

2023-2024

XHARIEP DISTRICT MUNICIPALITY

# ANNUAL REPORT (FINAL) Volume I

# Contents

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# Preface

## PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

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

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

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

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

October 2009

# Chapter 2

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

Dear Esteemed Residents of Xhariep District Municipality,

It is with great pride and a profound sense of responsibility that I present to you the Annual Report for the 2023-2024 financial year. This report serves as a testament to our unwavering commitment to transparency, accountability, and the continuous improvement of service delivery within our community. As your Executive Mayor, I am acutely aware of the trust you have placed in us, and it is our duty to ensure that we honour that trust through diligent governance and effective leadership.

Our municipality, inaugurated on 26 November 2021, is a vibrant tapestry woven from the diverse voices of our residents. With a Council comprised of dedicated members from the African National Congress, the Democratic Alliance, and the Economic Freedom Fighters, we embody a spirit of collaboration and inclusivity that is essential for the progress of our district. Together, we have navigated the complexities of governance, ensuring that every decision made reflects the aspirations and needs of our constituents.

The past year has been marked by significant achievements and challenges alike. Guided by our Strategic Plan and the Integrated Development Plan (IDP), we have allocated resources to projects that enhance the quality of life for all residents. Our commitment to maintaining quality service delivery is unwavering, and I am proud to report that we have made substantial strides in addressing the needs of our community.

As we reflect on our accomplishments, we must also acknowledge the challenges that lie ahead. The road to sustainable development requires resilience, innovation, and a steadfast dedication to our shared vision. We are committed to fostering a culture of accountability and integrity, ensuring that our actions are always in the best interest of our residents.

I extend my heartfelt gratitude to the members of the Municipal Council, our dedicated municipal staff, and the citizens of Xhariep District Municipality. Your active participation and engagement are vital to our success. Together, we can build a future that leaves no one behind, as espoused by our President, Mr. Cyril Ramaphosa.

As we embrace the future, let us remain united in our efforts to create a prosperous, inclusive, and sustainable district for all. I invite you to explore this report, which not only highlights our achievements but also outlines our vision for the years to come.

Yours in local government

.....

NI Mehlomakulu

T1.0.1

# Chapter 2

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

It is with considerable pride and a profound sense of duty that I submit the Annual Report for the Xhariep District Municipality for the fiscal year 2023-2024. This document captures our steadfast commitment to serving our communities, promoting sustainable development, and ensuring the utmost standards of governance and accountability.

Throughout the preceding year, we encountered numerous challenges; nevertheless, we have emerged with resilience, guided by our strategic vision and the frameworks delineated in our Integrated Development Plan (IDP). Our dedicated team has exerted considerable effort to implement pivotal projects and initiatives that correspond with our Key Performance Areas (KPA's), thereby ensuring that we not only fulfil but surpass the expectations of our residents.

The report outlines our accomplishments across various sectors, wherein we have prioritized the needs of our citizenry by actively engaging them in the decision-making processes through the IDP and Budget public participation forums. This collaborative methodology has reinforced the social contract between the municipality and its constituents, enabling us to better comprehend and respond to their aspirations.

Our financial stability remains a fundamental aspect of our operations, and we are devoted to transparent and responsible management of public resources. The Auditor-General's Report, which is incorporated within this document, reflects our commitment to upholding elevated standards of financial integrity and performance management. We acknowledge that accountability is of utmost significance, and we are continually striving to enhance our systems and processes to ensure adherence to all legislative mandates.

As we anticipate the future, we maintain our focus on constructing a prosperous and inclusive district. Our initiatives concerning job creation, skills development, and infrastructure enhancement are meticulously designed to empower our communities and invigorate economic growth. We also pledge our commitment to promoting good governance practices, risk management, and anti-corruption strategies, as guided by principles and ethics.

I would like to reiterate my gratitude in the compilation of this report to our dedicated staff and all stakeholders for their invaluable contributions and support throughout this endeavor. Your unwavering commitment to excellence and service delivery has been instrumental in our successes.

In conclusion, as it is the norm, I invite all stakeholders to engage with this report as we continue our journey toward a vibrant and sustainable future for the Xhariep Municipality.

Together, let us collaborate as we strive to enhance the quality of life for all our residents

Yours sincerely,

.....

