



**JOE GQABI DISTRICT
MUNICIPALITY**

**DRAFT
CONSOLIDATED
ANNUAL
REPORT**

2022/23 FY

2022/23 FY

August
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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

1.1 Mayor's Foreword

The Council of the Joe Gqabi District municipality in with the Provincial and Growth and Development Strategy (PGDS) and Eastern Cape Rural Development Strategy (ECRDS) has adopted and implemented a socio-economic development trajectory in that:

- The Council including partnership between our development agency and the private sector are implemented a number of interventions on skills development focusing at community level and supporting SMMEs to ensure that we create conditions for innovative and inclusive growing economy
- In building a resilient and supportive socio-economic development infrastructure, the Council has over the past few years and including the current year under review expended all its allocated Municipal Infrastructure Grant (MIG) of the allocated R180m on upgrading of Water Treatment Works (WTWs), water services bulk lines, Waste Water Treatment Works (WWTWs), as well as the sanitation backlog eradication and upgrade programme
- On rural development and value-add support in the agricultural sector, the Council has implemented a number of interventions intended to deal with livestock improvement programme through provision of quality rams to our emerging partners to improve their livestock. Through government collaboration, we continue to lobby the relevant sector department and the private sector to focus on ensuring availability of the required Agricultural infrastructure development across the District with a special focus on the emerging agricultural sector.
- To dent the high dependency rate levels within our District, we are working closely with relevant spheres and government and the private sector to ensure that health services and the standard of education are improved across the District. We are beginning to see the impact of our activities. We have improved greatly on the EPWP implementation performance and our focus going forward is to improve sectoral collaboration and reporting
- The moral regeneration movement, women empowerment, mainstreaming of special groups in socio-economic development programmes are some of the ways we are dealing with social cohesion and social transformation.
- We continue to ensure that the stability in Council and management that we have observed over a number of years is maintained and sustained as we have been able to keep the light shining through attaining consecutive clean audit reports from the Auditor general (AG) on both our financial information and predetermined objectives in the last two financial years.
- As stated under the Institutional Development and Transformation key performance area in this report, we continue to review and engineer our organogram in order to ensure that our organogram is fit-for-purpose and brings about efficiencies in service delivery. As a consequence, we are in the final stages of our organogram of the re-engineering project.

In the paragraphs below, I reflect on corrective actions taken to ensure that strategic objectives as stipulated in the IDP were not achieved. In that context this part of the report will only cover performance indicators and targets that were not fully attained during the year under review. Further detailed on the overall performance of the District are contained in the Annual Performance report which is attached in this report.

The quality of water in our District is comparable to bigger municipalities in the country. With our drinking confirmed to be ninety three percent compliant to the national standards, the District is challenged by old and aged infrastructure (water treatment works and pipelines). In responding to this challenge we continue to implement District Wide Reservoir Cleaning and pipe flushing programme. The Council is ceased with to lobbying for funding to replace the old and aging infrastructure and reservoirs. The following programmes have been submitted to the DBSA/COGTA Adopt a District Partnership Programme for funding assistance:

- ◆ **Tlokweng Bulk Services Upgrade** which entails the development of sanitation infrastructure focusing on bulk Sewer lines, sewer network, pump stations and waste water treatment works for Tlokweng (Mt Fletcher) town and surrounding areas at a value of R1 billion;
- ◆ **Maletswai Bulk Services Upgrade** which includes the upgrading the water & sanitation bulk services of the town to unlock economic development such as housing, private hospital, Aliwal Springs, etc at a cost R100 million;
- ◆ **Orange River Macro Scheme** seeks to provide potable water for major irrigation schemes as well as electricity generation benefitting Senqu and Walter Sisulu, including the Free State at a total cost of R1,3 billion;
- ◆ **Lady Grey Dam** which intends to ensure reliable raw water for the town as well as unlock tourism and irrigation for the surrounding farmers at a cost of R260 million; and
- ◆ **Burgersdorp Bulk Water Supply** to ensure provision of a reliable and sustainable raw water supply to the town and unlock economic development and housing provision in the area at a cost of R300 million.

The Elundini Rural Water Programme (ORIO) which is meant for the construction of water supply infrastructure in 109 villages in Maclear including reservoir, pipelines, pressure tanks, standpipes, etc is on design stage wherein the geohydrologist is establishing raw water sources, boreholes and springs. The emerging challenge is that there is no suitable or sustainable water on some villages, and this means alternative sources may have to be explored. An amount of R12.4m has been spent on this programme to date.

With regard to SMME empowerment, the District is training of SMMEs in partnership with the University of Stellenbosch in which a total of 134 SMME have benefitted to date. This programme runs per academic calendar and not per municipal financial year calendar. As a consequences, this target is recorded as non-achieved in this financial year as the participants will only be graduating in October 2023. The programme is on course and continuing as planned.

The cash at year end were sufficient to cover for 1, 3 month which is an improvement from the previous restated 0, 47. To deal with this poor cash flow situation, the Council is implementing a programme to build reserves over the next three years to ensure sufficient cash to cover at least two (2) months operational cost.

The outstanding service debtors to revenue ratio remained below the target due to the collection rate on current year billing which remains the same as the prior year and this is resulting in arrears growing. The Council is implementing measures to prevent the arrear debt from growing.

The budget actually spent on implementing workplace skills plan remained at significant progress of 95% and the remainder of the funds could not be spent as there was no appointed service provider. To alleviate this shortcoming, a procurement process for appointing a training agent is currently on supply chain system.

The Council collected thirteen percent revenue collection against a target of forty percent. The variance is due to the collection being lower than anticipated due to consumers not willing to pay for services. The municipality has implemented attractive proposals to the community to motivate them to pay. Active engagements through Council with communities on the importance of paying for services were undertaken during the year under review.

On the targets relating to the number of people from employment equity target groups employed in the three highest levels of management in compliance with EEP, the number of vacant positions outweighed the planned vacant positions. This will be addressed in the 2023/2024 Implementation plan.

The target on the number of internships and learnership opportunities created could not be achieved due to declining available funds. This target will be revised taking into account any other initiatives of lobbying for additional funds.

Not all funded vacant posts were filled during the financial year under review. Two hundred and sixty eight (268) positions were not filled due to the outstanding finalization of OD project. All vacant and funded positions on the current organogram are however currently and on an ongoing basis being filled. Council resolved on 30 June 2022 that no positions be filled on the re-engineered Organogram and that such must await the finalization of the OD Project which is October 2023.

The last issue on the Institutional Development and Transformation KPA is the target on the Local Labour Forum (LLF) meetings. Out of four (4) planned meeting two (2) managed to convene successfully. The municipality is continuously striving to convene LLF Meetings where such could not be convened due to the unavailability of parties. The LLF agreed that a subsequent meeting be arranged within seven (7) days of an unsuccessful meeting which is currently being implemented.

This section deals with methods used and implemented to improve public participation and accountability. During the year under review the District continued to undertake public participation with unorganized and organized formations. The participation in of multitudes of stakeholders confirms excellence in a way we govern. Engagements with stakeholders were held through formal structures such as DIMAFO, IDP and Budget representative forum, and sector specific forum Water Services Forum, Disaster Forum, Traditional leaders Forum,

District AIDS Council, local economic development coordinators, District Public Participation forum, etc.

We are working tirelessly to harness our systems and give them timely feedback throughout the service delivery planning cycle, thus bringing to reality the concept of cooperative governance and intergovernmental relations.

In November 2022 and in May 2023 the political leadership led by the Executive Mayor implemented a community outreach programme in all three local municipalities in which all wards were represented.

I conclude by sharing my reflections on statement of corrective actions whereby service delivery can be improved. As outlined above, details on these corrective actions are outlined in the Annual Performance Report. These statements emerge from quarterly SDBIP reports that were subjected before various oversight structures such as Internal Audit, Audit Committee, Council and MPAC. We have a clear plan to improve service delivery.

Lastly, the District Development Model (DDM) was approved by Cabinet as an all-of-government and society approach providing a method by which all three spheres of government and state entities, business work in unison in an impact-oriented way. DDM will disentangle the pattern of government operating in silos. DDM will further enhance coherence in planning and implementation impact of government programmes.

We as a District have moved forward in the establishment of District Technical Task Team with the objective of serving as a central coordinating architecture with regard to championing IGR, planning, coordination and a platform to share best practice and technical guidance on the development, implementation and monitoring of DDM within the District.

