse removal service extended to all new formal settlements as per township register within Metsimaholo LM (2 614 hhs in Themba Kubeka)	
28. The planned indicator and target was 2 614 households (refuse removal service extended to Themba Kubeka), but the reported achievement referred to was 50% (target not achieved). In addition, I was unable to obtain sufficient appropriate audit evidence for the achievement of 50% reported against target 2 614 households in the annual performance report due to the lack of accurate and complete records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.	The Performance Indicator and target to be revised for accurate reporting and ensure proper record keeping.
Number of illegal dumping sites removed	
29. The achievement of 12 (dumping sites removed) was reported against target 12 (dumping sites removed) in the annual performance report. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence. This was due to the lack of accurate and complete records. I was unable to further confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievement.	The department to ensure proper recording of performance information for accurate reporting.
Other matters	
Achievement of planned targets	
31. Refer to the annual performance report on pages 40 to 89 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 28 to 29 of this report.	Continuous engagement with the directorates will be held on a quarterly basis to address performance accuracy of information and portfolio of evidence thereof.
Adjustment of material misstatements	
32. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 1 - service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.	Continuous engagement with the directorates will be held on a quarterly basis to address performance accuracy of information and portfolio of evidence thereof.

Table: Auditor General Report on Compliance Issues:

Auditor-General Report on Compliance with key Legislation matters 2021/2022	
Status of Audit Report*: Qualified	
Annual financial statements	
<p>35.The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current and non-current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and the supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion,</p>	The Annual Financial Statements will be submitted for auditing in all material aspects in accordance with the requirements of section 122(1) of the MFMA to improve the audit outcome of the Municipality
Procurement and contract management	
<p>36.Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(1)(a) and (c). Similar non-compliance was also reported in the prior year.</p> <p>37.I could not obtain sufficient appropriate audit evidence that contracts were awarded to bidders in an economical manner and prices for the goods or services were reasonable, as required by section 62(1)(a) of the MFMA.</p> <p>38.Some of the contracts and quotations were awarded to bidders based on preference points that were not allocated and calculated in accordance with the requirements of section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000 and its regulations.</p> <p>39.Some of the invitations to tender for procurement of commodities designated for local content and production did not stipulate the minimum threshold for local production and content, as required by 2017 preferential procurement regulation 8(2).</p> <p>40.The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.</p> <p>41.The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. Similar non-compliance was also reported in the prior year.</p> <p>42.Awards were made to providers who were in the service of other state institutions or whose directors were in the service of other state institutions, in contravention of section 112(1)(0) of the MFMA and SCM regulation 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process, as required by SCM regulation 38(1).</p>	<ol style="list-style-type: none"> I. Ensure that three quotations for procurement below R200 000 are acquired in order to comply with SCM regulations. II. Contracts and quotations awarded to bidders based on preference points will be allocated and calculated in accordance with the requirements of Section 2(1)(a) III. Review the list of designated goods under local contents as proclaimed by the Department of Trade and Industry from time-to-time. IV. Include the Local Contents requirement in the Tender Documents. V. User department must evaluate the performance of contracts on monthly basis. VI. Reports on contract performance to be submitted to the SCM for records. VII. Ensure that all procurement documents are such as MBD4 (declaration of interest) is filled with request for quotes, VIII. Review the SCM Policy to include restriction and/or blacklisting of supplier who are in the service of state and falsify declaration of interest on MBD4 Form IX. Keep and update the register of blacklisted supplier on regular basis as per CAATS audit findings.
Expenditure management	
<p>43.Reasonable steps were not taken to prevent unauthorized expenditure amounting to R25 418 564, as disclosed in note 45.1 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorized expenditure was caused by overspending by technical department.</p> <p>44.Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The expenditure disclosed does not retied the full extent of the irregular expenditure incurred, as indicated in the basis for qualification opinion paragraph.</p>	<ol style="list-style-type: none"> I. Maintain unauthorized expenditure register in line with the overspending of the VOTE. II. Submit unauthorized register, fruitless expenditure and irregular expenditure to Council III. All the registers/reports will be submitted to MPAC for investigation.

<p>45. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 050 514, as disclosed in note 45.2 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charges due to the late payment of outstanding balances.</p>	
<p>Utilization of conditional grants</p>	
<p>46. The municipal infrastructure grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of Dora.</p>	<p>I. For all changes made to the original business plan, the Municipality will submit revised business plan and get written approval from the Relevant Grant.</p>
<p>47. The water services infrastructure grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of Dora.</p>	<p>II. The performance of all WSIG projects will be done, Progress reports and POE will be provided in this regard.</p>
<p>48. Performance in respect of Programmes funded by the water services infrastructure grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of Dora.</p>	
<p>Consequence management</p>	<p>I. Internal control measures will be put in place to rectify other matters raised in the Audit report including detailed Action plan to address above issues and matters in the management report.</p>
<p>49. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.</p>	<p>II. Also refer to comments above.</p>
<p>50. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.</p>	<p>III. Reports are submitted to MPAC.</p>
<p>51. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.</p>	<p>IV. MPAC must consider the reports to finalize the UIF&W.</p>
<p>Strategic planning and performance management</p>	<p>I. The PMS Policy framework is already approved by Council to address the expressed opinion.</p>
<p>52. The performance management system and related controls were inadequate as they did not describe how the performance reporting processes should be conducted, as required by municipal planning and performance management regulation 7(1).</p>	<p>II. The PMS will be cascaded to the lower levels of staff</p>
<p>Revenue management</p>	
<p>53. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.</p>	<p>The Effective system of internal control for revenue will be in place as required by section 64(2)(f) of the MFMA.</p>
<p>Asset management</p>	
<p>54. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.</p>	<p>I. Asset Register will be updated and be in place, as required by section 63(2)(c) of the MFMA.</p>
<p>55. Capital assets were disposed of without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services and considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by section 14(2)(a) and 14(2)(b) of the MFMA.</p>	<p>II. The Municipality to ensure community involvement in assets disposal process as required by section 14(2)(a) and 14(2)(b) of the MFMA.</p>
<p>Human resource management</p>	
<p>56. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the Municipal Systems Act 32 of</p>	<p>Performance to be cascaded to the lower levels of staff as per staff regulations.</p>

2000.	The Municipality is in process of developing compliant Job descriptions to all staff.
Internal control deficiencies	
<p>61.I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.</p> <p>62.The positions of managers reporting directly to the municipal manager have been vacant for a very long period. This has resulted in various officials acting in these positions, contributing to the instability in the leadership of the municipality.</p> <p>63.The implementation of the corrective measures included in the audit action plan were inadequate and not effectively monitored to ensure that the weaknesses relating to the financial, performance and supply chain management were addressed.</p> <p>64.Management did not implement proper record keeping ensuring that complete and accurate information was available to support financial and performance reporting.</p> <p>65.Management's lack of detailed review of the financial statements and the underlying records resulted in material misstatements that were not detected by the municipality's internal processes.</p>	<p>Internal control measures will be put in place to rectify other matters raised in the Audit report including detailed Action plan to address above issues and matters in the management report.</p> <p>The Senior Managers were appointed in August 2022</p> <p>Audit Action Plan will be adequately and effectively monitored on quarterly basis to ensure implementation.</p> <p>Management will ensure proper reporting of Financial and Performance reporting.</p>

6.3. COMPONENT B: AUDITOR-GENERAL OPINION :2022/2023

AUDITOR GENERAL OPINION FOR 2022/2023

Report of the auditor-general to the Free State Provincial Legislature and the council on the Metsimaholo Local Municipality

Report on the audit of the financial statements

Qualified of opinion

1. I have audited the financial statements of the Metsimaholo Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Metsimaholo Local Municipality as at 30 June 2023, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2022 (Dora).

Basis for qualified opinion

Property, plant and equipment

3. I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment as unexplained reconciling differences were identified on the opening balances between the asset register and the financial statements. The municipality also processed corrections to the opening balances in the asset register that could not be reconciled and supported by adjusting journals recorded in the general ledger. I was unable to confirm the property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R1 391 227 276 (2022: R1 363 609 691) in note 9 to the financial statements. Additionally, there was an impact on the depreciation and amortisation, surplus for the year and accumulated surplus.
4. In addition, the municipality did not account for property, plant and equipment in accordance with GRAP 17, *Property, Plant and Equipment* as the municipality reclassified investment property to property, plant and equipment that did not meet the definition of property, plant and equipment. Consequently, this resulted in an overstatement of investment property by R200 774 110 and overstatement of property, plant and equipment by the same amount. The municipality subsequently impaired these reclassified assets, however, the impairment was not calculated in accordance with GRAP 26, *Impairment of cash generating units*. This was due to the municipality impairing the total cost of the asset without calculating their recoverable amounts. I was unable to determine the full extent of the misstatement as it was impracticable

to do so. Additionally, there was an impact on the impairment loss included in depreciation and amortisation in note 30 to the financial statements.

Debt impairment

5. I was unable to obtain sufficient appropriate audit evidence for the debt impairment expense as the debt impairment expense included in note 35 did not reconcile to the movement in the allowance for impairment included in the consumer debtors disclosure and receivables from exchange transactions in notes 6 and 13 respectively. In addition, there were unexplained reconciling differences between the debtor's age analysis and the allowance for impairments included in notes 6 and 13. I was unable to confirm the debt impairment expense by alternative means. Consequently, I was unable to determine whether any adjustments were required to the debt expense stated at R417 721 762 (2022: R512 076 734) in note 35 to the financial statements. Additionally, there was an impact on the allowance for impairment included in the in notes 6 and 13 respectively.
6. Furthermore, the municipality did not account for the debt impairment in accordance with GRAP 3, *Accounting policies, changes in accounting estimates and errors* as the municipality changed the assumptions used to calculate the debt impairment from the prior year to the current year without accounting for the change in estimate prospectively. I was unable to determine the full extent of the misstatement to the debt impairment, stated at R417 721 762 in note 35 to the financial statements, as it was impracticable to do so.

Payables from exchange transactions

7. I was unable to obtain sufficient appropriate audit evidence for trade payables included in the payables from exchange transactions in note 14 to the financial statements as unexplained reconciling differences were identified between the creditor's age analysis and the financial statements. The municipality could also not provide supplier statements for some of the trade payables recorded. The municipality processed year-end adjustments to trade payables, however, they could not provide adequate supporting evidence in respect thereof. In addition, the municipality could not provide adequate supporting evidence such as the signed contracts and payment certificates for the retentions included in the payables from exchange transactions in note 14 to the financial statements. I was unable to confirm the trade payables and retentions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the trade payables and retentions stated at R64 130 175 and R32 457 657 respectively in note 14 to the financial statements.

VAT receivable

8. I was unable to obtain sufficient appropriate audit evidence for the current and corresponding figures for VAT receivable due to the status of accounting records. As described in notes 47 to the financial statements, a restatement was made to rectify a prior year misstatements for debt impairment and VAT receivable, but the restatements could not be substantiated by adequate supporting audit evidence. I was unable to confirm the VAT receivable by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the VAT receivable stated at R162 315 616 (2022: R170 214 537) in note 57 to the financial statements.

Service charges

9. The municipality did not account for service charges from exchange transactions in accordance with GRAP 9, *Revenue from exchange transactions* as the municipality billed service charges against accounts registered in its own name. Consequently, service charges included in note 20 were overstated by R15 846 380, gross balances and allowance for impairment included in the receivables for exchange transactions in note 13 to the financial statements was also impaired. Additionally, there was an impact on the surplus for the year and accumulated surplus.
10. During 2022, the municipality did not recognise service charges from exchange transactions, as required by GRAP 9, *Revenue from exchange transactions*. Consumers were identified that were incorrectly classified as indigent. Consequently, service charges and receivables from exchange transactions were each understated by R23 954 904.

Operating costs

11. The municipality did not classify operating expenditure in accordance with the GRAP 1, *Presentation of financial statements* as the municipality incorrectly recorded contracted services as operating costs. Consequently, the operating costs included in in note 37 to the financial statements was overstated by R17 837 521 and contracted services included in note 33 to the financial statements was understated by the same amount.

Irregular expenditure

12. The municipality did not accurately record irregular expenditure in the financial statements, as required by section 125(2)(d) of the Municipal Financial Management Act 56 of 2003 (MFMA). The current year's opening balance was misstated due to error on adjustment made to the prior period balance. Furthermore, the municipality did not recognise all instances of irregular expenditure to the financial statements, as required by section 125(2)(d) of the MFMA. This was due to non-investigation of instances of prior year irregular expenditure. I was unable to determine the full extent of the understatement of irregular expenditure stated at R756 551 896 (2022: R649 234 975) in note 52 to the financial statements, as it was impracticable to do so.

Context for opinion

13. 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.
14. 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.
15. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

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

Restatement of corresponding figures

17. As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality, and for the year ended, 30 June 2023.

Material uncertainty relating to claims against the municipality

18. With reference to note 45 to the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result were made in the financial statements.