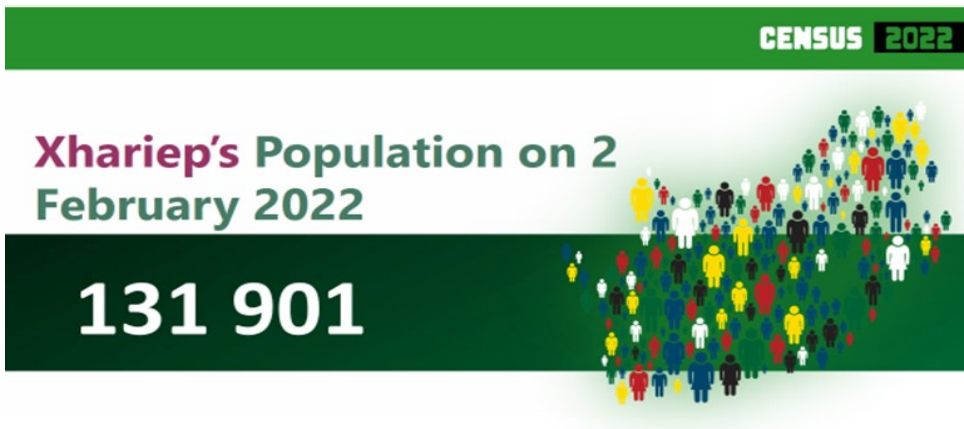
**LY Moletsane**  
**Municipal Manager**

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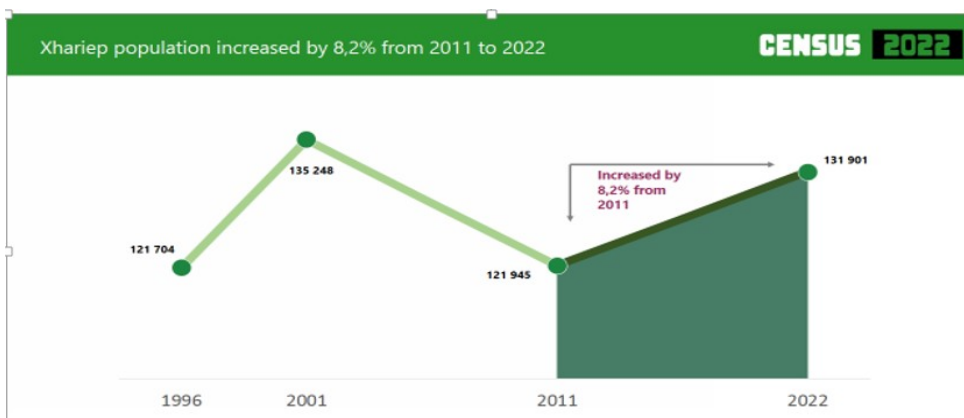
# Chapter 2

## 1.1. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### Population Details



In 2011 the Xhariep district total population was 121 945 and in 2022 the district has increased its population size to 131 901 which amount to 8.2% and is ranked number five in the Free State Province. The female population has increased to 68 657 compared to males at 63 244.



Source: Statistics SA Census Survey 2022

T1.2.2

# Chapter 2

## INTRODUCTION TO BACKGROUND DATA

Out of 16 district functions, Xhariep district municipality is performing 6(37.5%) of these functions. Xhariep District is the smallest compared to the others within Free State Province with about 5.2% share of the total provincial population. With 125 884 people, the Xhariep District Municipality housed 0.2% of South Africa's total population in 2017. Compared to Free State's average annual growth rate (0.62%), the growth rate in Xhariep's population at -0.73% was significant lower than that of the province

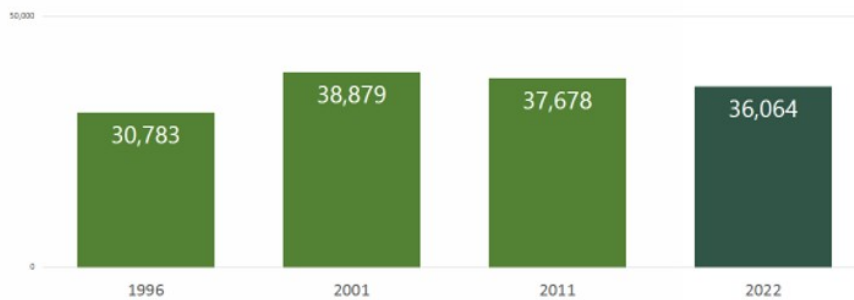
T 1.2.1

The Census Survey Report of 2022 is a large-scale survey which happened in between Censuses 2011 and 2022. The main objective of the survey is to provide population and household statistics at municipal level to all stakeholders including the government and private sector to support planning and decision-making.