Cllr NP Mposelwa
Executive Mayor

1.2 Executive summary

[to be inserted]

1.3 Municipal Overview

1.3.1 Demographics and population

The Joe Gqabi District municipality (JGDM) is one of the six District Municipalities in the Eastern Cape Province in the Republic of South Africa. The District is made up by three local municipalities which are Elundini, Walter Sisulu and Senqu. Towns that form the District are Maletswai, Barkly East, Burgersdorp, James Calata, Lady Grey, Nqanqarhu, Tlokweng, Oviston, Rhodes, Rossouw, Sterkspruit, Steynsburg, Ugie and Venterstad. A map of the District is depicted in figure 1 below:

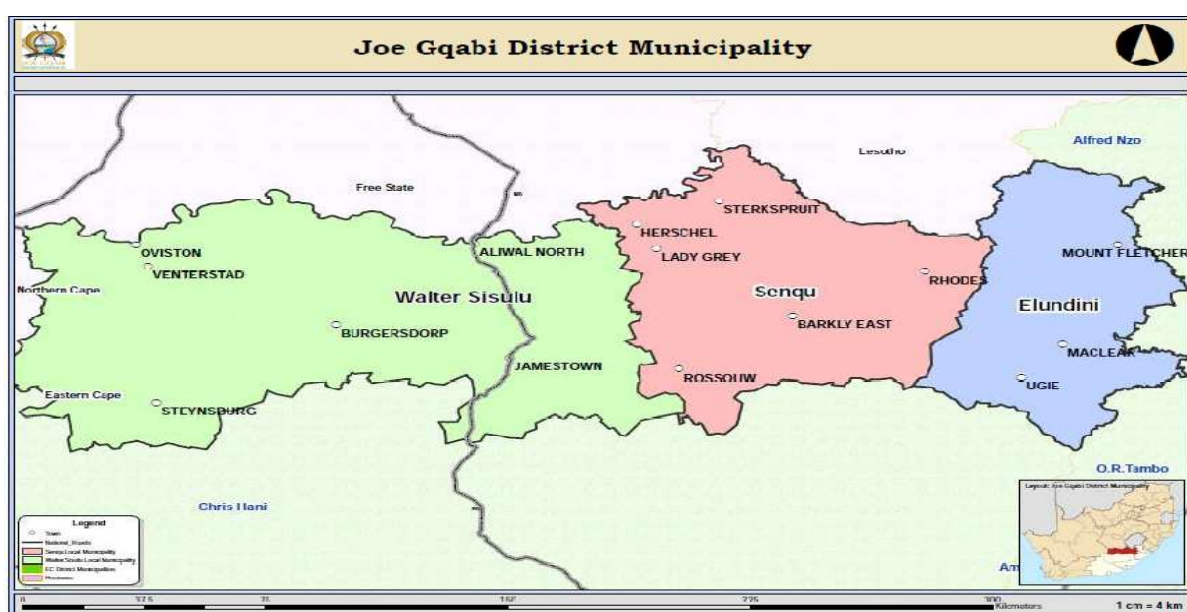


Figure 1: JGDM map

In terms of the JGDM the following population growth trends, the total population in Joe Gqabi is estimated to decrease from 344 967 in 2020 to 335 962 in 2025. The fertility rate in 2025 is estimated to be slightly lower compared to that experienced in 2020 (see table 1 below).

Table 1: Population projections - Joe Gqabi, Eastern Cape and National Total, 2020-2025 [Numbers - percentage]

Year	Joe Gqabi	Elundini	Senqu	Walter Sisulu	Eastern Cape	National Total	Joe Gqabi as % of province
2020	344,976	132,394	129,200	83,373	6,734,001	59,622,350	4.97%
2021	343,093	131,564	128,107	83,421	6,725,654	60,305,416	5.10%
2022	341,722	130,780	127,202	83,739	6,724,405	61,132,711	5.08%
2023	340,067	129,954	126,195	83,919	6,720,147	61,952,870	5.06%
2024	338,151	129,090	125,089	83,972	6,713,199	62,772,848	5.04%
2025	335,962	128,200	123,883	83,878	6,703,285	63,595,453	5.01%

Source: StatsSA MYPE, 2020

The population pyramid for the District reflects a projected change in the structure of the population from 2020 and 2025 based on projections by Statistics South Africa (Mid-Year Population Estimates, 2020). The differences can be explained as follows:

- In 2020, there is a significantly larger share of young working age people between 20 and 34 (22.0%), compared to what is estimated in 2025 (18.5%). This age category of young working age population will decrease overtime.
- The share of children between the ages of 0 to 14 years is projected to be smaller (32.7%) in 2025 when compared to 2020(34.6%).
- In 2020, female population for the 15 to 34 years age group amounts to 29.1% of the total female population while the male population group for the same age amounts to 33.8% of the total male population. In 2025, the male working age population (15 –64 years) at 58.2% still exceeds that of the female population
- Working age population at 56.2%, although both are at a lower level compared to 2020.

Whilst the cohort classified as Youth (15-35) is around 50% of the overall population, it is projected that this will decline by 2025. This will also see a decline in the share of the younger working adult (20 and 34) population in the DM by 2025.

In 2020, the District Municipality comprised of 110 000 households. This equates to an average annual growth rate of 1.11% in the number of households from 2010 to 2020. Percentage of people living in poverty in the district has not changed significantly and shows a marginal increase from 72.73% in 2010 to 73.06% in 2020.

1.3.2 Economic growth

As with the rest of the world and the country, the economy of the JGDM has been severely affected by the covid19 pandemic. The unemployment rate has increased drastically to about 45% for the youth. The District Development Model promotes creation of all of government action towards repositioning the District Space economies. The economic development programme that is driven by the District entity JoGEDA is seen as a potential game changer for the District. Successful implementation of the envisaged development trajectory will largely depend on creation of functional partnerships between government, business and civil society. The economic repositioning agenda must seek to alleviate the issues stated below.

The economic sector that recorded the largest number of employments in 2020 was the community services sector accounting for 29.2% of total employment in the district municipality. The sector includes predominantly government and administrative services and remains significant both in terms of economic contribution and employment to districts such as the JGDM.

In 2020 the trade sector recorded the highest number of informally employed, with a total of 8 300 employees or 37.91% of the total informal employment. This can be expected as the barriers to enter the trade sector in terms of capital and skills required is less than with most

of the other sectors. The manufacturing sector has the lowest informal employment with 1 150 and only contributes 5.25% to total informal employment.

JGDM has high levels of Unemployment, with all indications showing an increase in unemployment over time. In 2010, the unemployment rate for Joe Gqabi was 24.9% and increased to 39.2% in 2020. For local municipalities:

- Elundini Local Municipality shows the highest unemployment rate of 48.0%, which has increased from 31.2% in 2010.
- The unemployment rate in Senqu LM increased from 25.5% in 2010 to 35.8% in 2020.
- The Walter Sisulu Local Municipality had the lowest unemployment rate of 33.8% in 2020, increasing by 15.7% points from the 18.1% unemployment recorded in 2010.

In 2020 the labour force participation rate for Joe Gqabi was at 48.7% which is significantly higher when compared to the 38.4% in 2010. However, the gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for employment creation within Joe Gqabi DM.

CHAPTER 2: GOVERNANCE

2.1 Component A: Governance Structures

2.1.1 Political Governance Structure

The District is a category C municipality with a mayoral executive system. The Executive Mayor of the District municipality is Cllr. N.P. Mposelwa. The Council appointed five standing committees to assist the Executive Mayor with effective and efficient performance of any of the Executive Functions. The Strategic and Governance Standing Committee was led by Cllr. S. Mei. The Finance Standing Committee was led by Cllr. U. Hlathuka. Technical Standing Committee was led by Cllr. S.E. Ntsoelinyane. Community Services Standing Committee was led by Cllr. A. Skoti and the Corporate Services Standing Committee was led by Cllr. N. Mabunu. Cllr. M. Bomela served as the Speaker of Council.

2.1.2 Administrative Governance Structure

The Municipal Manager and his team of managers directly accountable to him led the administrative arm of the institution. The municipality had four Directors: viz; Technical Services, Community Services, Corporate Services and Finance. The Chief Operations Officer and the WSP manager report directly to the Municipal Manager. The post of Director Corporate and Community services were respectively filled by Council towards the end of the financial year. The CFO post is in the process of getting filled.

2.2 Component B: Intergovernmental Relation

2.2.1 Intergovernmental Relations

The Joe Gqabi District Municipality One Plan is based on the **DDM theory of change** which postulates six transformations to move from the current problematic situation to a desired better future. Whilst existing plans across government seek to align to the National Development Plan (NDP) and to each other, there is no clear line of sight and logical rationale in terms of the commonly agreed priorities, joint ways of addressing priorities within the socio-economic dynamics, and inclusive and integrated place-making dynamics within specified areas. Summary of actions undertaken by the District to bring about the current Joe Gqabi DDM One Plan review as endorsed by the Council include:

- Political Session in August 2022 attended by the DDM National Champion, Minister of Finance, Mr E. Godongwana, MP as well as the political and administrative leadership of the District and sector departments
- Political session convened in November 2022, including the participation of Executive Mayor, Mayors, MMs of District and LMs, as well sectors departments.
- Physical (face-to-face) technical session was convened of all relevant departments, municipalities and stakeholders in mid-December 2022, after the political session hosted in November 2022.
- Technical session convened virtually in February 2023, which sought to conclude on the final submissions and review the revisions compiled prior to the submission of this document to Council.
- Council endorsement of the Joe Gqabi DDM One Plan document in March 2022

The District Mayors Forum (DIMAFO) was adopted as a political mechanism to institutionalize and drive DDM within the District. The DIMAFO managed to hold all two planned meetings during the year under review. With regard to IDP and Budget representative forum, which is a recognized IGR structure, managed to have all four planned meetings which are attended by regional sector department Directors, local municipalities and stakeholders. Through these structures the Council managed to coalesce wide ranging and diverse views and inputs into the municipal planning, budgeting and reporting system.