Material losses

19. As disclosed in note 32 to the financial statements, material water distribution losses of R68 107 070 (2022: R15 750 944) and electricity distribution losses of R89 333 996 (2022: R55 498 664) were incurred by the municipality mainly due to leakages, burst water pipes, line losses, tampering and theft.

Fruitless and wasteful expenditure

20. As disclosed in note 51 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R5 189 357, due to payments to contractors for work and or materials that could not be verified and expenditure for repairs and maintenance on equipment that were subsequently replaced.

Subsequent events

21. We draw attention to note 49 in the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of the settlement of outstanding claims relating to the final arbitration between the municipality and a supplier for a contractual dispute for R43 210 552. The judgement requires an outstanding interest of 10% that should be levied from 26 July 2016. A payment agreement was entered into by the municipality to settle the outstanding amount.

Other matter

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

Unaudited disclosure notes

23. 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

24. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the MFMA and 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.
25. 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

26. 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.
27. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

28. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected key performance area (KPA) presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
29. I selected the following KPA presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected a KPA that measures the municipality's performance on its primary mandated functions and that is of significant national, community or public interest.

KPA	Page numbers	Objective
Basic service delivery and infrastructure development	XX	Ensure universal access to reliable and quality basic municipal services by all communities

30. I evaluated the reported performance information for the selected KPA 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.

31. I performed procedures to test whether:

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

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

33. The material findings on the reported performance information for the selected KPA are as follows:

Basic service delivery and infrastructure development

Number of km's of roads resealed/repared

34. An achievement of 6 987 square meters of potholes repaired was reported in the annual performance report. However, the indicator and target in the approved service delivery and budget implementation plan and integrated development plan were 5 kilometres of roads resealed by 30 June 2023.

Other matters

35. I draw attention to the matters below.

Achievement of planned targets

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

37. The municipality plays a key role in delivering services to South Africans. The table that follows provides information on the achievement of planned targets and lists the key service delivery 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.

Basic service delivery and infrastructure development

Targets achieved: 50% Budget spent: 97,2%		
Key service delivery indicators not achieved	Planned target	Reported achievement
1.1.1 Five (5) sector plans developed in compliance with CoGTA and National Treasury guidelines and annually reviewed and approved by council.	Develop the WSDP, IP, ITP, CIP, IEP and send to Council for approval and install and review infrastructure verification means and methods by 30 June 2023	Target not achieved (Only draft WSDP in place)
1.19 Number of km's of new municipal roads built (Circular 88 Indicators)	5 km's of new municipal roads built by 30 June 2023	Target not achieved In Ward 05: 2,294 km In Ward 10: 2,139 km Total construction of 4,433 km
1.21 Number of km's gravel roads graded (Circular 88 Indicators)	20 km's gravel roads graded by 30 June 2023	Target not achieved (Total of 18.808km of gravel roads were graded/maintained in all towns).
1.22 Number of km of storm water drainage constructed	5 km of storm water drainage constructed by 30 June 2023	Target not achieved. (The following length of storm water drainage constructed has been achieved: Ward 05: 2,294km Ward 10: 2,139km Total construction of 4,433km
1.14 IEP Plans developed, annually reviewed and submitted to Council for approval	IEP developed, annually reviewed and submitted to Council for approval by 30 June 2023	Target not achieved (The Draft IEP is yet to be developed)
1.15 Number of households electricity connections installed	2000 electricity house connections installed in Themba Kubheka by 30 June 2023	Target not achieved. Contractor is on-site installing connections and building of substations for power supply. Total of 1300 HHs connections complete with certificate of payment (CoC) has been achieved in the current quarter.
1.16 % of electricity distribution losses minimized	% of electricity distribution losses minimized to 20% by 30 June 2023	Target not achieved. The municipality recorded the annual average electricity distribution loss of 26,35%
1.2 Water and Sewer Master Plan developed	Water and sewer master plan developed by 30 June 2023	Target not achieved
1.3 Number of conventional water meters replaced with prepaid meters in all the identified areas	1000 conventional water meters replaced with prepaid meters in all the identified areas by June 2023	Target not achieved

Metsimaholo Local Municipality

1.5 % Minimization of water distribution losses	Water distribution loss minimized to 10% by June 2023	Target not achieved The municipality recorded the annual average water distribution loss of 36,53%
1.6 % Compliance with blue drop water quality accreditation system	99% compliance with blue drop water quality accreditation system by 30 June 2023	Target not achieved Microbiological: Acute health (>99,9%): 78,42%, not achieved Chemical: Acute Health (95%): 82,21%, achieved Chemical: Chronic Health: (95%): 69,55%, achieved Chemical: Aesthetic (95%): 75,97%, achieved Chemical: Operational (95%): 63,32%, not achieved Disinfectant: 10,65% Overall water quality within total water services value chain (95%): 63,35%, Not achieved
1.7 Number of new water connections to communal or public facilities (Circular 88 Indicators)	5 new water connections to communal (taps) or public facilities by 30 June 2023	Target not achieved
1.11 % of call outs responded to within 24 hours (Circular 88 Indicators)	100% call outs responded to within 24 hours in all quarters	Target not achieved Approximately 53,25% of sanitation complaints were attended within 24 hour period.
1.12 % compliance with green drop quality accreditation system	100% compliance with green drop quality accreditation system by 30 June 2023	Target not achieved
1.25 % in spending of grants as per DoRA requirements	100% in spending of grants as per DoRA requirements by 30 June 2023	Target not achieved Cumulative expenditure target achieved is as follows: MIG - 100% RBIG - 86% INEP - 100% WSIG - 90% Annual 94% of expenditure was achieved.
1.27 Integrated Waste Management Plan (IWMP) developed and submitted to Council for approval	IWMP developed and submitted to Council for approval by 30 June 2023.	Target not achieved
1.29 Number of illegal dumping sites removed	23 illegal dumping sites removed by 30 June 2023	Target not achieved 20 illegal dumps were removed during the financial year Quarter 1: 6 Quarter 2: 3 Quarter 3: 6 Quarter 4: 5
1.34 Number of cemeteries established and functional	1 cemetery established in quarter 4	Target not achieved
1.35 Review of Disaster Management plan	Disaster Management plan reviewed by 30 June 2023	Target not achieved The 2023/24 draft reviewed Disaster Management plan served at senior management meeting wherein inputs were made and incorporated in the plan thereof. It is for this reason the plan was presented before the mayoral committee on the 23 June 2023 and was further submitted to council for approval.

Material misstatements

38. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure development. Management did not correct all of the misstatements and I reported material findings in this regard.

Report on compliance with legislation

39. 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.
40. 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.
41. 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.
42. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements and annual report

43. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets, liabilities, revenue, and expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.
44. The oversight report adopted by the council on the 2021-22 annual report was not made public, as required by section 129(3) of the MFMA.

Expenditure management

45. Reasonable steps were not taken to prevent irregular expenditure as required by section 62(1) (d) of the MFMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualified paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM regulation 29(2).

46. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R5 189 357 as disclosed in note 51 to the annual financial statements, as required by section 62(1) (d) of the MFMA. The majority of the fruitless and wasteful expenditure was due to payments to contractors for work and or materials that could not be verified and expenditure for repairs and maintenance on equipment that were subsequently replaced.
47. Money owed by the municipality was not always paid within 30 days, as required by section 65(2) (e) of the MFMA.

Assets management

48. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2) (c) of the MFMA.
49. Capital assets were sold that were needed to provide the minimum level of basic municipal service, in contravention of section 14(1) of the MFMA.
50. Capital assets were sold without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services and/or considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by section 14(2)(a) and 14(2)(b) of the MFMA.

Strategic management and planning

51. The performance management system and related controls were inadequate as it did not describe how the performance review and reporting processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

Human resource management

52. I was unable to obtain sufficient appropriate audit evidence that senior managers signed performance agreements within the prescribed period, as required by section 57(2)(a) of the Municipal Systems Act 32 of 2000 (MSA).
53. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

Revenue management

54. An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA.
55. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2) (f) of the MFMA.

Consequence management

56. Unauthorised expenditure were not investigated to determine if any person is liable for the expenditure as required by section 32(2)(a) of the MFMA.

57. Irregular expenditure were not investigated to determine if any person is liable for the expenditure required by section 32(2)(b) of the MFMA.
58. Fruitless and wasteful expenditure were investigated to determine if any person is liable for the expenditure as required by section 32(2)(b) of the MFMA.

Procurement and contract management

59. Sufficient appropriate audit evidence could not be obtained that contracts were awarded through a competitive bidding process that were adjudicated by the bid adjudication committee as required by SCM regulations 29(1) (a) and (b) and 2017 and 2022 Preferential Procurement Regulations.
60. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2) (b) of the MFMA. Similar non-compliance was also reported in the prior year.
61. The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(ii) of the MFMA. A similar non-compliance was also reported in the prior year.
62. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(1) (a) and (c). A similar non-compliance was also reported in the prior year.
63. Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services as required by section 2(1) (a) of the Preferential Procurement Policy Framework Act 5 of 2000.

Other information in the annual report

64. 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 the selected KPA presented in the annual performance report that have been specifically reported on in this auditor's report.
65. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation does 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.
66. 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 KPA presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

67. 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

68. 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.

69. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

70. Management did not in all instances implement proper record keeping in a timely manner to ensure that complete, relevant, and accurate information is accessible and available to support the financial statements.

71. Senior management did not implement corrective measures included in the audit action plan were inadequate and not effectively monitored to ensure that the weaknesses relating to the financial, performance and supply chain management were addressed.

72. Management did not implement proper record-keeping to ensure that complete and accurate information was available to support financial and performance reporting.

73. Management's lack of detailed review of the financial statements and the underlying records resulted in material misstatements that were not detected by the municipality's internal processes.

Material irregularities

74. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

Status of previously reported material irregularities

Pollution of water resource not prevented – Oranjeville wastewater treatment works

75. The Oranjeville wastewater treatment works (including its pump stations) has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment, including the groundwater, Vaal Dam and its extended water course. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring as required by section

28(1) of the National Environmental Management Act 107 of 1998 (NEMA) and section 19(1) of the National Water Act 36 of 1998 (NWA). The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resource.

76. The accounting officer was notified of this material irregularity on 17 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I am in the process of determining the most suitable action to take.

Pollution of water resource not prevented - Deneysville (Refengkotso) wastewater treatment works

77. The Deneysville (Refengkotso) wastewater treatment works (including its pump stations) has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment, including the groundwater, Vaal Dam and its extended watercourse. The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing or recurring as required by section 28(1) of the NEMA and section 19(1) of the NWA. The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resource.

78. The accounting officer was notified of this material irregularity on 16 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I am in the process of determining the most suitable action to take.

Poor management of the Sasolburg waste landfill site

79. The municipality has been operating the Sasolburg waste landfill site in a manner that is not in compliance with its license conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control, improper or lack of compacting and cover to limit gas emission, lack of stormwater management and leachate detection and no proper air and effluent sampling points to monitor air pollution.

80. The municipality consequently did not dispose and treat waste in an environmentally sound manner that does not endanger health or the environment as required by section 16(1) of the National Environmental Management Waste Act 59 of 2008. The municipality further did not take reasonable measures to prevent pollution or degradation from occurring, continuing or brecurring as required by section 28(1) of NEMA. The non-compliance is likely to cause substantial harm to the community members utilising the landfill site and communities adjacent to the landfill site.

81. The accounting officer was notified of this material irregularity on 17 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I am in the process of determining the most suitable action to take.

Other reports

82. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
83. The Directorate for Priority Crime (Hawks) is investigating possible irregularities in expenditure incurred for the construction of the Oranjeville Sports Complex amounting to R18 971 180. The case was referred to the National Prosecuting Authority in the 2018 and is currently still in progress.
84. The municipality has appointed a forensic investigator to investigate allegations of irregularities in the procurement of a security contract appointed on 1 December 2023 for a period of three years. The municipal manager and the chief financial officer have been suspended pending the outcome of the investigations. Consequently, the employment of the municipal manager was subsequently terminated on 27 November 2023.