Number of households in Xhariep District decreased by around 2 815 since 2001

**CENSUS 2022**

Number of households for Xhariep District, 1996 - 2022



It is concerning that the number of households in Xhariep District decreased by around 2 815 since 2001 and it is ranked number five (5) in the entire province. In 2022 the average household size was 3.7

# Chapter 2

Natural Resources	
Major Natural Resource	Relevance to Community
Water (Gariep Dam)	Supply of water to households and generation of electricity.
Diamonds(Jagersfontein and Koffiefontein)	Job creation, Revenue enhancement, Economic development, human settlement.
Uranium (Edenburg)	Job creation, Revenue enhance, Economic development, human settlement
Land	Job creation through farming and settlement of communities
Sun (Radiation energy)	Job creation through erection of solar hubs
T1.2.7	

## BACKGROUND DATA

Khariep District forms the southern part of the Free State Province and is one of four district municipalities in the Free State. The municipality measures 34289 km sq. It is bordered by Tokologo Municipality in Lejweleputswa District to the north, Mangaung Metro and Mantsopa Municipality in Thabo Mofutsanyana District to the north-east. Other borders are with the Kingdom of Lesotho to the east, Ukhahlamba Municipality in Eastern Cape Province to the south, Pixley ka Seme Municipality in Northern Cape Province to the west and Frances Baard Municipality in Northern Cape Province to the north-west. Topographically the district is bordered for most of its eastern border by the Maluti and Drakensberg mountains. Hydrological the district is located between the Vaal River to the north, and Orange River to the south, with rivers within the district draining towards these rivers. Khariep consists of three local municipal areas, with Letsemeng forming the north western section, Kopanong the middle section, Mohokare the south eastern section of the district

T1.2.8

## 1.2. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

The municipality is heavily dependent on grants with little revenue base, the government grants are from National and other spheres of government. This dependency puts a lot of pressure and strain on the municipality's ability to finance both operating and capital expenditures.

The municipality's structure does not respond to the core functions of the municipality due to cash flow challenges. Revenue strategies and performance of powers and functions of the municipality as stipulated in the municipal Structures Act will assist in the long term sustainability of the municipality.

T1.4.1

# Chapter 2

Financial Overview - 2023/2024			R' 000
Details	Original budget	Adjustment Budget	Actual
<b>Revenue</b>			
Grants	87 712 000	132 414 000	89 691 583
Rental of facilities	167 000	263 000	695 911
Interest Earned	1 115 000	1 555 000	2 498 534
Other Income	88 000	88 000	123 918
Public contributions donations and other transfers	89 082 000	134 320 000	93 009 946
<b>Expenditure</b>	(91 012 000)	(91 948 000)	(99 969 239)
<b>Actuarial gains/losses</b>	-	-	148 268
<b>Surplus / Deficit</b>	<b>(1 930 000)</b>	<b>42 372 000</b>	<b>(6 811 025)</b>
			T1.4.2

Operating Ratios	
Detail	%
Employee Cost	47%
Repairs & Maintenance	1%
Finance Charges & Impairment	2%
T1.4.3	

#### COMMENT ON OPERATING RATIOS

Employee related costs (inclusive of councilor's remuneration) constitutes 56% of the total expenditure and repairs and maintenance (1%) significantly lower than the 8% NT guide while finance charges and impairment are curbed lower at 3%.

T1.4.3

# Chapter 2

## ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organization Development (OD) is about improving performance at the individual, group, and Municipal organizational levels. It is about improving the organization's ability to effectively respond to changes in its external environment, and it's about increasing internal capabilities by ensuring the Xhariep District Municipal structures, human resources systems, job designs, communication systems, and leadership/managerial processes fully harness human motivation and help people function to their full potential.

Done well, such improvement can be transformational—producing fundamental changes in the way individuals, groups, and organizations functions.