2.3 Component C: Public Accountability and Participation

2.3.1 Public Meetings

In terms of Section 16 (1) of the Municipal Systems Act of 2000, a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, a municipality must - (a) encourage, and create conditions for the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its integrated development plan (IDP).

As part of the public participation programme, in October 2022 the Office of the Executive Mayor undertook an exercise which was referred to as environmental scanning. The programme implementation saw District municipality officials spread across the length and breadth of the District to engage with communities. The purpose of environmental scanning was to publicize the Executive Mayors Outreach programme as well as have a record of community development aspirations and service delivery concerns. From the 07th November to 09th December 2022, the Executive mayor undertook community outreach per table below:

Table 2: November –December 2022 community outreach meetings held

Date	Time	Areas	Venue	No. of issues
07 Nov 2022	10h00	Barkly East, Rhodes	Barkly East Hall	13
	14h00	Herschel	Herschel School	13
08 Nov 2022	10h00	Polmiet	Polmiet Hall	25
	14h00	Sterkspruit	Bhunga Hall	22
09 Nov 2022	10h00	Hillside	Hillside Community Hall	10
10 Nov 2022	10h00	James Calata	Community Hall	17
	16h00	Steynsburg	Community Hall	6
	18h00	Joe Slovo	Community Hall	7
11 Nov 2022	10h00	Venterstad	Community Hall	16
14 Nov 2022	10h00	Mongoloaneng	Community Hall	11
	15h00	Tlokweg	Traditional Council hall	18
15 Nov 2022	10h00	Katkop	Methodist Church	8
	14h00	Hopedale	KwaScremer	10
16 Nov 2022	10h00	Gqaqhala	Church Hall	14

Date	Time	Areas	Venue	No. of issues
09 Dec 2022	14h00	Burgersburg	Ethembeni School	14

Commencing from 09 - 18 May 2023, the Executive Mayor undertook a community engagement drive with a view of sharing draft IDP and draft budget with communities as follows:

Table 3: May 2023 community outreach meetings held

Local Municipality	Area	Venue	Time	Date
Elundini	Ward 11,12 and 13	Elubisini Community Hall	10h00	09 May 2023
	Ward 8, 9, 10, 11, 14 and 15	Ezingonyameni Tribal Authority	13h00	09 May 2023
	Ward 4, 7 and 16	Ramatea Community Hall	10h00	10 May 2023
	Ward 5, 6 and 3	Sonwabile Community Hall	14h00	10 May 2023
	Ward 17, 01, and 2	Enkalweni Community Hall	10h00	11 May 2023
Walter Sisulu	James Calata and Maletswai	Joe Gqabi Community Hall	15h00	15 May 2023
	Steynsburg & Venterstad Oviston	Burgersdorp Town hall	10h00	12 May 202
Senqu	Ward 15 and 16)	Nkululeko Community Hall	10h00	16 May 2023
	Ward 11,13 and 14)	Blue Gums Community Hall	16h00	16 May 2023
	Ward 7, 8, 9, 10, 12 and 17	Thabalesuba Community Hall	15h00	17 May 2023
	Ward 1, 2, and 3	Ndofela Community hall	10h00	17 May 2023
	Ward 4, 5 and 6	Phelandaba Community Hall	11h00	18 May 2023

The Executive Mayor working in partnership with the Speaker, and the office of the Municipal Manager conducted successful public participation sessions in all three local municipalities during the year under review in both rounds. A high level summary also showing repetitive issues is highlighted below:

Table 4: Overview of community issues

Community issues raised	Plan to resolve issues	Repetitive issues
Inadequate water and sanitation infrastructure and inadequate or frequently interrupted water supply for long periods	<ul style="list-style-type: none"> ▪ Elevated to Sector Departmental attention ▪ JGDM has considered relevant issues in the budget in context financial shortfalls 	<ul style="list-style-type: none"> ▪ Water availability interruption or longer periods ▪ Emptying of VIP toilets sludge ▪ Incomplete or faulty VIP toilets ▪ Unavailability of water
Slow pace of resolution of issues Disaster relief (housing)		
Inadequate land for Human Settlements		

High rate of unemployment and inadequate LED support		service
Title deeds not issued for social housing		<ul style="list-style-type: none"> ▪ Social housing backlogs ▪ Poor state of access and link roads
Support required for community agriculture		<ul style="list-style-type: none"> ▪ Economic challenges, high poverty levels and unemployment
Disrupted water availability and irregular water carting		<ul style="list-style-type: none"> ▪ Poor network and connectivity through the District, especially in ELM
Fencing of cemeteries		<ul style="list-style-type: none"> ▪ Electricity backlogs
Poor network connectivity		
Inadequate medicines in clinics and shortage of nurses		
Poor state of access roads and link roads		
Areas without electricity and load-shedding affects water supply		
Frequent incidents of pipe bursts		Operational projects to replace pipe bursts and installation of bulk valves are underway. War on leaks programme is getting implemented
Vandalism, illegal connections and theft	Various security measures are being implemented. Success will depend on active community support	

To address some of the urgent issues highlighted in the outreaches, the Council is implementing these interventions:

- Database establishment for all communities affected by the recent floods and assess the demand with a view of facilitation resolution of issues by Provincial Government Disaster Centre
- Fast tracking the water services backlogs and upgrading of WWTWs and WTWs and pipes
- Fast tracking the implementation of the rural sanitation programme
- Implementation of sanitation upgrading programme to a water borne level
- Implementation of a telemetry system to monitor water supply and early detection of leakages and blockages
- Submission of funding applications to deal with project in our approved water master plan, including maintenance and development of new water sources
- Load-shedding affects water supply esp. to high lying areas & filling up of reservoirs
- Servicing of informal settlements with the sanitation service, linked to the informal settlements upgrading programme

- Submitted proposal to Melinda Gates Foundation for faecal sludge disposal facility
- Submitted proposals for funding assistance to the DBSA/COGTA adopt a District funding partnership programme
- Implement water rationing to ensure sustainability and equitable distribution of the service

2.3.2 IDP Participation and Alignment

The Integrated Development Plan (IDP) of the District was subject to a full credibility and alignment assessment by COGTA and other national and provincial departments. The JGDM IDP attained high level rating, which has always happened over the past number of years as shown in table below:

Table 5: IDP credibility and alignment ratings over the last three financial years

KPA	2020/21 FY IDP ratings	2021/22 FY IDP ratings	2022/23 FY IDP ratings
KPA 1 Service Delivery and Infrastructure provision	High	High	High
KPA 2 Local Economic Development	High	High	High
KPA 3 Financial Viability and Management	High	High	High
KPA 4: Institutional Development and Transformation	High	High	High
KPA 5 Good Governance and Public Participation	High	High	High
Overall ratings	High	High	High

The IDP strategic performance objectives and programmes are aligned with plans of national and provincial government such as National Development Plan, Provincial Development Plan, Provincial Growth and Development Strategy, including the Sustainable development goals. The DDM process will further enhance government alignment and coherence in planning, budgeting, reporting and monitoring.

2.4 Component D: Corporate Governance

2.4.1 Risk Management

The annual risk assessment was conducted. A number of risks continued from the previous circle with new risks related to load shedding which affects service delivery in many aspects which include water pumps and filling of reservoirs, disruptions in communications and so forth. A strategic and operation risk register was developed and monitored quarterly. Such monitoring reports were submitted to Council and other oversight structure such as the Audit Committee and MPAC. The top five risks and the manner in which Council deal with them is depicted in the table below:

Table 6: Top five risks and treatment

Risk name	Root causes	Impact	Current controls	management improvement actions
Insufficient water to meet demand	Drought,	Critical	Water restrictions	Community education awareness &

Risk name	Root causes	Impact	Current controls	management improvement actions
	Silting of dams, 3. Water losses		Rain water harvesting Drilling of boreholes, Implementation of water bylaws Water Services Development Plan Maintenance plan in place	campaigns, Integrated planning with LMs, Smart metering Install washers, Monitoring illegal connections, Monitoring maintenance plan, Develop illegal connections policy
Infrastructure failure	Old infrastructure Theft and vandalism Water leaks Failure to provide water Delays in power supply by Eskom	Critical	Infrastructure plan in place Infrastructure grant in place	Solicit funding for capital and maintenance, Review infrastructure Maintenance plan,
Instability in power supply	Eskom load shedding Theft and vandalism Imbalance in powers	Major	Backup generator	Explore uses of alternative sources of energy
Establishment of new settlements	Lack of planning by LMs Informal settlements, Inadequate working relations with LMs	Major	IGR forums	Integrated planning with LMs
Failure to create job opportunities and poverty alleviation initiatives.	Lack of funding for job creation. Lack of skills. Migration back from larger urban areas to the district. Lack of employment opportunities. Poor communities unable to take financial risk to establish businesses. Job creation programmes are not always sustainable. Poor integration in planning with other stakeholders. Poor understanding by SMMES of the procurement processes, policies and non compliance	Critical	HRM recruitment policies in place Recruitment standard operating procedures in place Staff retention policy in place Career management policy in place Succession policy in place Quarterly circulars in place	Inclusion of career pathing in departmental score cards review of the retention strategy Conversion of fixed term middle management contract to permanent

The effective institutional risk management approach of the District has resulted in positive service delivery and audit Outcomes. The planned annual risk assessment that sought to interrogate towards establishing coherence with institutional risk tolerance at strategic level was held. A risk register which is monitored closely by the Risk Management Committee, Audit Committee and Management is in place.