Auditor - General

Bloemfontein

30 November 2023



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

1. 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

2. 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 KPA and on the municipality's compliance with selected requirements in key legislation

Financial statements

3. 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

4. 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
5. 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

6. The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a) Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a) Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b) Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c) Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43 Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b) Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a) Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)

Metsimaholo Local Municipality

Legislation	Sections or regulations
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8) Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2) Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

6.3. COMPONENT C: AUDITOR-GENERAL OPINION :2022/2023

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AUDITOR GENERAL REPORTS FOR 2022/2023 FINANCIAL YEAR

6.3.1. Audit Action Plan

AUDITOR GENERAL REPORTS FOR 2022/23 FINANCIAL YEAR

Auditor General Report on Financial Performance

Auditor-General Report on Financial Performance 2022/23	
Status of Audit Report*: Qualified	
Issues Raised	Remedial Action to be taken
<p>Property, Plant and Equipment</p> <p>1. I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment as unexplained reconciling differences were identified on the opening balances between the asset register and the financial statements. The municipality also processed corrections to the opening balances in the asset register that could not be reconciled and supported by adjusting journals recorded in the general ledger.</p> <p>I was unable to confirm the property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to property, plant and equipment stated at R1 391 227 276 (2022: R1 363 609 691) in note 9 to the financial statements. Additionally, there was an impact on the depreciation and amortisation, surplus for the year and accumulated surplus.</p> <p>In addition, the municipality did not account for property, plant and equipment in accordance with GRAP 17, Property, Plant and Equipment as the municipality reclassified investment property to property, plant and equipment that did not meet the definition of property, plant and equipment. Consequently, this resulted in an overstatement of investment property by R200 774 110 and overstatement of property, plant and equipment by the same amount.</p>	<p>i. Correction of the opening balances between the asset register and the financial statements</p> <p>ii. Perform physical verification of all movable properties and all immovable assets.</p> <p>iii. Reconcile the outcome of physical verification against the FAR.</p> <p>iv. Assess the conditions of all movable assets to determine the take-on value / fair value for omitted assets.</p> <p>v. Prepare a report of assets that are in the FAR which were not verified during physical verification for possible write-off (existence and omission),</p> <p>vi. Review the Assets Management Policy to align it with Accounting Standard of GRAP.</p> <p>vii. Prepare a report of assets that are in the FAR which were not verified during physical verification for possible write-off (existence and omission).</p>
<p>Investment Property</p> <p>2. The municipality did not account for property, plant and equipment in accordance with GRAP 17, Property, Plant and Equipment as the municipality reclassified investment property to property, plant and equipment that did not meet the definition of property, plant and equipment. Consequently, this resulted in an overstatement of investment property by R200 774 110 and overstatement of property, plant, and equipment by the same amount.</p> <p>The municipality subsequently impaired these reclassified assets; however, the impairment was not calculated in accordance with GRAP 26, Impairment of cash generating units.</p>	<p>xviii. Perform physical verification of land parcel and properties owned by Council and confirm with Housing Unit (LED Department) municipal land or properties leased / sold,</p> <p>xix. Municipal land / properties occupied illegally or without formal contract, apply the Accounting Standard of GRAP and impairment of the cost / carrying value of the asset.</p> <p>xx. Perform physical verification of all investment property,</p> <p>xxi. Assess the investment property criteria in line with Accounting Standard GRAP 16, (property</p>

<p>This was due to the municipality impairing the total cost of the asset without calculating their recoverable amounts. I was unable to determine the full extent of the misstatement as it was impracticable to do so.</p> <p>Additionally, there was an impact on the impairment loss included in depreciation and amortization in note 30 to the financial statements.</p>	<p>held to earn rentals or for capital appreciation or both)</p> <p>xxii. Based on the assessment above disclose the assets into the correct class either land or building or investment property</p> <p>xxiii. Review all council resolution for disposal of municipal land from 2013 to date.</p> <p>xxiv. Derecognise the land based on the Council resolution relating to land disposal.</p> <p>xxv. Ensure that each Investment Property is linked to the correct useful life for depreciation purpose,</p> <p>xxvi. Separate Investment Property which is not subject to depreciation i.e. land</p> <p>xxvii. Recalculate the depreciation to confirm accuracy of the depreciation expense.</p>
<p>Service Charges</p>	
<p>3. The municipality did not account for service charges from exchange transactions in accordance with GRAP 9, Revenue from exchange transactions as the municipality billed service charges against accounts registered in its own name. Consequently, service charges included in note 20 were overstated by R15 846 380, gross balances and allowance for impairment included in the receivables for exchange transactions in note 13 to the financial statements was also impaired. Additionally, there was an impact on the surplus for the year and accumulated surplus.</p> <p>During 2022, the municipality did not recognize service charges from exchange transactions, as required by GRAP 9, Revenue from exchange transactions. Consumers were identified that were incorrectly classified as indigent. Consequently, service charges and receivables from exchange transactions were each understated by R23 954 904</p>	<p>iii. Compliance with GRAP 9 to bill service charges against accounts registered in its own name.</p> <p>iv. Correction for the overstated amount included in Note 20</p> <p>v. Correction of impaired service charges in Note13</p> <p>vi. Correction of accumulated surplus</p> <p>vii. Correction of consumers classified as indigents.</p> <p>viii. Review and update the indigent register based on the outcome of CAATS audit.</p> <p>ix. Inform the affected indigent families and allow 30 days to reapply before removing the non-qualifying indigent from the indigent register.</p>
<p>Debt impairment</p>	
<p>4. I was unable to obtain sufficient appropriate audit evidence for the debt impairment expense as the debt impairment expense included in note 35 did not reconcile to the movement in the allowance for impairment included in the consumer debtor's disclosure and receivables from exchange transactions in notes 6 and 13 respectively. In addition, there were unexplained reconciling differences between the debtor's age analysis and the allowance for impairments included in notes 6 and 13.</p> <p>I was unable to confirm the debt impairment expense by alternative means. Consequently, I was unable to</p>	<p>v. Reconciliation of debt impairment</p> <p>vi. Review all debt individually and assess the recoverability of debt.</p> <p>vii. Make provision for doubtful debt where payment has not been received over a period of six (6) month in line with the Debt Impairment Methodology</p>

<p>determine whether any adjustments were required to the debt expense stated at R417 721 762 (2022: R512 076 734) in note 35 to the financial statements. Additionally, there was an impact on the allowance for impairment included in the in notes 6 and 13 respectively.</p> <p>Furthermore, the municipality did not account for the debt impairment in accordance with GRAP 3, Accounting policies, changes in accounting estimates and errors as the municipality changed the assumptions used to calculate the debt impairment from the prior year to the current year without accounting for the change in estimate prospectively. I was unable to determine the full extent of the misstatement to the debt impairment, stated at R417 721 762 in note 35 to the financial statements, as it was impracticable to do so.</p>	<ul style="list-style-type: none"> viii. Implement credit control for long outstanding debt over 60 days. ix. Review the debt impairment methodology for Council approval (remove government exclusion and approval by Council). x. Compliance with GRAP 3, Accounting policies, changes in accounting estimates and errors
<p>Payables from exchange transactions</p>	
<p>5. I was unable to obtain sufficient appropriate audit evidence for trade payables included in the payables from exchange transactions in note 14 to the financial statements as unexplained reconciling differences were identified between the creditor's age analysis and the financial statements. The municipality could also not provide supplier statements for some of the trade payables recorded. The municipality processed year-end adjustments to trade payables, however, they could not provide adequate supporting evidence in respect thereof. In addition, the municipality could not provide adequate supporting evidence such as the signed contracts and payment certificates for the retentions included in the payables from exchange transactions in note 14 to the financial statements.</p> <p>I was unable to confirm the trade payables and retentions by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the trade payables and retentions stated at R64 130 175 and R32 457 657 respectively in note 14 to the financial statements.</p>	<ul style="list-style-type: none"> vi. Provide sufficient appropriate audit evidence for trade payables. vii. Reconciliation between creditor's age analysis and the financial statements viii. Providing year-end adjustments to trade payables, with adequate supporting evidence ix. Proper filing of documents to submit information on time. x. Submission of signed contracts and payment certificates for retentions
<p>VAT Receivable</p>	
<p>6. I was unable to obtain sufficient appropriate audit evidence for the current and corresponding figures for VAT receivable due to the status of accounting records. As described in notes 47 to the financial statements, a restatement was made to rectify a prior year misstatement for debt impairment and VAT receivable, but the restatements could not be substantiated by adequate supporting audit evidence. I was unable to confirm the VAT receivable by alternative means.</p> <p>Consequently, I was unable to determine whether any adjustment was necessary to the VAT receivable stated at R162 315 616 (2022: R170 214 537) in note 57 to the financial statements.</p>	<ul style="list-style-type: none"> i. Providing sufficient audit evidence for the current and corresponding figures for VAT receivable ii. Correction of prior year misstatements for debt impairment and VAT receivable

<p>Operating costs</p>	
<p>7. The municipality did not classify operating expenditure in accordance with the GRAP 1, Presentation of financial statements as the municipality incorrectly recorded contracted services as operating costs. Consequently, the operating costs included in in note 37 to the financial statements was overstated by R17 837 521 and contracted services included in note 33 to the financial statements was understated by the same amount.</p>	<p>i. Correct classification of operating expenditure, in compliance with GRAP 1.</p>
<p>Irregular expenditure</p>	
<p>8. The municipality did not accurately record irregular expenditure in the financial statements, as required by section 125(2)(d) of the Municipal Financial Management Act 56 of 2003 (MFMA).</p> <p>The current year's opening balance was misstated due to error on adjustment made to the prior period balance. Furthermore, the municipality did not recognize all instances of irregular expenditure to the financial statements, as required by section 125(2)(d) of the MMA. This was due to non-investigation of instances of prior year irregular expenditure. I was unable to determine the full extent of the understatement of irregular expenditure stated at R756 551 896 (2022: R649 234 975) in note 52 to the financial statements, as it was impracticable to do so.</p>	<p>i. Review the reason for deviation procurement from user department.</p> <p>ii. Correction of the misstated opening balance due to error on adjustment made to the prior period balance.</p> <p>iii. Determine if the reason is justifiable for emergency procurement or whether the procurement on emergency is due to poor planning.</p> <p>iv. Encourage user department to prepare specification for frequently required service for appointment of panel of suppliers.</p> <p>v. Update deviation register on regular basis (monthly).</p> <p>vi. Report all deviation to Council on quarterly basis.</p> <p>vii. Investigations be done by MPAC, as required by Section 125(2)(d) to reduce UIF.</p>
<p>EMPHASIS MATTERS:</p>	
<p>Restatement of corresponding figures</p>	
<p>9. As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2022 were restated as a result of errors in the financial statements of the municipality, and for the year ended, 30 June 2023.</p>	<p>Review the AFS to ensure discloser Notes agree to the working papers before submission to Auditor General.</p>
<p>10. With reference to note 45 of the financial statements, the municipality is the defendant in various claims against the municipality. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result was made in the financial statements.</p>	
<p>Fruitless and wasteful expenditure</p>	
<p>11. As disclosed in note 51 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R5 189 357, due to payments to contractors for work and or materials that could not be verified and expenditure for repairs and maintenance on equipment that were subsequently replaced</p>	<p>iii. Physical verification of the projects be done by Technical Services (PMU section), with the assistance from the Asset Unit prior to payments and materials provided by service providers be clearly marked/ticked off from the list.</p> <p>iv. Submit fruitless expenditure register to Council and MPAC for investigation</p>

Subsequent events	
12 We draw attention to note 49 in the financial statements, which deals with subsequent events and specifically the possible effects of the future implications of the settlement of outstanding claims relating to the final arbitration between the municipality and a supplier for a contractual dispute for R43 210 552. The judgement requires an outstanding interest of 10% that should be levied from 26 July 2016. A payment agreement was entered into by the municipality to settle the outstanding amount.	
Material losses	
13. As disclosed in note 32 to the financial statements, material water distribution losses of R68 107 070 (2022: R15 750 944) and electricity distribution losses of R89 333 996 (2022: R55 498 664) were incurred by the municipality mainly due to various claims against the municipality. The municipality opposes these claims. The ultimate outcome of these matters could not be determined and no provision for any liabilities that may result was made in the financial statements. As disclosed in note 32 to the financial statements, material water distribution losses of R68 107 070 (2022: R15 750 944) and electricity distribution losses of R89 333 996 (2022: R55 498 664) were incurred by the municipality mainly due to leakages, burst water pipes, line losses, tampering and theft.	<p>VI. Distribution losses are reported monthly to management.</p> <p>VII. It will also be addressed in the proposed Revenue enhancement strategy.</p> <p>VIII. Water meters need to be installed in areas where water is used but no control over. Installation of these water meters are influenced also by cash flow.</p> <p>IX. Readings of meters must be taken monthly to have accurate figures.</p>
Other matters	
Unaudited disclosure notes	
14. In terms of section 125(2) (e) of the MMA, 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.	The opinion was not expressed in this regard, however the Municipality will comply with Section 125(2)(e) of the MFMA.

Table: Auditor General Report on Service Delivery Performance

Auditor-General Report on Service Delivery Performance 2022/23	
Status of Audit Report*: Qualified	
The material findings on the usefulness and reliability of the performance information of the selected KPA are as follows: KPA 1 - service delivery and infrastructure development	
Issues Raised	Remedial Action to be taken
Adjustment of material misstatements	
15. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for basic service delivery and infrastructure development.	Continuous engagement with the directorates will be held on a quarterly basis to address performance accuracy of information and portfolio of evidence thereof.