T1.5.1

### 1.3. AUDITOR GENERAL REPORT

#### AUDITOR GENERAL REPORT 2022-2023 (Previous Financial Year)

The Municipality received an unqualified opinion. The following are the issues that lead to the audit outcome mentioned above:

- Material adjustments in the Annual Financial Statements;
- Material uncertainty relating to going concern;
- Irregular, Fruitless and Wasteful Expenditure;
- Non investigation by MPAC

T 1.6.1

**Comment [ML1]:** Auditor general report should be for 2023/24

**Comment [N2R1]:** The APR template on this table require municipalities to also give a brief reflection of the past Audit hence the 2022-2023 information here.

# Chapter 2

## 1.4. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalised the 4th quarter Report for previous financial year	
4	Submit draft 2022-2023 Annual Report to Internal Audit	
5	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
6	Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	September – October
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
10	Municipalities receive and start to address the Auditor General's comments	January
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee assesses Annual Report	February
14	Council adopts Oversight report	March
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	March
T1.7.1		

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

A municipal council is made up of the Municipal councilors who are democratically elected by registered votes within the municipal control. The Speaker is the chairperson of the Municipal Council which she presides over both Ordinary and Special Council meeting and she is also responsible for the discipline of the Municipal Councilors.

The Mayoral Committee consists of Municipal Councilors appointed by the Executive Mayor to serve in the Mayoral Committee. The number of Municipal Councilors on the Mayoral Committee is the minimum number that is needed for efficient and effective government.

The Executive Committee chaired by the Executive Mayor is responsible for the executive functions of the municipality.

T2.0.1

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The current term of the Municipal Council was inaugurated on the 26 November 2021 and consists of sixteen (16) Councilors.

The Municipal Council consists of ten (10) Councilors who are representing the African National Congress, four (4) Councilors representing Democratic Alliance and two (2) Councilors representing the Economic Freedom Fighters. The Council was appointed or elected as follows: Executive Mayor (1), Speaker (1), 10 Councilors are appointed in three (3) Portfolio Committees which are headed by Members of the Mayoral Committee.

The Council has appointed 3 Councilors as MPAC Committee, The Municipal Manager as the Accounting Officer and the three Section 56 Managers were appointed by the Municipal Council of Xhariep District Municipality.

The Municipal Manager and the managers directly accountable to the Municipal Manager organize Administration in a manner that enables the Municipality to be responsive to the needs of the Community within its jurisdiction.

The Municipal Manager is accountable for the overall performance of the Municipality and she is accountable to the Executive Mayor and Council.

T2.1.0

# Chapter 2

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

In line with the provisions of the Local Government: Municipal Structures Act 117 of 1998, Xhariep District Municipality has an established political component.

The main role of the political component is provided for in the Structures Act.

Section 80 of the Municipal Structures Act specifies procedures for establishing committees in Municipal council with an executive committee.

One of the functions of the portfolio committee is to process the report tabled before by the Departments before they could be forwarded to the Mayoral Committee and eventually to Council.

In terms of section 79 of the Structures Act, a Municipal Council has established Committees such, as MPAC, which is composed of three (3) Councilors necessary for the effective and efficient performance of its functions.

The Annual Report is prepared by the Performance Management Unit in collaboration with other departments after the Management has satisfied itself with the contents of the report it is then submitted to Council for noting. Subsequent to this process, the Annual report is submitted to Oversight Committee before the 31 March each year thereafter to Provincial Authorities.

The Internal Audit conducts audit throughout the year in terms of their audit plan and prepare Audit packs that are then submitted to Internal Audit Committees. After consideration of these reports the Audit Committee forwards its recommendations to Council for consideration.

T2.1.1

# Chapter 2

## POLITICAL STRUCTURE

### MAYOR

**Cllr NI Mehlomakulu**

Exercises powers delegated to the Mayor by Council or the Executive Committee

### SPEAKER

**Cllr MA Shasha**

Presides at Council meetings and exercises powers delegated to the Speaker in terms of section 59 of the Local Government: Municipal Systems Act, Act 32 of 2000.