2.4.2 Anti-corruption and fraud

The Council adopted an Anti-corruption and Anti-fraud policy and strategy in May 2022, which is being reviewed annually. The aim of the policy is to ensure that the Council concentrates its efforts in preventing fraud and corruption, rather than only responding to it which emphasise the zero tolerance stance of the JGDM towards fraud and corruption. The policy requires all role-players within the municipality and dealing with the municipality to

refrain from committing fraud and other acts of dishonesty against the institution assist in the nurturing of a fraud free environment at the work place, maintain absolute integrity in all dealings with the institution, comply with all internal controls, adhere to the principles and directives of the Code of Conduct and the Code of Ethics and the law. The plan is effective as evidenced by the fact that all the reported cases in the past financial years were dealt with and concluded. No incidents of fraud and corruption arose in the year under review.

2.4.3 Supply Chain Management

A Supply Chain Management Unit is in place and is responsible for the centralised SCM processes. As per the SCM standards and norms, three SCM committees are in place and functional. The organisational structure has made provisions for separation of duties. Contracts Management is located within the SCM unit. A Contracts Coordinator post within the SCM unit has been filled. Legal services also provide support in monitoring and enforcement of contracts. On average, procurement processes take about 49 days turnover. This includes advertising, bid committee processes and appointment period.

Emergency procurement measures are stipulated in the SCM policy to enable the Council to deal with all unplanned procurement requirements including disasters and other urgent situations, which are not only limited to disaster situations.

Towards the end by June the Municipality put in abeyance all procurements for the 2022/2023 year until all end of year processes are finalized. For any urgent procurement that need to be done for service delivery as from 1 July 2023 the municipality makes use of the manual procurement process through the office of Supply Chain Management and CFO. Once the system is open for the new-year (2023/2024) all procurement requests will be captured manually on the system and clearly referenced to manual request numbers.

2.4.4 By-laws

The District Council adopted community fire safety by-laws in 2009 and they have been promulgated. A process to review the bylaw is underway and is scheduled to be completed in the 2023/24 financial year. These bylaws include fire related incidents, including tariffs, events management, occupancy certificates and community safety. The adopted policies and by-laws are applied to deal with mitigation, prevention and post disaster situations. Processes are in place to strengthen implementation and monitoring. Bylaws that have been developed published and adopted include Water and Sanitation bylaw, Fire Services bylaw, Municipal Health Services bylaw, District Waste Management By-law and Generic Liquor trading bylaws.

2.4.5 Websites

The JGDM has an updated website which has been enhanced and improved. The intention is to ensure convenience in how information is categorized and displayed in a more aesthetical and accessible manner. Prescribed documents for publication are uploaded onto the website. Annual reports, council meeting adverts, strategic planning documents, bylaws and policies, procurement information, etc are some of the documents that are published on the website.

2.4.6 Public Satisfaction on Municipal Services

During the year under review the District implemented a number a number of initiatives to enhance public participation across the District. The programme commenced with a community environmental scanning process in which officials traversed the entire District administering questionnaires. The report of the subsequent Executive mayor's community outreach programme was consistent with the report of the environmental scanning exercise. A process to conduct follow-up public satisfaction survey is underway and it will be executed in the 2023/34 financial year

2.4.7 Municipal oversight committees

The Joe Gqabi District municipality is governed by 105 Councillors with the majority from the African National Congress. Governance and oversight structures are functioning effectively in the District (Council, Standing committees, MPAC, Audit Committee and the internal audit function. All oversight meetings that were planned during the year under review were successfully held.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

3.1 Basic services

3.1.1 Capital projects performance

The District capital projects programme which is managed by the District Project Management Unit (PMU) is funded by the following grants: The main grants that the Unit manages for this financial year are as follow:

- Municipal Infrastructure Grant (MIG)
- Regional Bulk Infrastructure Grant (RBIG)
- Expanded Public Works Programme Incentive Grant (EPWPIG)

The summary of expenditure on these grants is depicted in the table below:

Table 7: Summary of grant expenditure

2022/23 GRANTS	Allocations	Expenditure	Exp (%)	Balance
MIG	R 180 246 000	R180 223 818,79	99.99%	R22 181,21
RBIG	R 2 000 000	R 1 944 787,59	97,24%	R55 212,41
EPWPIG	R 1 314 000	R 1 314 000.00	100%	R 0
Totals	R 183 560 000	183 482 606.30	99.96	R 77 393.62

Under the MIG, the allocation for JGDM for 2022/23 financial year is **R 180 246 000**. The expenditure to date is **R180 223 818 representing 99.99%**. **Under this grant, the District municipality is implementing Seventeen (18) projects across the district; distributed as follows:**

- Elundini LM - 5 Projects
- Senqu LM - 11 Projects
- Walter Sisulu LM - 2 Projects

Under the Regional Bulk Infrastructure Grant (RBIG), the initial allocation gazetted for JGDM for 2022/23 financial years was **R 15 000 000** for the development of Sterkspruit Wastewater Treatment, however due to delays by the Department of Water and Sanitation (DWS) to approve the Implementation Ready Study (IRS), the allocation was adjusted down to **R 2 000 000**. **However**, the IRS has since been approved and the municipality has green light to proceed with the project. No expenditure incurred to-date. The PSP has been instructed to proceed with designs and documentation for procurement processes.

The JGDM further submitted two (2) projects to the Department of Water and Sanitation (DWS) for funding by submitting IRS for the two projects. Both projects have received approval from the Provincial Department and a second approval is required from the DWS. According to the Division of Revenue Act (DoRA) 2023, the Sterkspruit WWTW and Associated Bulk Infrastructure. The Lady Grey Bulk Water (Zachtevelei Dam) project is still with the National DWS for consideration at ECSA stage three.

The District service delivery in this aspect is funded by grants from the National Treasury. We have submitted the following strategic projects to DBSA and COGTA adopt a District programme for assistance with securing funding. We have submitted the following programmes:

- **Tlokweng Bulk Services Upgrade** which entails the development of sanitation infrastructure focusing on bulk Sewer lines, sewer network, pump stations and waste water treatment works for Tlokweng (Mt Fletcher) town and surrounding areas at a value of R1 billion
- **Maletswai Bulk Services Upgrade** which includes the upgrading the water & sanitation bulk services of the town to unlock economic development such as housing, private hospital, Aliwal Springs, etc at a cost R100 million
- **Orange River Macro Scheme** seeks to provide potable water for major irrigation schemes as well as electricity generation benefitting Senqu and Walter Sisulu, including the Free State at a total cost of R1,3 billion
- **Lady Grey Dam** which intends to ensure reliable raw water for the town as well as unlock tourism and irrigation for the surrounding farmers at a cost of R260 million, and
- **Burgersdorp Bulk Water Supply** to ensure provision of a reliable and sustainable raw water supply to the town and unlock economic development and housing provision in the area at a cost of R300 million

3.1.2 Access to Water

The JGDM is characterized by water scarcity underpinned by low rainfall patterns, and this challenge is aggravated by the fact that over 50% of our district population depends on ground water source. The influx of people into towns and the growing patterns of our communities over the years have weakened our reticulation network, resulting in compromised capacity of the bulk infrastructure, particular in towns such as Maletswai and Burgersdorp. The Council continues to experience challenges such as ageing infrastructure, water scarcity, vandalism and theft, especially in the area of Walter Sisulu municipality.

A number of strides reached fruition during the year under review which include:

- Completion of the nine kilometer water pipeline project to communities of Herschel and Blue gums, in which more than seven (7) villages are direct benefits to the project
- Procurement and supply of water tanks to the community of Lusizini, Upper Bebeza, Hohobeng and Bensonvale villages.
- Eighty-six households have also been upgraded to yard connections
- Implementation of an extensive community engagement and social facilitation throughout the Elundini local municipality on the Orio project and grouping of villages for implementation. Drilling in a number of villages occurred during the year under

review. The Orio project is now at approval stage of final project design and initiation of procurement processes. The Orio programme is structured such that:

- Approximately seventy four (74) of one hundred and seven (107) villages will be provided with water from boreholes
- Over thirty three (33) of one hundred and seven (107) villages will be provided with water from harvesting water system and other backup supplies from springs water
- The project will create more than two hundred and twenty two (222) jobs during construction phase and finalisation
- In the Senqu municipal area, Council implemented initiatives that include:
 - Construction of borehole pump stations and storage reservoirs, and groundwater supplies in Lady Grey,
 - Extension of Senqu rural water supply network which included the upscaling of the Barkly East bulk water infrastructure

3.1.3 Sanitation

As part of the water services acceleration programme, the Council to appoint JoGEDA as an implementation agent for the water and sanitation programme. During the year under review the following can be reported:

- The number of new households provided with sanitation service (VIP toilets) in Senqu rural area increase by six hundred and sixteen (616). This represents 62% achievement against the set target of one thousand (1000).
- The following priority villages benefitted under the Senqu VIP sanitation programme: KwaGcina, Ndingishe, Nguthu, Makhumhsa, Makheteng Jordan Dibinkonzo; Ntsimekweni; Ezintatyaneni, Bluegums and Bambospruit.
- The number of new households provided with sanitation service (VIP toilets) in Elundini rural area increase by three hundred and eighty two (382), which represents 38% achievement against the set target of one thousand (1000).
- The following priority villages benefitted under the Elundini VIP sanitation programme: Nkalweni, Trastini, Upper Sinxako, Mokgalong Moabatshang, Seqhobong and Sethabathaba.
- The nonattainment of the planned targets for both Elundini and Senqu programme was due to delays in supply chain management which led to contractors getting appointed in the fourth quarter of the financial year. Council is expediting implementation to increase the number of top structures.