Management did not correct all the misstatements and I reported material findings in this regard.	
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Table: Auditor General Report on Compliance Issues:

Auditor-General Report on Compliance with key Legislation matters 2022/23	
Status of Audit Report*: Qualified	
Annual financial statements	
<p>16. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current and non-current assets, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and the supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion,</p>	<p>The Annual Financial Statements will be submitted for auditing in all material aspects in accordance with the requirements of section 122(1) of the MFMA to improve the audit outcome of the Municipality</p>
Procurement and contract management	
<p>17. Sufficient appropriate audit evidence could not be obtained that contracts were awarded through a competitive bidding process that were adjudicated by the bid adjudication committee as required by SCM regulations 29(1) (a) and (b) and 2017 and 2022 Preferential Procurement Regulations</p> <p>The performance of some of the contractors or providers was not monitored monthly, as required by section 116(2) (b) of the MFMA. Similar non-compliance was also reported in the prior year.</p> <p>The contract performance and monitoring measures were not in place to ensure effective contract management, as required by section 116(2)(c)(i) of the MFMA. A similar non-compliance was also reported in the prior year.</p> <p>Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(1) (a) and (c). A similar non-compliance was also reported in the prior year.</p> <p>Sufficient appropriate audit evidence could not be obtained that the preference point system was applied in all procurement of goods and services as required by section 2(1) (a) of the Preferential Procurement Policy Framework Act 5 of 2000.</p>	<ol style="list-style-type: none"> I. Ensure that three quotations for procurement below R200 000 are acquired in order to comply with SCM regulations. II. Contracts and quotations awarded to bidders based on preference points will be allocated and calculated in accordance with the requirements of Section 2(1)(a) III. Review the list of designated goods under local contents as proclaimed by the Department of Trade and Industry from time-to-time. IV. Include the Local Contents requirement in the Tender Documents. V. User department must evaluate the performance of contracts on monthly basis. VI. Reports on contract performance to be submitted to the SCM for records. VII. Ensure that all procurement documents are such as MBD4 (declaration of interest) is filled with request for quotes, VIII. Review the SCM Policy to include restriction and/or blacklisting of supplier who are in the service of state and falsify declaration of interest on MBD4 Form IX. Keep and update the register of blacklisted supplier on regular basis as per CAATS audit findings.
Expenditure management	
<p>18. Reasonable steps were not taken to prevent irregular expenditure as required by section 62(1)(d) of the MMA. The expenditure disclosed does not reflect the full extent of the irregular expenditure incurred as indicated in the basis for qualified paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM regulation 29(2).</p>	<ol style="list-style-type: none"> I. Submit unauthorized register, fruitless expenditure, and irregular expenditure to Council. II. All the registers/reports will be submitted to MPAC for investigation.

<p>Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R5 189 357 as disclosed in note 51 to the annual financial statements, as required by section 62(1)(d) of the MMA. The majority of the fruitless and wasteful expenditure was due to payments to contractors for work and or materials that could not be verified and expenditure for repairs and maintenance on equipment that was subsequently replaced.</p> <p>Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.</p>	
<p>Consequence management</p> <p>19. Unauthorized expenditure were not investigated to determine if any person is liable for the expenditure as required by section 32(2)(a) of the MFMA</p> <p>20. Irregular expenditure were not investigated to determine if any person is liable for the expenditure required by section 32(2)(b) of the MFMA</p> <p>21. Fruitless and wasteful expenditure were investigated to determine if any person is liable for the expenditure as required by section 32(2)(b) of the MFMA</p>	<ul style="list-style-type: none"> I. Internal control measures will be put in place to rectify other matters raised in the Audit report including detailed Action plan to address above issues and matters in the management report. II. Reports are submitted to MPAC. III. MPAC must consider the reports to finalize the UIF&W.
<p>Strategic planning and performance management</p> <p>22. The performance management system and related controls were inadequate as it did not describe how the performance review and reporting processes should be conducted, organised, and managed, as required by municipal planning and performance management regulation 7(1).</p> <p>Human resource management</p> <p>I was unable to obtain sufficient appropriate audit evidence that senior managers signed performance agreements within the prescribed period, as required by section 57(2)(a) of the Municipal Systems Act 32 of 2000 (MISA).</p> <p>Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.</p> <p>Revenue management</p> <p>An adequate management, accounting and information system which accounts for revenue and debtors was not in place, as required by section 64(2)(e) of the MFMA</p> <p>An effective system of internal control for debtors and revenue was not in place, as required by section 64(2) (f) of the MFMA</p>	<ul style="list-style-type: none"> I. The PMS Policy framework is already approved by Council to address the expressed opinion. II. The PMS will be cascaded to the lower levels of staff in phases <p>The Municipality is in process of developing compliant Job descriptions to all staff.</p> <p>Performance Agreements for all senior managers and/or acting senior managers will be completed within legislated time frames.</p>

<p>Asset management</p> <p>23. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.</p> <p>Capital assets were sold that were needed to provide the minimum level of basic municipal service, in contravention of section 14(1) of the MMA.</p> <p>Capital assets were sold without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services and/or considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by section 14(2)(a) and 14(2)(b) of the MFMA.</p>	<p>i. Asset Register will be updated and be in place, as required by section 63(2)(c) of the MFMA.</p> <p>ii. The Municipality to ensure community involvement in assets disposal process as required by section 14(2)(a) and 14(2)(b) of the MFMA.</p>
<p>Material irregularities</p> <p>24. In accordance with the PA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.</p> <p>Status of previously reported material irregularities</p> <p>Pollution of water resource not prevented - Oranjeville wastewater treatment works</p> <p>The Oranjeville wastewater treatment works (including its pump stations) has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment including the groundwater Vaal Dam and its attended water courted effectively due to mechanical and operational equipment either malfunctioning or not operational.</p> <p>This has resulted in continued spilling and discharge of raw/untreated sewage into the adjacent environment, including the groundwater, Vaal Dam and its extended water course.</p> <p>The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing, or recurring as required by section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA) and section 19(1) of the National Water Act 36 of 1998 (NWA). The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resource.</p> <p>The accounting officer was notified of this material irregularity on 17 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not</p>	<p>The Metsimaholo Local Municipality as a category B of the sphere of government is mandated by section 152 (1) of the Constitution of the Republic of South Africa to ensure the provision of services to communities in a sustainable manner and to promote a safe and healthy environment.</p> <p>On the emphasis of mandated objectives, Metsimaholo Local Municipality would like to bring to your attention that it is doing its best to ensure it complies with the objective. We further acknowledge that contents or issues raised Auditor General. The municipality would like to share the following in response with regards to the Audit Findings:</p> <p>Oranjeville</p> <p>The following pump stations and wastewater treatment works are located in Oranjeville:</p> <ul style="list-style-type: none"> • Snooker Pump Station • George Pump Station • Clinic Pump Station • Oranjeville WWTW <p>The mechanical and electrical components at the three pump stations were vandalised causing the pump stations not to be operational; and through the provision of budgets from COGTA, the pump stations were fully refurbished in December 2022 and are currently operational.</p>

<p>take appropriate action to resolve the material irregularity. I am in the process of determining the most suitable action to take.</p> <p>Pollution of water resource not prevented - Deneysville (Refengkgotso) wastewater treatment works.</p> <p>The Deneysville (Refengkgotso) wastewater treatment works (including its pump stations) has not operated effectively due to mechanical and operational equipment either malfunctioning or not operational. This has resulted in continued spilling and discharge of raw/untreated sewerage into the adjacent environment, including the groundwater, Vaal Dam, and its extended watercourse.</p> <p>The municipality did not take reasonable measures to prevent pollution or degradation of the environment and water resources from occurring, continuing, or recurring as required by section 28(1) of the NEMA and section 19(1) of the NWA. The discharge of raw/untreated sewage into the environment is likely to cause substantial harm to the communities exposed to, and dependent on, the contaminated water resource.</p> <p>The accounting officer was notified of this material irregularity on 16 November 2022 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity.</p> <p>I am in the process of determining the most suitable action to take.</p> <p>Poor management of the Sasolburg waste landfill site</p> <p>The municipality has been operating the Sasolburg waste landfill site in a manner that is not in compliance with its license conditions and the minimum legislative requirements for waste disposal at a landfill site, which is evidenced by poor access control, improper or lack of compacting and cover to limit gas emission, lack of stormwater management and leachate detection and no proper air and effluent sampling points to monitor air pollution.</p> <p>The municipality consequently did not dispose and treat waste in an environmentally sound manner that does not endanger health or the environment as required by section 16(1) of the National Environmental Management Waste Act 59 of 2008. The municipality further did not take reasonable measures to prevent pollution or degradation from occurring, continuing, or recurring as required by section 28(1) of NEMA.</p> <p>The non-compliance is likely to cause substantial harm to the community members utilizing the landfill site and communities adjacent to the landfill site.</p> <p>The accounting officer was notified of this material irregularity on 17 November 2022 and was invited to make</p>	<p>There is a contracted service provider that attends to the maintenance of mechanical and electrical issues that arise on an “as and when basis” to ensure operation of the sewer at the infrastructure in Oranjeville and Metsimaholo communities.</p> <p>Deneysville</p> <p>The following pump stations and wastewater treatment works are located in Deneysville:</p> <ul style="list-style-type: none"> • Refengkgotso Pump Station • Cemetery Pump Station • Refengkgotso WWTW <p>The two pump stations were subject to mechanical and electrical failures which resulted in the pump stations not being operational and through the provision of budgets from RBIG (Regional Bulk Infrastructure Grant) Department of Water and Sanitation, the pump stations were fully refurbished on 14 December 2022 and are currently operational. The wastewater treatment works was being upgraded from a 2ML plant to a 6ML plant which allows for additional capacity for the Deneysville and Refengkgotso communities.</p> <p>There is a contracted service provider that attends to the maintenance of mechanical and electrical issues that arise on an “as and when basis” to ensure operation of the sewer at the infrastructure in Deneysville. Additionally, a provision has been made for back-up power generation at the pump stations and wastewater treatment works during load shedding to ensure that the infrastructure continues to operate during scheduled national power cuts.</p> <p>In terms of the section 45(1) of the National Environmental Management: Waste Act 59 of 2008 (NEM:WA), MLM, through the appointment of an Independent and suitably qualified person, will apply for a closure Waste Management License for Sasolburg Landfill Site to the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA).</p> <p>In terms of section 21(g) of the National Water Act 36 of 1998 (NWA), MLM will also engage the Department of Water & Sanitation (DWS) to obtain any Water Use Authorization or Record of Decision that may be required in order to legally effect closure of Sasolburg Landfill Site.</p>
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<p>a written submission on the actions taken and that will be taken to address the matter. The accounting officer did not take appropriate action to resolve the material irregularity. I am in the process of determining the most suitable action to take.</p> <p>Other reports</p> <p>In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties, these reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.</p> <p>The Directorate for Priority Crime (Hawks) is investigating possible irregularities in expenditure incurred for the construction of the Oranjeville Sports Complex amounting to R18 971 180. The case was referred to the National Prosecuting Authority in the 2018 and is currently still in progress.</p> <p>The municipality has appointed a forensic investigator to investigate allegations of irregularities in the procurement of a security contract appointed on 1 December 2023 for a period of three years.</p> <p>The municipal manager and the chief financial officer have been suspended pending the outcome of the investigations. Consequently, the employment of the municipal manager was subsequently terminated on 27 November 2023.</p>	<p>Subsequent to the closure of the Sasolburg Landfill Site, MLM will discharge a Duty of Care and remediate environmental damage caused through the rehabilitation in order to ensure compliance with section 28(1) of the National Environmental Management Act 107 of 1998 (NEMA).</p> <p>MLM will monitor the rehabilitated site & ensure compliance with the relevant legislation.</p> <p>In addition, the Municipality has commenced with a process of identifying a land suitable for the establishment of a new landfill site and intends to ensure compliance with the relevant environmental legislative requirements. This would include obtaining the necessary environmental approvals, Waste Management License and ensuring environmental compliance and enforcement thereof.</p>
<p>Internal control deficiencies</p> <p>25. 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.</p> <p>The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.</p> <p>Management did not in all instances implement proper record keeping in a timely manner to ensure that complete,</p>	<p>Internal control measures will be put in place to rectify other matters raised in the Audit report including detailed Action plan to address above issues and matters in the management report.</p> <p>Appointment of the Municipal Manager and Chief Financial Officer</p> <p>Audit Action Plan will be adequately and effectively monitored on quarterly basis to ensure implementation.</p>

<p>relevant, and accurate information is accessible and available to support the financial statements.</p> <p>Senior management did not implement corrective measures included in the audit action plan were inadequate and not effectively monitored to ensure that the weaknesses relating to the financial, performance and supply chain management were addressed.</p> <p>Management did not implement proper record keeping to ensure that complete and accurate information was available to support financial and performance reporting.</p> <p>Management's lack of detailed review of the financial statements and the underlying records resulted in material misstatements that were not detected by the municipality's internal processes.</p>	<p>Management will ensure proper reporting of Financial and Performance reporting.</p>
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Appendices