### CHIEF WHIP

**N/A**

To ensure political mandates are executed

### MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

Cllr AM Lebaka: Chairperson of the Budget and Treasury Committee

Cllr NJ Garekoe: Chairperson of the Corporate Services Committee

Cllr TD Mochechepa: Chairperson of Planning & Social Development

### COMPOSITION OF COUNCIL AS AT 30 JUNE 2020

Political Party	Total	Directly elected	Seconded
African National Congress	10	6	4
Democratic party	4	1	3

# Chapter 2

Economic Freedom Fighters	2	1	1
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T2.1.1

## COUNCILLORS

The current Council structure consist of 16 Councillors, six (6) Councilors are directly elected and ten (10) are Seconded from the three local Municipalities which are, Kopanong, Letsemeng and Mohokare local Municipality. The six full time Councilors includes the Speaker, the Executive Mayor, the three (3) Mayoral Committee members and the Chairperson of the MPAC

### Directly Elected Councilors or PR Councilor:

Cllr AM Shasha

Cllr NI Mehloakulu

Cllr NJ Garekoe

Cllr AM Molai

Cllr AJJ Van Rensburg

Cllr TI Phatsoane

### Seconded Councilors from Local Municipalities:

#### Kopanong Local Municipality

Cllr MG Mokheseng

Cllr RW Van Wyk

Cllr MV Malgas

Cllr ME Lekoenea

#### Letsemeng Local Municipality

Cllr AN November

Cllr MM Potgieter

Cllr AM Lebaka

#### Mohokare Local Municipality

Cllr TD Mochechepa

Cllr IS Riddle

Cllr NA Adoons

T2.1.2

# Chapter 2

## POLITICAL DECISION-TAKING

The Constitution gives both the legislative and executive powers of a Municipality to the Municipal Council. All Municipal Councilors are involved in taking decisions about how the Municipal Council is run, what services it should provide and how it should spend its money.

The Municipal Council is responsible for all the decisions of a Municipality but it may give specific functions to Committees as provided for in part 5; section 79 of the Structures Act. The Section 80 Committee sit as per schedule of Council meeting which is approved by Council to process the reports placed before them and make recommendations to the Mayoral Committee. The recommendation of the Section 80 may be changed by the Mayoral Committee or may be forwarded to the Council as they are. Then Council pronounces itself on the recommendations/ issues tabled before it. Where members share a different view on any matter under consideration, they vote on the matter, either by show of hands or through a secret ballot as stipulated in the standing rules and Orders. All decisions taken by Council are called resolutions which are implemented by the administration. In Xhariep District Municipality, these resolutions are taken to Departments through Execution list. Thereafter a Resolution register on resolutions implemented is developed to be presented in Council sitting.

T2.1.3

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the accounting officer who accounts to the political head, Executive Mayor as well as Council. He further provides guidance and advice to the political structures; also manage the administration of the institution.

The Director: Corporate Services administer the Department of Corporate Services and advice the Municipal Manager with issues relating to administration, human resources and information technology. The Chief Financial Officer administers Budget and treasury Office and advice the Municipal Manager on matters that relate to the finances of the Municipality. The Director: Planning and Social Development is responsible for the affairs of the Department of Planning and Social Development, advices and assists the Municipal Manager on all matters that relates to this department, i.e. planning, local economic development and municipal health services

T2.2.1

# Chapter 2

## TOP ADMINISTRATIVE STRUCTURE

### MUNICIPAL MANAGER

Mr PV Litabe(Acting)  
Mrs Lebohang Yvonne Moletsane

### DIRECTOR: Corporate Services

Mbulelo Aven Jafta

### Chief Financial Officer

Mr PV Vincent Litabe  
Mr TS Matsiliso(Acting)

### Director: Planning & Social Development

Mrs NY Augustus(Acting)  
Mr OA Kale

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Intergovernmental relations are mainly informal, making the system flexible to respond to changing circumstances. The approach of the Act is therefore that it does not seek to govern intergovernmental relations in its totality but provides only the broad framework in terms of which spheres of government interact with one another.

T 2.3.0

## 2.3 INTERGOVERNMENTAL RELATIONS

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The District is part of the Premiers' Coordinating Forum which is used to facilitate intergovernmental relations between the province and local government in the province. The District also participates in Provincial Forums which include Provincial IDP Forum, Provincial Energy Forum, Provincial AIDS Forum as well as South African Local Government Association (SALGA).