3.1.4 Free Basic Services

To meet the Councils strategic objective of expanding and fast-tracking the provision of universal access to basic services, there are specific targets that are set for ensuring that the indigent communities have access to basic services. Indigent households are those that are unable to make monetary contributions towards basic services. Status as an indigent household is granted by municipalities, who on an annual basis, receive and review

applications sent by households within their boundaries. We have during the year under review targeted that all households earning less than two times government pension (currently R3 200 per month) based on national indigent declaration per month with access to free basic services (water and sanitation in the case of the District). We managed to meet this target albeit ensuring credible and up-to-date indigent registers is getting attention.

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

A summary of the free basic services package is set out below:

- All registered indigents, including consumers in the rural areas, will receive 6 kl of water per month fully subsidised.
- All registered indigents, including consumers in the rural areas, will only be charged a flat rate for Water and Sanitation consumption and not a step tariff.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

3.2 Component B: Basic Service

3.2.1 Roads

In terms of the Integrated Transport Plan (ITP), the road network in the District can be divided into National, Trunk, Main Roads, and Access Roads. The N6 national road links with District with the N1 toward Johannesburg and Cape Town through Maletswai, James Calata, Komani and East London. Together with other local key road links such as R58 (Norvalspont – Venterstad – Burgersdorp – Maletswai - Lady Grey – Barkly); R56 (Ugie – Nqanqarhu – Mount Fletcher); R393 (Lady Grey – Sterkspruit) and R391 and R390 (Orange River – Venterstad – Steynsburg). These roads have recently received upgrades and their conditions are relatively good, but require on-going maintenance with a focus on patching potholes.

With regard to the roads function, the District is an implementing agent on behalf of the Department of Roads and Transport. About one hundred and fourteen (114) employees are working in this section, which is situated in Maletswai. Under the programme of providing support on maintenance of road networks in the District, a target of grading two thousand (2000km) of gravel roads per signed SLA, a total of (two thousand four hundred and ninety one (2 491) kilometers. The target was exceeded due to sufficient rain which resulted in more roads surfaces being conducive for grading.

The District is lobbying for the Provincial government to transfer this function over to the District. This will also deal with providing a resolution to capacity building at local municipal level. Below is a high level overview of challenges:

- Road classification restricts the various role-players in the maintenance of roads and is therefore not responsive to community needs.
- Municipalities do not have the financial resources in the short to medium term to build up the required fleet to maintain roads, especially as roads are not an income generating service.
- Surfaced roads are deteriorating and insufficient funding is being allocated to ensure their constant and effective maintenance.
- Insufficient capacity to execute the District transport planning function
- Deteriorating quality of roads gravel roads, particularly those not covered by the DRPW SLA
- The poor quality of rural link roads in our municipalities (Sterkspruit, Nqanqarhu and Tlokweg)
- Potholes on tarred roads which have been created by the recent heavy rains
- Accessing farms managed by communities and transportation of produce due to poor roads

The recent closure of the Elangeni road (Ugie – Mthatha) due to engineering issues that have rendered the bridge unusable and consequently road closure requires urgent attention. PG Bison has calculated that transportation costs have risen by about R26m annually due to the need to utilise alternative transportation routes. This is a critical challenge as PG Bison is a primary economic driver and creator of a high number of employment opportunities in the Elundini local municipality.

3.3 Component C: Planning & Development

3.3.1 Planning

The JGDM implements a town planning and land development function as support to local municipalities. As a result, the District establish a functional planning tribunal following resolution by local municipal Councils to establish a District Tribunal as guided by Spatial Planning and Land Use Management Act of 2013 (SPLUMA). SPLUMA involves the consideration and determination of all land use and land development applications to be categorized with certain identified categories of applications being decided upon by a Municipal Planning Tribunal and other categories of applications being decided upon by an Authorised Official (AO). Thus, progress towards establishment and functionality of the District Tribunal can be summed up as follows:

Table 8: SPLUMA implementation progress

Tribunal establishment	Council Approval of Tribunal	Tribunal type	Functionality	By-law preparation	By-law adoption by Council	Qualified town planner	Authorised Official	Impediments
JGDM	Yes	District	Fully functional	N/A	N/A	Yes	▪ N/A	▪ Provision of training Appeal Authority members after election of new
Walter Sisulu	Yes	District	N/A	Yes	Yes	Yes	Yes	
Senqu	Yes	District	N/A	Yes	Yes	Yes	Yes	

Elundini	Yes	District	N/A	Yes	Yes	Yes	Yes	Council
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3.4 Local Economic Development

JoGEDA has been appointed a Special Purpose Economic Development vehicle and is driving implementation of economic development projects.

The municipality is committed to job creation, and therefore participate in Expanded Public Works Programme (EPWP). Municipalities are receiving incentives in this programme by just making sure that jobs that are created in municipal projects are reported on the EPWP reporting system. The municipality has received an incentive allocation of **R 1 314 000.00** for 2022/23 financial year.

The grant will be utilised on mass job creation, on maintenance projects around the district.

The expenditure at year end was **R 1 314 000 (100%)** on the grant. The project on fixing/reinstating roads where the WSP section has worked while fixing water or wastewater lines has started in Maclear and Aliwal North. There are 25 local labourers on each town of implementation.

The allocation for the next financial year is dependent on the number of jobs created by the municipality and reported to the EPWP MIS.

The following **table 3** shows the projects that are earmarked to created job opportunities this financial year.

Table 9: EPWP reporting projects 2022/23 Financial Year

Project Name	Local Municipality	Budget	Source of Funding	Project Status	Number of jobs Opportunities
Senqu Rural Sanitation Programme: Phase 6	Senqu LM, Herschel	6 000 000.00	MIG	Construction, Reporting on EPWP MIS	40
Elundini Rural Sanitation Programme: Phase 6	Senqu LM, Sterkspruit	6 000 000.00	MIG	Construction, Reporting on EPWP MIS	40
Elundini Rural Water Programme (ORIO)	Elundini LM, Mt Fletcher	7 500 000.00	MIG	Project is on design stage	15
Maclear Water Treatment & Distribution Upgrade (AC Pipe Replacement)	Elundini LM,	R 10 000 000	MIG	Construction, Reporting on EPWP MIS	45
Provision of Sanitation Infrastructure for Ugie: Phase 1	Elundini LM, Ugie	R 10 000 000	MIG	Project is still on Procurement stage	15

Bulk Sanitation Infrastructure Upgrade for Maclear Phase 3B	Elundini LM, Maclear	R 60 331 059	MIG	Construction, Reporting on EPWP MIS	34
Aliwal North Water Treatment Works Holding Dams	WSLM, Aliwal North	R 7 000 000	MIG	Project is on Design Stage	25
Jamestown Sanitation Phase 2 (Pipelines)	Senqu LM	R 22 402 641	MIG	Construction, Reporting on EPWP MIS	70
Senqu Rural Water: Work Package 1	Senqu LM	R 7 000 000	MIG	Project is on hold	15
Senqu Rural Water: Work Package 2	Senqu LM	R 7 000 000	MIG	Project is on hold	15
Senqu Rural Water: Work Package 3	Senqu LM	R 7 000 000	MIG	Project is on hold	20
Senqu Rural Water: Work Package 5	Senqu LM	R 7 000 000	MIG	Project is on hold	20
Senqu Rural Water: Work Package 6	Senqu LM	R 7 000 000	MIG	Construction stage, and reporting in EPWPRS	30
Senqu Rural Water: Work Package 7	Senqu LM	R 7 000 000	MIG	Construction stage, and reporting in EPWPRS	25
				Total Planned Job Opportunities	409

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 Component A: Introduction to the Municipal Personnel

4.1.1 Total Employment, Turnover and Vacancies

A total of 24 Staff appointments were made during the 2022/2023 FY. There were also 31 employee exits processed, which constitutes the staff turnover that existed during the FY in question. There are however still 279 vacancies on the Organogram as at 30 June 2023. The filling of vacancies are however currently only processed on a needs basis and only in respect of critical positions due to the current and ongoing OD/Re-engineering Project, which requires extreme caution to be exercised in appointing staff in order to avoid a bloated staff compliment and excess staff at the point of implementing the new organisational structure.