Appendix A: Councillors; Committee Allocation and Council Attendance

Table A1: List of Councillors and record of Council Meetings Attendance

Number of Council Meetings held for the year						
Total number of meetings held for the year						
			Ordinary	Special	Total	
Details			Record of Council Meetings Attended			
Full Names & Surname	Political Party	Ward / PR No. No.	Ordinary	Special	Total	Number of Apologies
Matthews Jabulani Radebe	ANC	WARD 1	4	12	16	1
Joseph Morena Molawa	ANC	WARD 2	4	12	16	1
Mosiuoa Solomon Poho	ANC	WARD 3	4	12	16	1
Thandiwe Linah Soetsang	ANC	WARD 4	4	12	16	2
Sara Mapule Mofokeng	ANC	WARD 5	4	12	16	1
Mahadi Nkheloane	ANC	WARD 6	4	12	16	2
Portia Mabatho Mahlaela	ANC	WARD 7	4	12	16	4
Lefa Lawrence Nhlapo	EFF	WARD 8	4	12	16	3
Mosokodi Elias Mqwathi	ANC	WARD 9	4	12	16	1
Nokuthula Mirriam Mtshali	ANC	WARD 10	4	12	16	4
Dial Vakele Rani	ANC	WARD 11	4	12	16	2
Lebohang Andries Makhefu	ANC	WARD 12	4	12	16	7
Fikile Daniel Mosokweni	ANC	WARD 13	4	12	16	0
Francois Jacobus van der Merwe	DA	WARD 14	4	12	16	2
Louis Jacobus van Heerden	DA	WARD 15	4	12	16	3
Jan Jacobus Barnard	DA	WARD 16	4	12	16	2
Thabang Kennedy Rankoe	DA	WARD 17	4	12	16	3
Linda Day	DA	WARD 18	4	12	16	0
Lunga Mthetho	ANC	WARD 19	4	12	16	1
Lucas Fisher	ANC	WARD 20	4	12	16	3
Teboho Glen Sehaole	ANC	WARD 21	4	12	16	1
Ruanda Meyer	DA	WARD 22	4	12	16	0
Manana Bernice Mozolo	EFF	WARD 23	4	12	16	5
Sylvia Lindiwe Tshongwe	ANC	PR 1	4	12	16	4
Zisindo Jafta Zwane	DA	PR 2	4	12	16	1
Jonas Moeketsi Makhema	DA	PR 3	4	12	16	3
Thabiso Harry Mofokeng	DA	PR 4	4	12	16	3

Number of Council Meetings held for the year						
Total number of meetings held for the year						
			Ordinary	Special	Total	
Details			Record of Council Meetings Attended			
Full Names & Surname	Political Party	Ward / PR No. No.	Ordinary	Special	Total	Number of Apologies
Teboho Drummond Thulo	DA	PR 5	4	12	16	3
Lebohang Joyce Chalala	DA	PR 6	4	12	16	1
Michael Thulani Mbana	DA	PR 7	4	12	16	1
Tibisi April Motaung	EFF	PR 8	4	12	16	2
Jonas Mokoma Masiteng	EFF	PR 9	4	12	16	2
Selloane Mavis Motjeane	EFF	PR 10	4	12	16	6
Mbochoase Sana Motsapi	EFF	PR 11	4	12	16	0
Mandoza Sam Mokwai	EFF	PR 12	4	12	16	2
Jeanette Leetoane Tsotetsi	EFF	PR 13	4	12	16	4
Jantjie Tumelo Mampana	EFF	PR 14	4	12	16	4
Dinah Khethiwe Mbikolo	EFF	PR 15	4	12	16	3
Moeketsi Eric Maseko	EFF	PR 16	4	12	16	0
Manti Valentia Mofokeng	EFF	PR 17	4	12	16	0
Modiehi Granny Leotlela	EFF	PR 17	4	12	16	2
Dothare Angelina Mofokeng	MCA	PR 18	4	12	16	2
Elizabeth Judith Geyser	FF+	PR 19	4	12	16	1
Adv Mome Pienaar	FF+	PR 20	4	12	16	2
Theo Du Toit	FF+	PR 21	4	12	16	1
Mthakathi Jack Malindi	AIC	PR 22	4	12	16	2
Annah Mabthoze Kumalo	ATM	PR 23	4	12	16	2

Appendix B: Committees & their respective purposes**Table A2: Name & Purpose of the Committee**

Name of Committee	Purpose of the Committee
Portfolio Committee: Corporate Services (s80)	Oversight over Corporate Services departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Finance and IDP (s80)	Oversight over Finance departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral
Portfolio Committee: Technical Services (s80)	Oversight over Technical Services departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Public Safety (s80)	Oversight over Public Safety sectional activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral
Portfolio Committee: Cleansing, Parks and Cemeteries (s80)	Oversight over Social Services sectional activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Urban Planning and Human Settlements (s80)	Oversight over Urban Planning & Human Settlement departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: LED, Tourism and Agriculture (s80)	Oversight over LED & Tourism departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral
Portfolio Committee: Sports, Arts and Culture (s80)	Oversight over Sports, Arts & Culture sectional activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral
Audit and Performance Audit Committee (s79)	Roles and responsibilities as outlined in section 166 of the MFMA and the approved charter
Oversight Committee (s79)	Roles and responsibilities as outlined in section 129 of the MFMA and the National Treasury guidelines issued in MFMA Circular 32 (18

Table A3: Members of Corporate Services Committee and Attendance Records of Committee Meetings

Corporate Services (s80)			
Initials & Surname	Political Party	No. of Meetings Attended by the Member	No. of Apologies
Mr. JM Makhema – Chairperson	DA	11	0
Ms. SL Tshongwe	ANC	10	1
Ms. TL Soetsang	ANC	10	1
Adv. M Pienaar	FF+	10	1
Mr. MS Mokwai	EFF	11	0
Ms. JL Tsotetsi	EFF	10	1
Mr. L van Heerden	DA	11	0
Mr. MJ Malindi	AIC	9	2

Table A4: Members of Finance, IDP Committee and Attendance Records of Committee Meetings

Finance and IDP (s80)			
Initials & Surname	Political Party	No. of Meetings Attended by	No. of Apologies
Mr. JJ Barnard – Chairperson	DA	11	0
Mr. L van Heerden	DA	10	1
Ms. EJ Geysler	DA	11	0
Mr. LA Makhefu	ANC	8	4
Ms. SL Tshongwe	ANC	10	1
Ms. AM Kumalo	MCA	10	1
Mr. TA Motaung	EFF	9	2
Ms. MG Leotlela (11 November 2022)	EFF	4	1

Table A5: Members of Technical Services Committee and Attendance Records of Committee Meetings

Technical Services (s80)			
Initials & Surname	Political Party	No. of Meetings Attended by the Member	No. of Apologies
Mr. TK Rankoe – Chairperson	DA	6	0
Ms. L Day	DA	6	0
Ms. LJ Chalala	DA	6	0
Mr. MS Poho	ANC	6	0
Mr. ME Mqwathi	ANC	6	0
Mr. T Du Toit	FF+	6	0
Ms. MS Motjeane	EFF	5	1
Mr. JT Mampana	EFF	6	0

Table A6: Members of Public Safety Committee and Attendance Records of Committee Meetings

Public Safety (s80)			
Initials & Surname	Political Party	No. of Meetings Attended by the Member	No. of Apologies
Mr. FJ van der Merwe – Chairperson	DA	5	0
Mr. TD Thulo	DA	2	3
Mr. DV Rani	ANC	1	4
Ms. SM Mofokeng	ANC	4	1
Mr. L Mthetho	ANC	2	3
Ms. JM Masiteng	EFF	2	3
Ms. MS Motsapi	EFF	2	3
Mr. MJ Malindi	AIC	2	3

Table A7: Members of Social Services and Special Programmes Committee and Attendance Records of Committee Meetings

Cleansing, Parks and Cemeteries (s80)			
Initials & Surname	Political Party	No. of Meetings Attended by	No. of Apologies
Ms R Meyer – Chairperson	DA	5	0
Mr TH Mofokeng	DA	4	1
Ms EG Geyser	DA	5	5
Ms M Nkheloane	ANC	2	3
Mr TG Sehaole	ANC	3	2
Ms DA Mofokeng	ATM	5	0
Ms DK Mbikolo	EFF	2	3
Mr LL Nhlapo	EFF	2	3

Cleansing, Parks, & Cemeteries and Sports, Arts & Culture committees are combined, and the committee is named Community Services and Special Programs

Table A8: Members of Urban Planning & Human Settlements Committee and Attendance Records of Committee Meetings

Urban Planning and Human Settlements (s80)			
Initials & Surname	Political Party	No. of Meetings Attended by	No. of Apologies
Mr MT Mbanja - Chairperson	DA	5	0
Ms L Day (Ms)	DA	5	0
Mr MS Poho	ANC	3	2
Ms PM Mahlaela	ANC	2	3
Ms DA Mofokeng	ATM	5	0
Mr ME Maseko	EFF	3	2
Ms MB Mozolo	EFF	5	0
Ms AM Kumalo	MCA	5	0

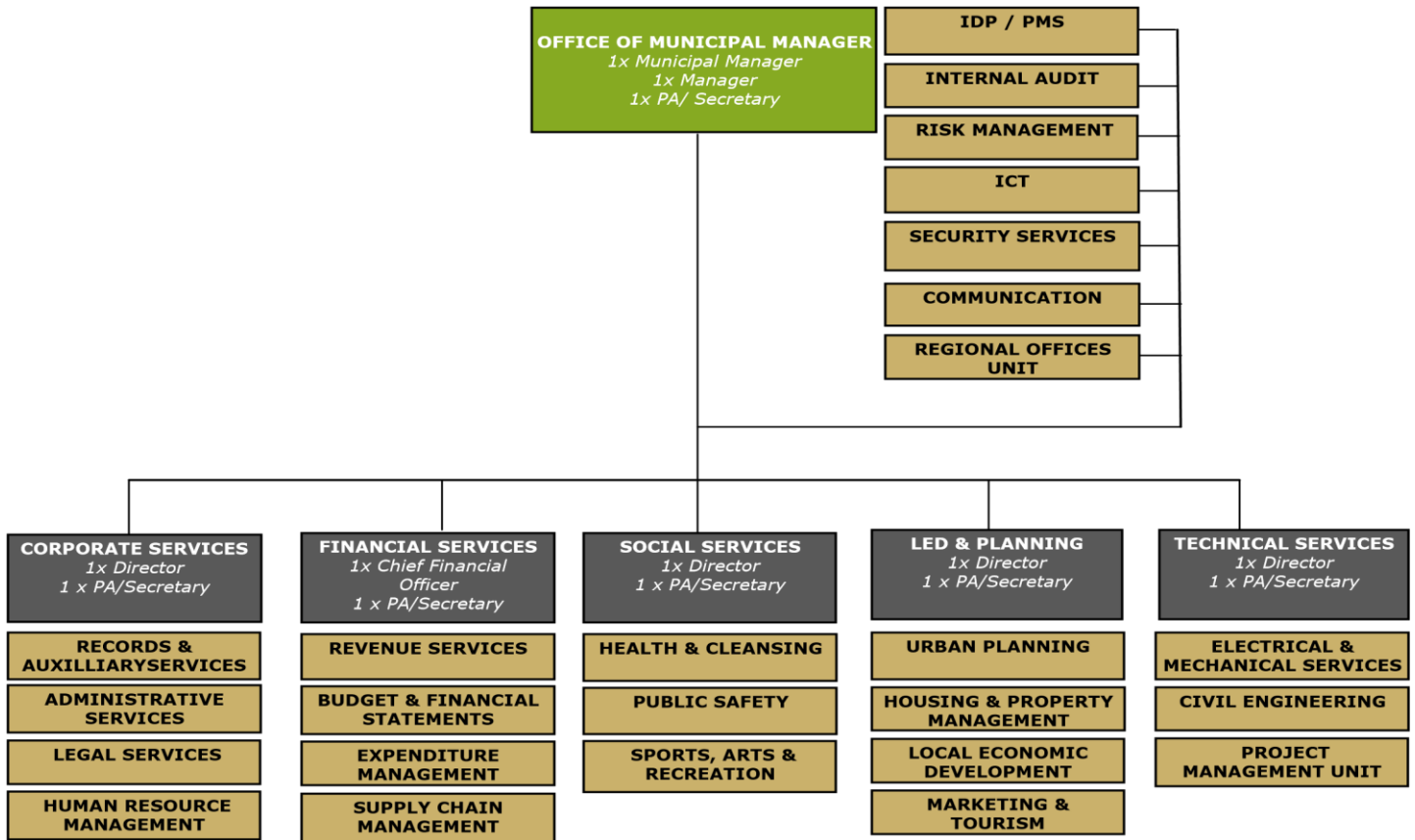
Urban Planning & Human Settlements and LED, Tourism & Agriculture committees are combined, and the committee is named Spatial Planning, Rural Development, Human Settlement and SMME's

Table A9: Members of Audit and Performance Audit Committee and Attendance Records of Committee Meetings

Audit and Performance Audit Committee (s79)		
Initials & Surname	No. of Meetings Attended by the Member	No. of Apologies
Mr. ZL Fihlani	5	0
Mr. M. Noge	4	1
Ms. L.L Mbambale – Mathobo	2	3

Appendix C: Third Tier Administrative Structure

Figure A1 - Third Tier Administrative Structure



Appendix D: Functions of the Municipality**Table A10: Powers and Functions of the Municipality**