T2.3.2

# Chapter 2

## DISTRICT INTERGOVERNMENTAL STRUCTURES

Meetings are held once in a quarter, whereby the District Municipality is responsible for ensuring the co-ordination of intergovernmental relations within the district municipality with local municipalities in the district.

**District Coordinating Forum:** Forum consists of the Executive Mayor and 3 primary members of which is the Local Mayors.

### Technical Support Committee

Forum consists of the District Municipal Manager and 3 primary members (Local Municipal Manager). The forum must meet at least once per year with service providers and other role players concerned with the development in the district to co-ordinate effective provision of services and planning in the district.

T2.3.4

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Municipality is committed to governing its area of its jurisdiction and its citizens in accordance with the spirit of the Constitution of the Republic of South Africa. This requires the Municipality to undertake community consultation, participation and empowerment as central features. The review of the institution's current Integrated Development Plan included community participation through Stakeholder Engagements and public participation meetings. Through such measures, the communities are able to provide input on their priorities for the period under review. Some benefits include building and strengthening partnerships with various organisation from communities and broader civil society to establish a people's contract in ensuring that citizen participation and representative democracy are combined to promote people-centered and people-driven development and governance.

T 2.4.0

# Chapter 2

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

The Xhariep District Municipality has a functional Communication Unit. The Communication Unit is a strategic component within the municipality that cut across all departments and units including the public. The Communication Unit also ensures that communication is well coordinated, effectively managed and responsive to the diverse information needs of the people. To fulfill this mammoth task, the communication unit has established the following mechanism, namely;

- a) District Communicators Forum
- b) Periodic update of the municipal website
- c) Quarterly newsletter
- d) Council notices

The council meetings are opened to the public; this is to ensure that the public is informed and council businesses are at the public domain.

T2.4.1

# Chapter 2

Public Meetings				
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending
IDP/Budget public participation	18 April 2023	10	13	17
IDP/Budget public participation	19 April 2023	5	7	16
IDP/Budget public participation	26 April 2023	3	12	22

T2.4.3

#### COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

Some of the benefits of public meetings include community being part of the decision-making process and, as result, minimizing community protests and civil unrests. The other benefit is that community will take ownership of development within their environment and have a sense of belonging.

T2.4.3.1

# Chapter 3

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
* Section 26 Municipal Systems Act 2000	T2.5.1

# Chapter 3

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

As the Head of Administration the Municipal Manager is responsible for the following tasks:

- The formation and development of an economical, effective, efficient and accountable administration.
- The management of the municipality's administration in accordance with legislation applicable to the municipality.
- The implementation of the municipality's integrated development plan.
- The management and provision of services to the local communities in a sustainable and equitable manner.
- The appointment of staff subject to the Employment Equity Act, 1998.
- The management and effective utilisation and training of staff.
- The maintenance of discipline of staff.
- The promotion of sound Labour relations and compliance with Labour legislation.
- Advising the political structures and political office bearers of the municipality.
- Managing communications between the municipality's administration and its political structures and political office bearers.
- Carrying out the decisions of the political structures and political office bearers of the municipality.
- The administration and implementation of the municipality's by-laws and other legislation.
- The exercise of any powers and the performance of any duties delegated by the municipal council.
- Facilitating participation by the local community in the affairs of the municipality.
- The implementation of national and provincial legislation.

T2.6.0

# Chapter 3

## 2.5 RISK MANAGEMENT

### RISK MANAGEMENT

MFMA, section 62 (1) (c) (i) states that the Accounting Officer of a municipality is responsible for the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems off financial and risk management and internal control.

Paragraph 13 of Chapter 13 of the Public Sector Risk Management Framework states that the Risk Management Committee must provide timely and useful reports to the Accounting Officer/Authority on the state of Risk Management, together with accompanying recommendations to address any deficiencies identified.

Risk Management Committee comprised of an independent The Risk Management Committee Chairperson and Directors as members appointed by the Accounting Officer. The risk management policies were approved by council for 2023-2024 financial year. The following are the responsibilities of Risk Management:

1. Facilitating annual risk assessment within the municipality
2. Advising and guiding the municipality in terms of Institutional risk matters.
3. Developing the Risk Management Strategic documents and Implementation Plan.
4. Coordinating risk management activities.
5. Compilation of Risk Register

T2.6.1

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

In terms of section 3.2.1 of Treasury Regulations, the Accounting Officer must ensure that a risk assessment is conducted regularly to identify emerging risks to the institution. A Fraud and Corruption Management Strategy must be used to direct the internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks.