4.1.2 Vacancy Rate based on total approved posts

The vacancy rate in respect of the 2022/2023 FY is 26%. This is an increase in the vacancy rate from the previous FY where it was at 22%. This can mainly be attributed to the current and ongoing OD/Re-Engineering Project which resulted in only critical positions being prioritized for filling. The municipality is also in the process of re-aligning its organisational structure in line with the requirements of the Municipal Staff Regulations, 2022.

4.1.3 Comment on the overall vacancies and turnover

The staff turnover that existed during the 2022/2023 FY is made up of 12 x resignations , 12 x retirements, 5 x deaths and 2 x dismissals. The resignation rate may be ascribed to factors such as the rural nature and location of the municipality which consequently results in great difficulties to attract and retain especially skilled employees. The high retirement rate is an indication of the aging staff compliment of the municipality, which is mainly concentrated to lower level employees such as General Workers, Labourers and other technical staff. The finalisation and implementation of the OD/Re-engineering Project is *inter alia* intended to resolve some of the mentioned challenges and to also enable the municipality to be able to effectively deliver on its legislated mandate.

4.2 Component B: Managing the Municipal Workforce

4.2.1 Policies

Listed below are effective Skills Development Policies as approved by Council on 30 June 2022 for 2022/2023 financial year. All the listed policies are applicable from 01 July 2022. Adherence is highly monitored and enforced.

- No 1 Joe Gqabi District Municipality Leave Policy 2022 2023
- No 2 Policy On Medical Aid Contributions For In-Service Employees And Pensioners 2022 2023
- No 3 Overtime And Shift Work Policy 2022 2023
- No 4 S&T Policy 2022 2023
- No 5 NFMW Policy 2022 2023

- No 6 Policy On The Payment Of A 13th Cheque To Temporary Employees Interns And Students 2022 2023
- No 7 Recruitment Selection And Appointment Policy 2022 2023
- No 8 Acting And Enhanced Responsibility Allowance Policy 2022 2023
- No 9 Termination Of Employment Policy 2022 2023
- No 10 JGDM Relocation Policy 2022 2023
- No 11 Cellphone Policy 2022 2023
- No 12 Rental And Housing Subsidy Policy 2022 2023
- No 13 Working Hours Policy 2022 2023
- No 14 JGDM Smoking Policy 2022 2023
- No 15 Banking And Deductions Policy 2022 2023
- No 16 Policy On The Use Of Municipal Facilities By Trade Unions 2022 2023
- No 17 Policy On The Appointment Of An Acting Municipal Manager Or Section 56 Manager 2022 2023
- No 18 Employee Assistance (EAP) Policy 2022 2023
- No 19 Essential User Scheme Policy 2022 2023
- No 20 Attendance Register Policy 2022 2023
- No 21 Policy On Incapacity Due To Ill Health Or Injury 2022 2023
- No 22 Occupational Health And Safety Policy 2022 2023
- No 23 Bad Weather Inaccessibility Policy 2022 2023
- No 24 Bereavement Policy 2022 2023
- No 25 Policy On Gifts Gratia And Long Service Awards 2022 2023
- No 26 JGDM Harassment Policy 2022 2023
- No 27 JGDM Standby Duty And Allowance Policy 2022 2023
- No 28 Alcohol And Drug Abuse Policy 2022 2023
- No 29 JGDM Gratuity Policy 2022 2023
- No 30 Policy On The Termination Of Employee Records From The Payroll System 2022 2023
- No 31 Recruitment Of EPWP Employees 2022 2023
- No 32 JGDM PPE Policy 2022 2023
- No 33 - JGDM Task Job Evaluation Policy 2022 2023
- No 34 Recruitment Of Short Term Fixed Term Contract Employees 2022 2023
- No 35 Home Remote Working Policy 2022 2023
- Appendix 1 To Policy No 35
- Appendix 2 To Policy No 35
- Appendix 3 To Policy No 3

4.2.2 Injuries, sickness and suspensions

A total of 11 Injuries on Duty (IOD's) were reported to the Department of Employment and Labour and attended to during the FY in question. These IOD's are mostly associated with employees who contracted Covid-19 on duty during the period of the Covid-19 pandemic. All effort is being made to implement safe working procedures and to foster a culture of occupational health and safety to mitigate any risk associated with occupational injuries and

diseases. A total six (6) employees were suspended due to alleged misconduct. The disciplinary inquiries associated with the said suspensions are ongoing.

4.2.3 Performance Rewards

The Council is implementing performance management at three levels; viz: senior managers, section heads and all supervisors from task grade 11. Following the approval of the Consolidated Annual Report, Council undertook performance assessments of all these levels under the PMS. Internal capacity is being established with a view strengthening the internal assessments process. All due performance rewards will be paid to deserving employees following an assessment process. For the prior year of 2020/21 financial all due rewards were paid to this levels of employees.

4.3 Component C: Capacitating the Municipal Workforce

4.3.1 Skills Development & Training

The table below summarises the skills development training implemented by the District municipality over the 2022/23 financial year.

Table 10: Training interventions implemented

Name of Intervention	Intervention Type	Intervention for	Number of participants	Gender		Age		
				Female	Male	Below 35	Above35	Above 60
Municipal Finance Management Programme	Learnership	Councillor	2	2	0	1	1	0
IT Governance and Cyber Security	Conference / Workshop	Staff	1	1	0	0	1	0
Drafting of ICT Contracts	Skills Programme	Staff	2	2	0	1	1	0
SALGA Portfolio based Induction	Workshop	Councillor	3	1	2	0	0	0
MPAC Conference	Conference / Workshop	Councillor	1	1	0	0	0	1
Social Housing	Workshop	Councillor	1	0	1	0	1	0
Online Mastering Contracts	Workshop	Staff	2	2	0	1	1	0
VAT Returns For Municipal Officials	Training	Staff	3	2	1	2	1	0
First Aid level 1	Training	Staff	39	-	-	-	-	-
Heavy Plant Machinery	Training	Staff	43	0	43	5	32	6
SHE Representative	Training	Staff	42	-	-	-	-	-
Diploma in Civil Engineering	Bursary	Staff	1	0	1	0	1	0
Post -Grad in Business Management	Bursary	Staff	1	1	0	0	1	0
Advanced Diploma in Business studies	Bursary	Staff	1	1	0	0	1	0

Name of Intervention	Intervention Type	Intervention for	Number of participants	Gender		Age		
				Female	Male	Below 35	Above35	Above 60
Induction to Local Government	Workshop	Staff	7	6	1	4	3	0
EHP Online	Training	Staff	22	19	3	6	16	0
DORA	Workshop	staff and Councillors	5	3	2	0	5	0
POPIA	Workshop	Staff	3	0	3	0	3	0
Anti -fraud and Corruption	Workshop	staff and Councillors	70	-	-	-	-	-
Disciplinary Board	Training	staff	4	2	2	2	2	0
MPAC	Workshop	Staff	2	2	0	2	0	0
Policy Presentations	Awareness	staff	152	-	-	-	-	-
Building Sustainable Municipalities	Seminar	staff	2	1	1	0	2	0
Water Detection and Repairs	Training	Staff and Communities	42	-	-	-	-	-

CHAPTER 5: FINANCIAL PERFORMANCE

[information under this chapter will be available once AFS is completed]

CHAPTER 6: AUDITOR GENERAL'S FINDINGS

[information under this chapter will be available once AFS is completed]

Appendix A: Councillors; Committee Allocation and Council Attendance

Indication:

P	-	Present
A	-	Absent
✓	-	Approved leave of absence

Names & Surname	2022					2023						
	28-07-2022 (SCM)	31-08-2022 (SCM)	29-09-2022 held on 06- 10-2022 (Virtual 3 rd OCM)	27-10-2022 (SCM)	08-12-2022 (4 th OCM)	26-01-2023 (SCM)	23-02-2023 held on 27-02-2023 (SCM)	30-03-2023 (1 st OCM)	26-04-2023 (SCM)	25-05-2023 (SCM)	30-05-2023 (SCM)	29-06-2023 (2 nd OCM)
Cllr NP Mposelwa	P	P	P	P	P	P	P	P	P	✓	✓	P
Cllr M Bomela	P	P	P	P	P	P	P	P	P	P	P	P
Cllr SE Ntsoelinyane	✓	P	P	P	P	P	P	P	P	P	P	P
Cllr NU Hlathuka	P	P	P	P	P	P	P	P	P	P	P	P
Cllr S Mei	✓	P	P	P	P	P	✓	P	P	✓	P	P
Cllr A Skoti	✓	P	P	P	P	P	P	P	P	P	P	P
Cllr NR Lengs	✓	P	✓	P	P	P	P	P	P	P	P	A
Cllr N Mabunu	P	P	P	P	P	P	P	P	P	P	P	A
Cllr AM van Zyl	P	Resigned on the 31 August 2022 and was replaced by Cllr GJ Shaw										
Cllr GJ Shaw	Replace Cllr AM van Zyl and was sworn in on 08 September 2022		P	P		P	✓	P	P	P	P	P
Cllr SG Moroahae	P	✓	P	A	P	P	✓	P	P	P	P	P
Cllr FM Sonti-Maqanda	P	P	P	P	A	A	P	✓	P	P	A	A
Cllr M Telile	P	P	P	P	P	P	P	✓	P	P	A	P
Cllr M Siphamla	P	P	P	A	P	P	P	A	P	P	A	A
Cllr Z Mampintsha	✓	P	P	P	P	P	P	A	P	A	A	P
Cllr S Mdoda	P	P	P	P	P	P	P	A	P	P	A	P
Cllr LC Pili	P	P	P	P	P	No longer a member of Council as at 26-01-2023						
Cllr N Ngendane	P	P	P		P	P	P	P	A	P	P	P
Cllr S Mfisa	P	✓	P	✓	P	P	A	A	A	A	P	A
Cllr N Nyongwana	P	P	P	P	P	P	P	P	A	A	P	A
Cllr L Ndakisa	P	P	P	P	P	P	P	P	A	A	P	P
Cllr NM Phama	P	P	P	P	P	P	✓	A	P	P	A	P
Cllr M Moahloli	A	✓	P	A	P	P	P	P	A	A	P	P
Cllr VD Davids	P	A	P	A	A	A	A	P	A	P	A	P
Ald NS Mathetha	P	P	P	P	P	P	✓	P	P	P	A	P
Cllr E Theron	P	P	P	P	P	P	P	P	P	P	A	P

Appendix B: Committee and Committee Purpose

Municipal Committees	Purpose of Committee
Audit Committee	To provide independent, objective assurance and consulting services designed to add value and improve the District Municipality's operations. It helps the District Municipality accomplish its objectives by bringing a systematic, discipline approach to evaluate and improve the effectiveness of risk management, governance and control processes.
MPAC	To consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report in the annual report. To perform any other functions assigned to it through a resolution of Council within its area of responsibility, excluding policy formulation or prioritization matters.
Corporate Services Standing Committee	To advise the Mayoral Committee on matters related to Corporate Services
Community Services Standing Committee	To advise the Mayoral Committee on matters related to Community Services
Technical Services Standing Committee	To advise the Mayoral Committee on matters related to Technical Services
Financial Services Standing Committee	To advise the Mayoral Committee on matters related to Financial Services
Strategic & Governance Committee	To advise Council on matters related to Strategic and Governance
Rules & Ethics	To advise Council on matters related to Rules and Ethics
Remuneration Committee	To advise Council on matters related to Remuneration
Disciplinary Board	This is a committee established in terms of Regulation 4 of the MFMA Regulations on financial misconduct. It deals with cases of financial misconduct. It investigates cases and reports to Council

Appendix C: Third Tier Administrative structure

Third Tier Structure	
Directorate	Manager
Office Of The Municipal Manager	Manager Socio Economic Development: Vacant
	Manager Mainstreaming: Mr MP Dyantyi
	Manager Strategy Compliance Governance & Internal Audit: Mr L. Galada
	Manager: IDP Monitoring Evaluation & Compliance: Mr T Phintshane
	Manager Communications Marketing, Media & Public Relations: Mr G Gceya
	Manager IT/ Infrastructure Support: Mr. L Gush
Community Services	Manager Municipal Health Services: Ms N Memela
	Manager Water Services Authority: Mr S Pongoma
	Manager: Disaster Risk Management, Fire And Rescue Services: Ms T Mokhantso
	Manager Natural Resource Management (Agency Function): Rob Scholtz
Water Services Provision	Manager WSP: Mr D Lusawana
Technical Services	Manager: Roads & Transport Engineering: Mr L Labuschagnie
	PMU: Manager: Mr L Wana
Corporate Services	Manager Auxiliary Services & Council Support: M L Matyesini
	Manager Human Resources & Labour Relations: Mr S Botha
	Manager Skills / Equity / Training & Career Development: Ms N Nelani
	Manager Legal Services: Ms N Libazi
Finance	Manager Budget & Compliance: Mr C Samuels
	Manager Expenditure: Ms T Nqgongqwana
	Manager Supply Chain Management: Ms M Mlotywa
	Technical Expert: Vacant
	Manager: Revenue: Vacant

Appendix D: Functions of Municipality

The Joe Gqabi Economic Development Agency (JoGEDA) has a mandate to deliver on the economic outcomes envisioned in the District's GDS Summit Agreements, and the mandate is further aligned to the IDP's of all the municipalities within the Joe Gqabi District. JoGEDA primary purpose for its establishment emanates from the region's local and the district municipalities unanimous agreement that a most strategic and robust economic growth would be driven by the special purpose vehicle.

The economic growth methodology to be adopted would be investment promotion in key priority areas that would stimulate trade and industry whilst providing opportunities for job creation within the district. The combined efforts of assessing through feasibility studies, packaging through investment promotion and facilitation of economic development through the various catalytic projects will enable the region to meet its growth targets.

Major strategic development priorities of JoGEDA's economic development efforts, investment projects portfolio and resource allocation are based on the following four major strategic development priorities:

- Securing project funding and partnerships to leverage technical skills necessary to support projects throughout their life cycle;
- Regeneration and rejuvenation of decaying and/or marginalised areas;
- Promotion and facilitation of effective and healthy business linkages and enterprise development throughout Joe Gqabi District;
- Enhance land value maximisation through residential and commercial property development

Appendix G: Recommendations of the Municipal Audit Committee

[To be inserted after audit finalization]

Appendix I: Service Provider Performance Schedule (see attachment)

Appendix M(i): Capital Expenditure – New Assets Programme (RBIG)

Project Name	Project Description	LM	Adjusted Allocation	Expenditure (2022/23 FY)	Progress to date	Challenges	Mitigation plans
Lady Grey Bulk Water: Long-term Water Supply: Proposes Zachevlei Dam and Associated Infrastructure	The Works comprises of the Construction of a new dam and associated conveyance infrastructure to deliver water to the existing water treatment plant in Lady Grey	Senqu LM	R 0	R 0	IRS Stage – Nation DWS still considering the funding application for the project	Delays from DWS to finalise IRS application	Keep on engaging the Department
Sterkspruit Wastewater Treatment Works and Associated Bulk Infrastructure	"Development of Sterkspruit Regional Wastewater Treatment Works: A 4Ml/day capacity treatment works (which will be design for possible upgrades), Sludge handling Sewer Lift Pump Stations and Bulk Sewer line: The scoping report has estimated the requirement of about 26.55km of Bulk Sewer Lines of diameter varying from 160mm to 400mm to cover the Sterkspruit areas along with several manholes and other associated features and fixtures."	Senqu LM	R2 000 000	R 1 944 787	The implementation of the project is divided into four (4) phases: (1) Sewer Infrastructure for Mokhesi (Tender Documentation Stage), (2) Sewer Infrastructure for Tapoleng (Design Stage), (3) Sewer Infrastructure for Sterkspruit (Design Stage), and (4) Development of Wastewater Treatment Works (Design Stage).	There were delays with the DWS to conclude the IRS review	None, as the IRS has since been approved
TOTALS			R 2 000 000.00	R 1 944 787,59			

Appendix M(ii): Capital Expenditure – Upgrade/Renewal Programme (WSIG)

NAME OF PROJECT	PROJECT STAGE	AREAS AFFECTED	SCOPE OF WORK	ESTIMATED COSTS PER PROJECT (AS INDICATED ON THE BUSINESS PLAN)	WSIG 2022/2023 ALLOCATED BUDGET (PER PROJECT)	AMOUNT TRANSFERRED BY DWS	WSA 2022/2023 EXPEND PER PROJECT
JOE GQABI DISTRICT MUNICIPALITY							
Refurbishment of Aliwal North and Maclear WWTW	Completed	Aliwal North, Maclear	Detailed Waste Water Treatment Works Plant Audits, Scoping Report, Technical Feasibility Report, Preliminary Design Report, Implementation ready study report, Bid Documents	R 11 000 000,00	R 11 000 000,00	R 60 000 000,00	R 14 158 762,17
Refurbishment of Ugie and Aliwal North WTWs	Completed	Aliwal North and Ugie	Refurbishment and upgrade of pressure filters, flocculation columns, Sedimentation Tank and chlorination systems and associated pumps and piping systems	R 20 069 679,56	R 20 069 679,56		R 26 699 820,51
District Wide Water Conservation and Demand Management	Completed	Oviston, Venterstad, Mt Fletcher	Rehabilitation of Mt Fletcher Dam = 100% Pipeline Replacement in Venterstad = 100%	R 22 930 320,44	R 22 930 320,44		R 15 198 424,41
Rural Rudimentary Water Supply	Completed	Aliwal North, Jamestown, Maclear, Ugie	Geophysical survey and borehole sitting = 100% Drilling Testing = 100% Equipping = 100%	R 6 000 000,00	R 6 000 000,00		R 5 244 480,01
JOE GQABI DISTRICT MUNICIPALITY				R 60 000 000,00	R 60 000 000,00	R 60 000 000,00	R 61 301 487,10