Powers & Functions	Reference	Performed (Yes/No)
Schedule 4 Part B and Schedule 5 Part B Powers and Functions:		
Air pollution	Schedule 4 Part B	No
Building regulations	Schedule 4 Part B	Yes
Child care facilities	Schedule 4 Part B	No
Electricity and gas reticulation	Schedule 4 Part B	Yes
Firefighting services	Schedule 4 Part B	Yes
Local tourism	Schedule 4 Part B	Yes
Municipal airports	Schedule 4 Part B	N/A
Municipal planning	Schedule 4 Part B	Yes
Municipal health services	Schedule 4 Part B	No
Municipal public transport	Schedule 4 Part B	N/A
Municipal public works	Schedule 4 Part B	Yes
Pontoons, ferries, jetties, piers and harbours,	Schedule 4 Part B	Yes
Storm water management systems in built-up areas	Schedule 4 Part B	Yes
Trading regulations	Schedule 4 Part B	Yes
Water and sanitation services	Schedule 4 Part B	Yes
Beaches and amusement facilities	Schedule 5 Part B	Yes
Billboards and the display of advertisements in public places	Schedule 5 Part B	No
Cemeteries, funeral parlours and crematoria	Schedule 5 Part B	Yes
Cleansing	Schedule 5 Part B	No
Control of public nuisances	Schedule 5 Part B	Yes
Control of undertakings that sell liquor to the public	Schedule 5 Part B	Yes
Facilities for the accommodation, care and burial of animals	Schedule 5 Part B	Yes
Fencing and fences	Schedule 5 Part B	N/A
Licensing of dogs	Schedule 5 Part B	Yes
Licensing and control of undertakings that sell food to the public	Schedule 5 Part B	No
Local amenities	Schedule 5 Part B	N/A
Local sport facilities	Schedule 5 Part B	Yes
Markets	Schedule 5 Part B	N/A
Municipal abattoirs	Schedule 5 Part B	Yes
Municipal parks and recreation	Schedule 5 Part B	Yes
Municipal roads	Schedule 5 Part B	Yes
Noise pollution	Schedule 5 Part B	Yes
Pounds	Schedule 5 Part B	Yes
Public places	Schedule 5 Part B	Yes

Powers & Functions	Reference	Performed (Yes/No)
Schedule 4 Part B and Schedule 5 Part B Powers and Functions:		
Refuse removal, refuse dumps and solid waste disposal	Schedule 5 Part B	Yes
Street trading	Schedule 5 Part B	Yes
Street lighting	Schedule 5 Part B	Yes
Traffic and parking	Schedule 5 Part B	Yes
Fiscal Powers and Functions in terms of Section 229 of the Constitution:		
Levying of rates on property and surcharges on fees for services provided by or on behalf of the		Yes
Other powers and function not specified by the Constitution		
Disaster management (*)		Yes
Integrated development planning		Yes
Libraries and museums (other than national libraries and museums)		No
Nature conservation Tourism promotion (at local level only)		Yes

Appendix E: Ward Reporting**Table A11: Ward Reporting**

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Matthews Jabulani Radebe	Yes	8	15	7
2	Joseph Morena Molawa	Yes	4	9	5
3	Mosiuoa Solomon Poho	Yes	1	1	-
4	Thandiwe Linah Soetsang	Yes	1	3	2
5	Sara Mapule Mofokeng	Yes	1	1	-
6	Mahadi Nkheloane	Yes	2	6	4
7	Portia Mabatho Mahlaela	Yes	1	1	-
8	Lefa Lawrence Nhlapo	Yes	7	11	4
9	Mosokodi Elias Mqwathi	Yes	3	10	7
10	Nokuthula Mirriam Mtshali	Yes	9	24	15
11	Dial Vakele Rani	Yes	1	1	-
12	Lebohang Andries Makhefu	Yes	5	8	3
13	Fikile Daniel Mosokweni	Yes	4	15	11
14	Francois Jacobus Van der Merwe	Yes	-	-	-
15	Louis Jacobus Van Heerden	Yes	1	1	-
16	Jan Jacobus Barnard	Yes	4	6	2
17	Thabang Kennedy Rankoe	Yes	7	12	5
18	Linda Day	Yes	-	-	-
19	Lunga Mthetho	Yes	3	9	6
20	Lucas Fisher	Yes	1	1	-
21	Teboho Glen Sehaole	Yes	6	14	8
22	Ruanda Meyer	Yes	-	-	-
23	Manana Bernice Mozolo	Yes	3	8	5

Appendix F: Ward Information

Table A12: Ward Information

First Quarter		Second Quarter	
Activities	Wards	Activities	Wards
Cleaning campaign	6	Early childhood visits	1,3,4,5,6 13,19,20,21
Mandela Day	5	Groceries for matriculants	5,3,8,13,20,
Kgosikgolo Lehasa Heritage Day	5	Household profiles	All wards except 14,15,16,17, 18,22
Early childhood visits	1,3,4,5,6,13,19, 20,21		

Third Quarter		Fourth Quarter	
Activities	Wards	Activities	Wards
Metsimaholo Stakeholders meeting & Jojo tanks project	5	Paving project	8,19, 23
Department of Forest and Fisheries meeting (planting of trees in the ward) & Judicial Inspectorate of Correctional Service Information Session	1	Drug and substance awareness program	17
Replacement of water pipes	11		
Paving project	10		
Cleaning campaign	10, 8		
Back to school campaign & Clinic committee meeting	6		
Amnesty Awareness	ALL		

Appendix G: Recommendations of the Audit Committee**Table A13: Recommendations of the Audit Committee**

Municipal Audit Committee Recommendations		
Date of Meeting	Committee recommendations during 2021/22	Recommendations adopted?
18 October 2022	Management should develop a strategy to reduce the amount of Unauthorized, Irregular and Fruitless & Wasteful (UIFW) expenditure	No
18 October 2022	Implement adequate internal control measures to safeguard cash collection and deposit as well as to avoid noncompliance with SCM rules and regulations	No
	Steps to be taken to effect consequence management	No
18 October 2022	Fill the vacant post of compliance officer to minimize noncompliance issues and to monitor audit action plan	No
18 October 2022	Measures to be taken to prepare and safeguard the municipal assets as the status of the Plant Property and Equipment might end up in qualification in the Auditor General's report.	No
18 October 2022	Measures to be taken to prevent upfront payment to suppliers without appointing the contractor and to regularize the payment to the security company with normal SCM processes	No
28 June 2023	Performance agreement of the Director Corporate Services to be concluded.	Yes
16 March 2023	Organogram should be adopted by the council to comply with the staff regulations and to appoint the right person for the right job.	Yes
16 March 2023	Internal audit findings must be addressed, and recommendations be implemented to improve operations and avoid Auditor General findings.	No
16 March 2023	Management should address the distribution losses (both electricity and water) by implementing adequate internal control measures to address illegal connections.	No
28 November 2022	Monitor Audit action plan to address the audit issues and qualification items in the audit report.	No
16 March 2023	Security management policy must be approved and measures should be put in place to safeguard municipal assets.	No
16 March 2023	Dashboard of all policies should be developed and all policies must be reviewed annually or periodically.	No
16 March 2023	Critical turn over post must be filled as a matter of urgency to address service delivery issues.	No

Appendix H: Long-term contracts and Public Private Partnerships**Table A14: Long-term contracts and Public Private Partnerships**

Name of the supplier / service provider	Description of the Project	Service Level Agreement signed (Yes/No)	Project Start Date	Project Completion Date	Status as at 30 June 2023
Contract Number MLM 06/2018/19 1. Imvelaphi Trading 2. Wes Ozzie (Pty) Ltd 3. Kadongo Trading 4. Selebalo Painting & Projects	Appointment of a Panel for Grass Cutting and Tree Pruning for a period of three years on an as required basis	Yes 13 December 2018	03/01/2019	13/12/2021	Completed work and Contract ended running on month-to-month basis
Boitumelo Maubane Attorneys MLM24/2014/15	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	26/10/2015	26/10/2018 No extension	Ongoing instructions
Ransford Mbewe Attorneys MLM24/2014/15	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	26/10/2015	26/10/2018 No extension	Ongoing instructions
Adolff Attorneys MLM24/2014/15	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	26/10/2015	26/10/2018 No extension	Ongoing instructions
Lebea Attorneys MLM24/2014/15	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	26/10/2015	26/10/2018 No extension	Instructions Finalised
Raphela Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	08/11/2019	08/11/2022 Extension of contract – 7 November 2022	Instructions finalised

Name of the supplier / service provider	Description of the Project	Service Level Agreement signed (Yes/No)	Project Start Date	Project Completion Date	Status as at 30 June 2023
Ponoane Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	08/11/2019	08/11/2022 Extension of contract – 7 November 2022	Ongoing instructions
Katake Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	08/11/2019	08/11/2022 Extension of contract – 7 November 2022	Ongoing instructions
Popela Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	08/11/2019	08/11/2022 Extension of contract – 7 November 2022	Instructions finalised
Verveen Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	08/11/2019	08/11/2022 Extension of contract – 7 November 2022	Ongoing instructions Ongoing
Lizel Venter Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	08/11/2019	08/11/2022 Extension of contract – 7 November 2022	Ongoing instructions
Khumalo Masondo Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	08/11/2019	08/11/2022 Extension of contract – 7 November 2022	Instructions finalised ii
Lawrence Melato Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	08/11/2019	08/11/2022 Extension of contract – 7 November 2022	Ongoing instructions
Makoba Consultants (PTY) LTD	MLM26/2018/19/RFP 05 Surveying and pegging & registration to SG office Erven	No	02/09/2020	Project completed	Final (close out) invoice submitted, and payment certificate submitted to

Name of the supplier / service provider	Description of the Project	Service Level Agreement signed (Yes/No)	Project Start Date	Project Completion Date	Status as at 30 June 2023
Makoba Consultants (PTY) LTD	MLM26/2028/19RFP05 Surveying and pegging & registration to SG office Erven	No	02/09/2020	Project completed	Final (close out) invoice submitted, and payment certificate submitted to
Acute Innovations (PTY) LTD	MLM26/2018/19/RFP03 Surveying and pegging & registration to SG office Erven	Yes	09/09/2020	Project in progress	Site is 100% pegged and General plan lodged at surveyor General.
Luande Technical Group (PTY) LTD	MLM26/2918/19/RFP06 Develop a Land Use Management Scheme	Yes	31/08/2020	Project in progress	Request for Extension of time until 30 November 2023. Submitted a draft Land Use
Skotane Development Consultants	MLM26/2018/19/RFP07 Township Establishment: Re of the Townlands of Oranjeville 1124	Yes	18/06/2021	Project in progress	Land use application submitted and in circulation for internal and external comments, Extension of time granted until 30 January 2024
Kamohelo Land Management Consultants	appointment of professional town planning service provider for rezoning and subdivision of erf 9684 in zamdela extension 2 and erf 11823 in zamdela extension 9	Yes	30/11/2022	Project in progress	Land use application submitted to municipality. town planning comments sent to the applicant
Kamohelo Land Management Consultants	appointment of professional town planning service provider for rezoning and subdivision of	Yes	30/11/2022	Project in progress	Land use application submitted to municipality. town planning

Appendix I: Municipal Entity/Service Provider Performance Schedule**Table A15: Municipal Entity/Service Provider Performance Schedule**

Name of the supplier / service provider	Description of the Project	Service Level Agreement signed (Yes/ No)	Status as at 30 June 2023 (e.g. in progress, completed, etc.)	Performance Measurement as at 30 June 2023 (Good/ Fair/ Poor)
Contract Number MLM 06/2018/19 1. Imvelaphi Trading 2. Wes Ozzie (Pty) Ltd 3. Kadongo Trading 4. Selebalo Painting & Projects	Appointment of a Panel for Grass Cutting and Tree Pruning for a period of three years on an as required basis	Yes	Completed work and Contract ended running on month-to-month basis	Good
Boitumelo Maubane Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	In Progress	Good
Ransford Mbewe Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	In Progress	Good
Adolff Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	Completed	Good
Lawrence Melato Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	In progress	Good
Raphela Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	Instructions Finalised	Good
Ponoane Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	In progress	Good
Katake Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	In progress	Good

Name of the supplier / service provider	Description of the Project	Service Level Agreement signed (Yes/ No)	Status as at 30 June 2023 (e.g. in progress,	Performance Measurement as at 30 June 2023 (Good/ Fair/ Poor)
Popela Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	Instructions Finalised	Good
Verveen Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	In progress	Good
Lizel Venter Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	In progress	Good
Khumalo Masondo Attorneys MLM18/2018/19	Legal entity that provides supportive legal related services on as when required for a period of 3 years	No	Instructions finalised	Good
Makoba Consultants (PTY) LTD	MLM26/2018/19/RFP05 Surveying and pegging & registration to SG office Erven 16370 Zamdela Ext 12 Township	No	Final (close out) invoice submitted, and payment certificate	Excellent
Makoba Consultants (PTY) LTD	MLM26/2028/19RFP05 Surveying and pegging & registration to SG office Erven 16064 Zamdela Ext 12 Township	No	Final (close out) invoice submitted, and payment certificate	Excellent
Acute Innovations (PTY) LTD	MLM26/2018/19/RFP03 Surveying and pegging & registration to SG office Erven 17723 Zamdela Ext 12 Township	Yes	Site is 100% pegged and General plan lodged at surveyor	Poor
Luande Technical Group (PTY) LTD	MLM26/2918/19/RFP06 Develop a Land Use Management Scheme	Yes	Request for Extension of time until 30 November 2023.	poor
Skotane Development Consultants	MLM26/2018/19/RFP07 Township Establishment: Re of the Townlands of Oranjeville 1124	Yes	Land use application submitted and in circulation	Poor

Name of the supplier / service provider	Description of the Project	Service Level Agreement signed (Yes/ No)	Status as at 30 June 2023 (e.g. in progress,	Performance Measurement as at 30 June 2023 (Good/ Fair/ Poor)
Kamohelo Land Management Consultants	appointment of professional town planning service provider for rezoning and subdivision of erf 9684 in zamdela	Yes	Land use application submitted to municipality.	Good
Kamohelo Land Management Consultants	appointment of professional town planning service provider for rezoning and subdivision of erven 21820, 21819, 21910	Yes	Land use application submitted to municipality.	Good

Appendix J: Disclosure of Financial Interest**Table A16: Disclosure of Financial Interest**

Register of Declaration of Financial Interests as at 30 June 2023				
Surname	Names	Name of Business & Registration Number	Address of Business	Association with the Business
SEDIANE	MOHLOUOA EPHRAIM	MTN SA	N/A	ORDINARY
		THC	N/A	PREFERENT
		UPRISE AFRICA/MARKET	N/A	ORDINARY
ALBERTS	GINO	NONE	N/A	N/A
SELIANE	MAMUSETSI ASISYN	N/A	-	-
THEKO	MOJELA	NONE	N/A	N/A
THULO	THATO GODFREY	MBM RESOURCES	N/A	N/A
RAPULENG	MATEBOHO	RAPULENG ATTORNEYS	N/A	Law Firm
NHLAPO	GUGULETHU PRINCE	N/A	-	-
MNGUNI	ABEL	CONSULTANCY	N/A	PRIVATE
SELIKANE	JULIA M	WHIPHOLD	N/A	MINING WOMEN INVESTMENT TRUST
MOSHODI	MEDI DAVIS	NONE	N/A	N/A
MOTA	SELEMO BILLY	BRIDGE CORPORATION MTN SASOL	N/A	ORDINARY
SCHEEPERS	CLIVE	NONE	N/A	N/A
LEKHULENI	GRIFFITHS	NONE	N/A	N/A
DU TOIT	THEO	SANLAM OLD MUTUAL	N/A	ORDINARY
VAN DER MERWE	FRANCOUIS JACOBUS	NONE	N/A	N/A
BILA	SIBUSISO	BILA'S ICE BLOCKS	-	50% OWNERSHIP
GEORGE	KOSHY	N/A	-	-
MVULANE	KHUBEKILE	N/A	-	-
MOFOKENG	LEHLOHONOLO	N/A	-	-
RAMATHESELE	SERAME ISAAC	- RAMATHESELE BROTHERS	-	100% OWNERSHIP 100% OWNERSHIP
MABUZA	SIBUSISO SABELO	N/A	-	-

Register of Declaration of Financial Interests as at 30 June 2023				
Surname	Names	Name of Business & Registration Number	Address of zBusiness	Association with the Business
PHAKOE	THABO	N/A	-	-
THULO	THATO	N/A	-	-
MOKOENA	THABANG	N/A	-	-
CLLR. MAKHEFU	LEBOHANG	FINANCIAL PENINSIA	-	-
CLLR. FISHER	LUCAS	N/A	-	-
CLLR. PIENAAR (ADV)	MORNE	HR, IR AND LEGAL CONSULTANCY	-	100% OWNER
CLLR. MOKWAI	SAM	N/A	-	-
CLLR. MBIKOLO	DINAH KHETHIWE	N/A	-	-
CLLR. MEYER	RUANDA	ECLIPZ DOGGY	-	-
CLLR. MOFOKENG	SARA MAPULE	LEHLOMELA PRIMARY CO-OPERATIVE	-	100%
CLLR. MALINDI	MTHAKATHI JACK	N/A	-	-
CLLR. RANKOE	THABANG	REHLUA MEKINDABA	-	100%
CLLR. MOZOLO	MANANA BERNICE	N/A	-	-
CLLR. VAKELE	RANI DIAL	N/A	-	-
CLLR. ZWANE	ZISINDO	PHUTHUMANATHI MULTICHOICE	N/A	ORDINARY
CLLR. RADEBE	MATTHEWS JABULANI	N/A	-	-
CLLR. SOETSANG	THANDIWE LINAH	N/A	-	-
CLLR. MOSOKWENI	FIKILE	SIBUSISIWE CONSTRUCTION	N/A	PRIVATE
CLLR. MTHETHO	LUNGA	MARSHAL ENTERTAINMENT AND MOTIVATION	-	100%
CLLR. MOFOKENG	THABISO HARRY	N/A	-	-
CLLR. NKHELOANE	MAHADI	N/A	-	-

Register of Declaration of Financial Interests as at 30 June 2023				
Surname	Names	Name of Business & Registration Number	Address of Business	Association with the Business
CLLR. MOLAWA	JOSEPH MORENA	N/A	-	-
CLLR. MAKHEMA	JONAS MOEKETSI	N/A	-	-
CLLR. MQWATHI	MOSOKODI ELIAS	N/A	-	-
CLLR. MTSHALI	NOKUTHULA	N/A	-	-
CLLR. POHO	MOSIUA SOLOMON	N/A	-	-
CLLR. BARNARD	JAN JACOBUS	N/A	-	-
CLLR. DAY	LINDA	N/A	-	-
CLLR. MASITENG	JONAS MOKOMA	N/A	-	-
CLLR. NHLAPO	LEFA LAWRENCE	N/A	-	-
CLLR. MOFOKENG	DOTLHARE ANGELINA	N/A	-	-
CLLR. MAHLAELA	PORTIA MABATHO	N/A	-	-
CLLR. SEHAOLE	TEBOHO GLEN	N/A	-	-
CLLR. TSHONGWE	LINDIWE SYLVIA	WHIPHOLD MTN NEDBANK	N/A	ORDINARY
CLLR. MOTSAPI	MBOCHOASE SANA	N/A	-	-
CLLR. CHALALA	LEBOHANG JOYCE	N/A	-	-
CLLR. MASEKO	MOEKETSI ERIC	N/A	-	-
CLLR. VAN HEERDEN	LOUIS JACOBUS	N/A	-	-
CLLR. KUMALO	MABTHORE ANNAH	N/A	-	-
CLLR. GEYSER	ELIZABETH JUDITH	N/A	-	-
CLLR. MAMPANA	TUMELO	N/A	-	-
CLLR. TSOTETSI	LEETOANE	N/A	-	-
CLLR. MOTAUNG	TIBISI APRIL	N/A	-	-
CLLR. VD MERWE	FRANCOIS JACOBUS	N/A	-	-

Appendix K: Revenue Collection Performance
Appendix K (i): Revenue Collection Performance by Vote

Table A17: Revenue Collection Performance by Vote

FS204 Metsimaholo - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal Manager		3 320	3 138	3 138	3	2 039	3 138	(1 099)	-35,0%	3 138
Vote 03 - Corporate Services		807	758	858	5	762	858	(96)	-11,2%	858
Vote 04 - Social Services		80 808	89 678	85 503	11 333	76 583	85 503	(8 920)	-10,4%	85 503
Vote 05 - Technical Services		1 094 618	1 312 586	1 225 399	101 192	1 004 324	1 225 399	(221 075)	-18,0%	1 225 399
Vote 06 - Financial Services		418 336	396 361	398 836	24 243	457 541	398 836	58 705	14,7%	398 836
Vote 07 - Local Economic Development and Planning		7 698	27 229	8 309	618	7 438	8 309	(871)	-10,5%	8 309
Total Revenue by Vote	2	1 605 586	1 829 750	1 722 043	137 394	1 548 687	1 722 043	(173 356)	-10,1%	1 722 043

Appendix K (ii): Revenue Collection Performance by Source

Table A18: Revenue Collection Performance By Source

FS204 Metsimaholo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		211 196	194 330	194 330	18 721	211 327	194 330	16 997	9%	194 330
Service charges - electricity revenue		328 954	457 451	415 307	28 389	307 156	415 307	(108 151)	-26%	415 307
Service charges - water revenue		443 254	531 359	495 251	43 383	426 771	495 251	(68 481)	-14%	495 251
Service charges - sanitation revenue		68 294	88 780	79 864	6 501	64 651	79 864	(15 214)	-19%	79 864
Service charges - refuse revenue		41 960	44 239	44 197	11 043	52 466	44 197	8 269	19%	44 197
Rental of facilities and equipment		6 691	6 319	6 571	541	6 515	6 571	(56)	-1%	6 571
Interest earned - external investments		5 160	3 000	4 800	-	10 099	4 800	5 299	110%	4 800
Interest earned - outstanding debtors		61 222	52 400	52 400	10 420	100 239	52 400	47 839	91%	52 400
Dividends received		123	100	100	-	133	100	33	33%	100
Fines, penalties, and forfeits		4 285	13 600	4 080	76	539	4 080	(3 541)	-87%	4 080
Licenses and permits		15	105	105	-	7	105	(98)	-93%	105
Agency services								-		
Transfers and subsidies		236 230	254 009	254 009	-	251 651	254 009	(2 357)	-1%	254 009
Other revenue		7 161	27 893	9 763	218	6 013	9 763	(3 750)	-38%	9 763
Gains		15 736	-	-	134	134	-	134	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		1 430 281	1 673 585	1 560 778	119 425	1 437 702	1 560 778	(123 076)	-8%	1 560 778

Appendix L: Conditional Grants Received (Excluding MIG)

Table A19: Conditional Grants Received (Excluding MIG)

FS204 Metsimaholo - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital Transfers and Grants										
National Government:		77 712	106 165	111 265	17 969	82 330	111 265	(28 935)	-26,0%	111 265
Integrated National Electrification Programme Grant		30 400	35 631	35 631	2 937	31 052	35 631	(4 579)	-12,9%	35 631
Municipal Infrastructure Grant		35 053	48 218	53 318	15 032	44 276	53 318	(9 042)	-17,0%	53 318
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		12 259	22 316	22 316	–	7 002	22 316	(15 314)	-68,6%	22 316
Provincial Government:		–	–	–	–	–	–	–	–	–
Infrastructure Grant		–	–	–	–	–	–	–	–	–
District Municipality:		763	–	–	–	–	–	–	–	–
Specify (Add grant description)		763	–	–	–	–	–	–	–	–
Other grant providers:		96 830	50 000	50 000	–	28 656	50 000	(21 344)	-42,7%	50 000
[insert description]								–	–	–
Production		84 948	50 000	50 000	–	28 656	50 000	(21 344)	-42,7%	50 000
Unspecified		11 882	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	175 305	156 165	161 265	17 969	110 985	161 265	(50 280)	-31,2%	161 265
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	411 535	410 174	415 274	17 969	362 637	415 274	(52 637)	-12,7%	415 274

Appendix M: Capital Expenditure – New & Upgrade/Renewal Programmes (Including MIG)

Appendix M (i): Capital Expenditure - New Assets Programme

Table A20: Capital Expenditure - New Assets Programme

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		134 474	160 753	141 493	8 664	89 849	141 493	51 644	36,5%	141 493
Roads Infrastructure		25 166	46 229	40 253	3 957	16 063	40 253	24 190	60,1%	40 253
Roads		26 209	46 229	40 253	3 957	16 063	40 253	24 190	60,1%	40 253
Road Structures		-	-	-	-	-	-	-		-
Road Furniture		(1 043)	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection		-	-	-	-	-	-	-		-
Storm water Conveyance		-	-	-	-	-	-	-		-
Attenuation		-	-	-	-	-	-	-		-
Electrical Infrastructure		29 402	39 631	35 631	2 937	31 255	35 631	4 376	12,3%	35 631
Power Plants		-	-	-	-	-	-	-		-
HV Substations		-	-	-	-	-	-	-		-
HV Switching Station		-	-	-	-	-	-	-		-
HV Transmission Conductors		-	-	-	-	-	-	-		-
MV Substations		-	-	-	-	-	-	-		-
MV Switching Stations		-	-	-	-	-	-	-		-
MV Networks		1 726	2 000	-	-	271	-	(271)	#DIV/0!	-
LV Networks		26 564	35 631	35 631	2 937	30 983	35 631	4 648	13,0%	35 631
Capital Spares		1 113	2 000	-	-	-	-	-		-
Water Supply Infrastructure		5 934	22 693	14 480	573	3 906	14 480	10 574	73,0%	14 480
Dams and Weirs		-	-	-	-	-	-	-		-
Boreholes		-	-	-	-	-	-	-		-
Reservoirs		-	-	-	-	-	-	-		-
Pump Stations		-	-	-	-	-	-	-		-
Water Treatment Works		-	10 000	10 000	-	400	10 000	9 600	96,0%	10 000
Bulk Mains		-	-	-	-	-	-	-		-
Distribution		603	-	-	-	-	-	-		-
Distribution Points		-	-	-	-	-	-	-		-
PRV Stations		-	-	-	-	-	-	-		-
Capital Spares		5 332	12 693	4 480	573	3 506	4 480	974	21,7%	4 480
Sanitation Infrastructure		73 971	52 000	51 129	1 196	38 625	51 129	12 503	24,5%	51 129
Pump Station		-	-	-	-	-	-	-		-
Reticulation		718	-	-	-	-	-	-		-
Waste Water Treatment Works		73 253	50 000	50 000	-	37 429	50 000	12 571	25,1%	50 000
Outfall Sewers		-	-	-	-	-	-	-		-
Toilet Facilities		-	-	1 129	1 196	1 196	1 129	(68)	-6,0%	1 129
Capital Spares		-	2 000	-	-	-	-	-		-
Solid Waste Infrastructure		-	-	-	-	-	-	-		-
Landfill Sites		-	-	-	-	-	-	-		-
Waste Transfer Stations		-	-	-	-	-	-	-		-
Waste Processing Facilities		-	-	-	-	-	-	-		-
Waste Drop-off Points		-	-	-	-	-	-	-		-