Appendix J: Disclosure of Financial Interest

Disclosures of Financial Interests		
Period ending 30 June 2023		
Position	Name	Description of Financial interests* (Nil / Or details)
Speaker	Cllr Bomela M	Nil
Executive Mayor	Cllr Mposelwa NP	Nil
Members of MayCo	Cllr Mabunu N	Nil
	Cllr Ntsoelinyana S	Labour consultations
	Cllr Hlathuka N	Nil
	Cllr Skoti A	Barkly East Trading Enterprise and Ambassador Youth Development
Councillors	Mathetha NS	Amawawesizwe
	Nyongwana N	Nil
	Moahloli MJ	Nil
	Mdoda S	Nil
	Davids V	Nil
	Ndakisa L	Jonkisa waste solutions
	Moroahae S	Dinokeng retail and wholesale
	Mfisa S	Nil
	Telile M	Nil
	Pili L	Nil
	Van Zyl AM	Nil
	Phama N	Nil
	Mampintsha Z	Nil
	Theron E	Nil
	Ngendane NM	Nil
	Siphamla M	Nil
	Lengs NR	Nil
	Sonti-Maqanda FM	Nil
	Mei S	Nil
Municipal Manager	Nonjola M	Nil
Chief Financial Officer	Du Toit S	Nil
Director Technical	Fortuin RJ	Nil
Director Corporate Services	Botha S	Nil
Director Community Services	Libazi N	Nil
COO	Mshumi N	Shares with MTN and Vodacom
WSP Manager	Lusawana D	Immanuel Burial Society

Appendix N: Capital Programme by Project current year

No.	Project Name	Project Description	LM	Adjusted Allocation	Expenditure	Progress to date	Challenges	Mitigation plans
1	Upgrading of the Sterkspruit Water Treatment Works and Bulk Lines: Phase II	Upgrading of WTW and construction of 9km pipeline from Blue Gums to Herschel	Senqu LM, Sterkspruit	R 4000 000	R 2 456 767,03	The project is at 98% complete	The pipeline kept on failing during the pressure testing	Keep fixing the areas that were failing until the pipe passes all the sections.
2	Senqu Rural Sanitation Programme: Phase 6	Construction of VIP toilets in Sterkspruit using SMMEs	Senqu LM, Sterkspruit	R 11 668 204	R 10 235 533,41	Top structures and SMMEs are on site and construction is underway	The project delayed starting due to procurement processes	None
3	Elundini Rural Sanitation Programme: Phase 6	Construction of VIP toilets in Elundini using local SMMEs	Elundini LM, Mt Fletcher	R 11 668 204	R 11 262 909,23	Top structures and SMMEs are on site and construction is underway	The project delayed starting due to procurement processes	None
4	Elundini Rural Water Programme (ORIO)	Construction of water supply infrastructure in 109 villages in Maclear including reservoir, pipelines, pressure tanks, standpipes, etc	Elundini LM,	R 12 000 0000	R 12 450 712,89	Progress: Design stage: Geohydrologist still working on establishment of ground water sources Labour: 0 SMMEs: 0 Sub-Consultants (Geohydrologists are now on-site drilling boreholes)	The project is still on design Development stage. The Geohydrologist is busy with the establishment of raw water sources; boreholes and springs and submit to the engineer for design development	There is no suitable or sustainable water on some villages, and this means some of the villages that were prioritised in the Orio programme might not be done due to no water found in their villages.
5	Maclear Water Treatment & Distribution Upgrade (AC Pipe Replacement)	Replacement of old AC water pipelines in Maclear CBD	Elundini LM, Maclear	R 10 000 000	R 10 734 941,35	Progress:100% Construction Complete – Practical Completion has been reached – the Town of Maclear is now supplied from the newly constructed line. Labour:18 SMMEs: No SMMEs were utilised in the project due to the nature of scope	Progressed very well	None

						of works		
6	Provision of Sanitation Infrastructure for Ugie: Phase 1	Upgrading of Ugie internal sewer line, construction of two new pump stations and wastewater treatment works	Elundini LM, Ugie	R 500 000	R 0	Progress: Design Development Stage Labour: 0 SMMEs: 0 The official site handover to the Service Providers was held on the 04 May 2023	Procurement took longer than anticipated, how design development is underway	None, as the project is on progress
7	Bulk Sanitation Infrastructure Upgrade for Maclear Phase 3B	Construction of Sewer gravity main, pump station, rising main and refurbishment of WWTW	Elundini LM, Maclear	R 52 431 053	R 60 000 000,00	Progress: 70% complete Labour: 34 SMMEs: 10	The positioning of portions of rising and gravity mains placed on the SANRAL road reserve (R396) without wayleave approved, this has caused significant delays on the project.	All information required by SANRAL in order to receive wayleave approval has been submitted, and now awaiting formal approval.
8	Aliwal North Water Treatment Works Holding Dams	Construction of Two off-channel dam at the 8 Aliwal North WTW for raw water storage	WSLM, Aliwal North	R 2 000 000	R 1 181 583,70	Progress: Design and Documentation stage Labour: 0 SMMEs: 0	After in-depth feasibility and assessment, the approved funding seems to be falling short to address the full scope of the project.	Start engagements with DWS, COGTA, MISA and Treasury for additional funding.
9	Jamestown Sanitation Phase 2 (Pipelines)	Construction of sewer reticulation for Jamestown and Masakhane township	WSLM, Jamestown	R 16 902 641	R 15 853 035,86	Progress: Project has reached practical completion Labour: 179 SMMEs: 9 (6 Grade 1CE and 3 Grade 2CE)	Project complete	None
10	Senqu Rural Water: Work Package 1	Water Supply to Senqu Villages	Senqu LM, Sterkspruit	R 972 875	R 972 875,09	Progress: Design Stage Labour: 0 SMMEs: 0	The procurement PSP through our Implementing Agent took longer than expected, however the process is almost concluded.	There is a PSP that has been contracted on emergency basis to finish schemes that were a hazard to the community to leave unattended for a long period of time.

11	Senqu Rural Water: Work Package 2	Water Supply to Senqu Villages	Senqu LM, Sterkspruit	R 7 000 000	R 6 574 279,05	Progress: Construction carried out at Lusizini/Ntubeni Village is at 70% complete Labour: 18 SMMEs: 0	The procurement PSP through our Implementing Agent took longer than expected, however the process is almost concluded.	The IA is busy with procurement of new SP to complete the project
12	Senqu Rural Water: Work Package 3	Water Supply to Senqu Villages	Senqu LM, Sterkspruit	R 9 669 733	R 6 683 909,13	Progress: 95% Construction complete – Working in Hohobeng and Bikizana Villages Labour: 15 SMMEs: 0	The procurement PSP through our Implementing Agent took longer than expected, however the process is almost concluded.	There is a PSP that has been contracted on emergency basis to finish schemes that were a hazard to the community to eave unattended for a long period of time.
13	Senqu Rural Water: Work Package 4	Water Supply to Senqu Villages	Senqu LM, Sterkspruit	R 4 058 505	R 4 058 505	Progress: Design Stage Labour: 0 SMMEs: 0	The procurement PSP through our Implementing Agent took longer than expected, however the process is almost concluded.	The IA is busy with procurement of new SP to complete the project
14	Senqu Rural Water: Work Package 5	Water Supply to Senqu Villages	Senqu LM, Sterkspruit	R 8 964 417	R 8 572 058,32	Progress: 75% completed of Construction Progress Labour: 18 SMMEs: 0	The procurement PSP through our Implementing Agent took longer than expected, however the process is almost concluded.	The IA is busy with procurement of new SP to complete the project
15	Senqu Rural Water: Work Package 6	Water Supply to Senqu Villages	Senqu LM, Sterkspruit	R 9 998 068	R 9 998 062,29	Progress: 70% Complete Labour: 10 SMMEs: 0	The procurement PSP through our Implementing Agent took longer than expected, however the process is almost concluded.	There is a PSP that has been contracted on emergency basis to finish schemes that were a hazard to the community to eave unattended for a long period of time.
16	Senqu Rural Water:	Water Supply to Senqu Villages	Senqu LM,	R 7 000 000	R 9 327 167,24	Progress: 35% Construction progress	The procurement PSP	There is a PSP that has

	Work Package 7	Villages	Sterkspruit			Labour: 10 SMMEs: 0	through our Implementing Agent took longer than expected, however the process is almost concluded.	been contracted on emergency basis to finish schemes that were a hazard to the community to eave unattended for a long period of time.
17	Lady Grey Water Supply: New Trunk and Reticulation Water Mains for KweziNaledi & Transwilger	Upgrading of water supply infrastructure	Senqu LM, Lady Grey	R 2 400 000	R 2 928 357,54	Progress: Design Stage Labour: 0 SMMEs: 0	None	None
	PMU Top Slice	Management of the PMU office	JGDM	R 9 012 300	R 6 453 561,70			
	TOTALS			R 180 246 000	143 495 474, 81 (79.6%)			

ANNEXURE A: JGDM DRAFT APR

ANNEXURE B: VOLUME II: UNAUDITED AFS