Metsimaholo Local Municipality

Waste Separation Facilities							-		
Electricity Generation Facilities							-		
Capital Spares							-		
Rail Infrastructure	-	-	-	-	-	-	-		-
Rail Lines							-		
Rail Structures							-		
Rail Furniture							-		
Drainage Collection							-		
Storm water Conveyance							-		
Attenuation							-		
MV Substations							-		
LV Networks							-		
Capital Spares							-		
Coastal Infrastructure	-	-	-	-	-	-	-		-
Sand Pumps							-		
Piers							-		
Revetments							-		
Promenades							-		
Capital Spares							-		
Information and Communication Infrastructure	-	200	-	-	-	-	-		-
Data Centers							-		
Core Layers							-		
Distribution Layers	-	200	-	-	-	-	-		-
Capital Spares							-		
Community Assets	3 804	3 400	4 897	2 457	3 254	4 897	1 642	33,5%	4 897
Community Facilities	3 804	3 400	4 897	2 457	3 254	4 897	1 642	33,5%	4 897
Halls							-		
Centers							-		
Crèches							-		
Clinics/Care Centers							-		
Fire/Ambulance Stations	-	-	-	-	-	-	-		-
Testing Stations							-		
Museums							-		
Galleries							-		
Theatres							-		
Libraries							-		
Cemeteries/Crematoria	3 430	40	4 574	2 457	3 254	4 574	1 320	28,9%	4 574
Police							-		
Parks	-	500	-	-	-	-	-		-
Public Open Space	374	2 860	323	-	-	323	323	100,0%	323
Nature Reserves							-		
Public Ablution Facilities							-		
Markets							-		
Stalls							-		
Abattoirs							-		
Airports							-		
Taxi Ranks/Bus Terminals							-		
Capital Spares							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities	-	-	-	-	-	-	-		-
Capital Spares							-		
Heritage assets	-	-	-	-	-	-	-		-
Monuments							-		

Historic Buildings							-		
Works of Art							-		
Conservation Areas							-		
Other Heritage							-		
Investment properties	-	-	-	-	-	-	-		-
Revenue Generating									
<i>Improved Property</i>							-		
<i>Unimproved Property</i>							-		
Non-revenue Generating									
<i>Improved Property</i>							-		
<i>Unimproved Property</i>							-		
Other assets	-	1 200	-	-	77	-	(77)	#DIV/0!	-
Operational Buildings		1 200	-	-	77	-	(77)	#DIV/0!	-
<i>Municipal Offices</i>	-	200	-	-	77	-	(77)	#DIV/0!	-
<i>Pay/Enquiry Points</i>							-		
<i>Building Plan Offices</i>							-		
<i>Workshops</i>							-		
<i>Yards</i>	-	-	-	-	-	-	-		-
<i>Stores</i>							-		
<i>Laboratories</i>							-		
<i>Training Centres</i>							-		
<i>Manufacturing Plant</i>							-		
<i>Depots</i>							-		
<i>Capital Spares</i>	-	1 000	-	-	-	-	-		-
Housing									
<i>Staff Housing</i>							-		
<i>Social Housing</i>							-		
<i>Capital Spares</i>							-		
Biological or Cultivated Assets	-	-	-	-	-	-	-		-
Biological or Cultivated Assets							-		
Intangible Assets	-	200	-	-	-	-	-		-
Servitudes							-		
Licences and Rights		200	-	-	-	-	-		-
<i>Water Rights</i>							-		
<i>Effluent Licenses</i>							-		
<i>Solid Waste Licenses</i>							-		
<i>Computer Software and Applications</i>	-	200	-	-	-	-	-		-
<i>Load Settlement Software Applications</i>							-		
<i>Unspecified</i>							-		
Computer Equipment	792	950	-	-	-	-	-		-
Computer Equipment	792	950	-	-	-	-	-		-
Furniture and Office Equipment	266	1 594	25	-	-	25	25	100,0%	25
Furniture and Office Equipment	266	1 594	25	-	-	25	25	100,0%	25
Machinery and Equipment	1 999	7 849	4 277	355	309	4 277	3 968	92,8%	4 277
Machinery and Equipment	1 999	7 849	4 277	355	309	4 277	3 968	92,8%	4 277
Transport Assets	450	21 709	17 004	-	-	17 004	17 004	100,0%	17 004
Transport Assets	450	21 709	17 004	-	-	17 004	17 004	100,0%	17 004
Land	-	300	-	-	-	-	-		-
Land	-	300	-	-	-	-	-		-

Metsimaholo Local Municipality

Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals								-	
Total Capital Expenditure on new assets	1	141 786	197 955	167 696	11 476	93 489	167 696	74 206	44,3%

Appendix N: Capital Programme by Project current year**Table A21: Capital Programme by Project current year**

Capital Programme by Project: 2022/23					
R' 000					
Capital Project	Original Budget	Adjustment Budget	Actual Budget	Variance (Act - Adj) %	Variance (Act - OB) %
Refenggotso/Deneysville: Construction of Sports Complex (MIS:215549)	2 537 800,00	0	0	0	0
Zamdela/Amelia: Construction of a new cemetery (MIS:284187)	5 373 344,30	4 472 950,83	4 472 950,83	0	-16.76
Metsimaholo: Construction of 2.02km paved roads and storm water drainage Ward 5 Phase 1 (MIS:339921)	6 626 881,99	6 078 639,03	6 078 639,03	0	-8.27
Zamdela Ward 11: Upgrading of rusted galvanised pipes to UPVC Phase 1 COVID-19 (MIS:363784)	4 843 294,17	4 782 348,49	4 782 348,49	0	-1.26
Zamdela: Construction of 2.05km paved roads and storm water drainage in Ward 10 (MIS:339953)	9 729 535,37	9 077 128,50	9 077 128,50	0	-6.71
Themba Khubeka: Installation of 2537 water meters and 55 bulk water meters (MIS:340073)	4 744 865,20	4 480 087,64	4 480 087,64	0	-5.58
Zamdela: Construction 2.1km paved roads and storm water Drainages Phase 2 (Ward 8) (MIS:422185)	4 400 000,00	5 177 463,09	5 177 463,09	0	107.67
Sasolburg: Upgrading of water pump station (MIS:422536)	3 212 737,80	9 666 908,66	9 666 908,66	0	200.89
Gortin: Construction of 2.05km paved roads and storm water drainage Phase 1 (MIS:422196)	2 749 741,17	8 451 058,68	8 451 058,68	0	207.34
Zamdela: Upgrading of rusted galvanized water pipes to Upvc Ward 09 (MIS:422232)	4 000 000,00	0	0	0	-100
Phase 2: Upgrading of Oranjeville Water Treatment Plant	2 316 000	4 775 759,56	3 697 481,06	-22.58	59.65
Themba Khubeka: bulk Electrical Supply and reticulation	35 631 000	35 631 000	35 631 000	0	0
Sanitation/Sewerage					
Gortin: Construction of 2000 toilet structures Phase 1 (MIS:460855)	0	1 375 954,24	1 375 954,24	0	
Upgrading of Refenggotso WWTW to 6MI/Day	50 000 000	43 043 363,43	43 043 363,43	0	-16.16
Upgrading of Oranjeville Waste Water Treatment Plant	20 000 000	12 407 240,44	11 763 326,19	-5.19	-41.18

Appendix O: Capital Programme by project by ward current year**Table A22: Capital Programme by project by ward current year**

Project description	Ward	Total Budget	Start Date	Completion Date	Physical Progress %	Comments
MIG Projects - 2022/23						
Zamdela/Amelia: Construction of a new cemetery (MIS:284187)	3	R9 814 170,10	Dec 2021	Oct 2023	75	Awaiting budget maintenance approval
Metsimaholo: Construction of 2.02km paved roads and storm water drainage Ward 5 Phase 1 (MIS:339921)	5	R16 823 119,94	May 2022	Jun 2023	100	Completed
Zamdela Ward 11: Upgrading of rusted galvanised pipes to UPVC Phase 1 COVID-19 (MIS:363784)	11	R8 247 007,08	May 2022	May 2023	100	Completed
Zamdela: Construction of 2.05km paved roads and storm water drainage in Ward 10 (MIS:339953)	10	R18 780 770,69	May 2022	Jun 2023	100	Completed
Themba Khubeka: Installation of 2537 water meters and 55 bulk water meters (MIS:340073)	20	R10 876 421,40	May 2022	May 2023	100	Completed
Zamdela: Construction 2.1km paved roads and storm water Drainages Phase 2 (Ward 8) (MIS:422185)	8	R19 751 403,20	May 2023	Mar 2024	22	In progress
Sasolburg: Upgrading of water pump station (MIS:422536)	12	R21 110 320,00	Sep 2022	Jun 2024	35	Project to go out on re- advert
Gortin: Construction of 2.05km paved roads and storm water drainage Phase 1 (MIS:422196)	1	R20 417 252,46	May 2023	Feb 2024	45	In good progress
Gortin: Construction of 2000 toilet structures Phase 1 (MIS:460855)	1	R44 034 650,00	Nov 2023	Mar 2025	0	Project to go out on tender in Sep 23
DWS Projects - 2022/23						
Upgrading of Refengkgotso WWTW to 6MI/Day	23	R228 814 350,00	Jun 2017	Oct 2023	99	Wet commissioning in progress
Upgrading of Oranjeville Waste Water Treatment Plant	05	R63 932 693,75	Jun 2021	TBC	50	Termination of contractor in progress
Phase 2: Upgrading of Oranjeville Water Treatment Plant	05	R26 220 000,00	Nov 2023	Mar 2025	0	Project to go out on tender in Dec 23
EPWP Projects - 2022/23						
Infra, Social, Enviro	ALL	R950 000,00	Jun 2023	Jul 2024	05	On- going
DOE Projects - 2021/22						
Themba Khubeka: bulk Electrical Supply and reticulation	23	R90 845 452,49	May 2022	Feb 2024	75	Electrification at 95%. Vaaldam sub-station in progress

Appendix P: Service Connection Backlogs at Schools and Clinics

-None

Appendix Q: Service Backlogs Experienced by the Community where another Sphere of Government is responsible for service provision.

- None

Appendix R: Declaration of Loans and Grants made by the municipality.

- N/A

Appendix S: Declaration of returns not made due to time under MFMA s71

- All section 71 reports were submitted on time during the period under review.
- S71 Reports are always uploaded and submitted on time to Treasury and the Executive Mayor, in order to comply with MFMA

Appendix T: National and Provincial Outcome for local government

Table A23: National and Provincial Outcome for local government

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	<u>Access to all</u>	43 469 Households (93,8%)
	-Water	
	-Electricity	41 558 households (70.3%)
	-Sanitation	33 850 households (73.9%)
	-Refuse	36 084 households (78.9%)
Output: Implementation of the Community Work Programme	Metsimaholo is approved as site to implement CWP with total allocation of 1100 participants within Municipal area. The programme is fairly doing well.	963 participants or job opportunities created (87,5%)
Output: Deepen democracy through a refined Ward Committee model	Good, Municipality managed to establish Ward Committees and were provided with Training	100% (All 23 Wards)
Output: Administrative and financial capability	Administrative Capability: Excellent, Senior Managers positions were filled at the beginning of the Financial Year Financial Capability: Fair, Municipality is collecting below the set standard. However, the third parties (ESKOM & Rand Water) are paid consistently.	All Senior Managers and Municipal Manager vacancies were appointed. Therefore, All Critical Positions are filled

VOLUME II – AUDITED 2022/23 ANNUAL FINANCIAL STATEMENTS