During the year under review Fraud and Corruption Policy and Strategy was approved, the municipality continued to enforce strategies to combat fraud and corruption. Anti-Fraud and Corruption awareness campaign was conducted by issuing of the Fraud and Awareness Pamphlets as part of efforts to strengthen mechanisms to prevent and combat fraud and corruption.

T2.7.1

# Chapter 3

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy of the municipality was reviewed to ensure that it is in line with the Municipal Supply Chain Management Regulations, other applicable legislations and guidelines of National Treasury. The reviewed SCM policy of the municipality for 2023/24 financial year was approved by the Council in June 2023. The municipality also developed the Preferential Procurement Policy in line with the new Preferential Procurement Regulation of 2022, which was also part of the policies approved by Council in June 2023.

The municipality (as far as the National Treasury SCM implementation check list is concerned, both quarterly and annually) does not have IT related projects above R10m, hence it has not yet utilized the services of SITA to procure such goods or service; and Lastly, an institutional delegation of powers has to be established in collaboration with Free State Provincial Treasury.

No Councillor is a member of any committee handling Supply Chain processes. All three (3) Officials in Supply Chain have the MFMA minimum competency requirements in 2016.

Non – compliance with Supply Chain Management Policy and other applicable legislations which resulted in irregular expenditure – As a remedial action to this problem, such expenditure to be investigated by MPAC, consequence management to be implemented and the SCM checklist to be reviewed and implemented effectively to ensure for an example, that all transactions, prior to awarding, are given to suppliers/service providers that are CSD compliant and/or comply with all the necessary bidding requirements.

T2.8.1

# Chapter 3

## 2.10 WEBSITES

Municipal Website : Content and Currency of Material	
Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	No
All current budget-related policies	No
The previous annual report (2022-2023)	Yes
The annual report (2023-2024) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2023-2024) and resulting scorecards	Yes
All service delivery agreements (2023-2024)	No
All long term borrowing contracts (2023-2024)	No
All supply chain management contracts above a prescribed value (give value) for 2023-2024	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2023-2024	No
Contracts agreed in 2021-2022 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in 2023-2024	No
All quarterly reports tabled in the council in terms of section 52 (d) during 2023-2024	No
T2.10.1	

### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS

The Communications Unit is the custodian of the municipality website content. All documents and content are sent to the communications unit for verification and upload onto the municipal website.

The role of the IT Unit is to ensure that website is up and running. The municipality has a new website with domain name: [www.xhariep.gov.za](http://www.xhariep.gov.za), some of the information is still sitting on the Provincial website that was created for all Free State Municipalities.

T2.10.1

# Chapter 3

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

### COMPONENT A: BASIC SERVICES

#### INTRODUCTION TO BASIC SERVICES

The district municipality started to perform the functions of Environmental Health with effect from December 2009. Critically, the Municipal Structures Amendment Act (Act 33 of 2000) provides for an extensive annual review of the division of powers and functions between Category B and Category C to ensure effective implementation of these assigned powers following an advice provided by the Municipal Demarcation Board emanating from the Boards' annual capacity assessment report.

Basic services being offered by the District Municipality is as per Health profession Act, 1974 (Act no. 56 of 1974) Regulations defining the scope of the profession of Environmental Health: Amendment: Water and Waste Water quality, Food control, Waste management, Health Surveillance of premises, Vector control, Surveillance and prevention of communicable diseases, Environmental pollution, Disposal of the dead and noise control.

T3.1.0

#### Employees: Planning Services

Job Level	2022-2023	2023-2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	2	4	4	0	0
4 – 6	5	8	6	2	25%
7 – 9	3	2	0	0	0
10 – 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
<b>Total</b>	<b>10</b>	<b>14</b>	<b>10</b>	<b>2</b>	<b>25%</b>

T3.10.4

**Comment [NN3]:** The total rate should be 2/14= 14,28%

# Chapter 3

Financial Performance 2023-2024: Planning Services					
					R'000
Details	2022-2023	2023-2024			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	16,233	14 255	18 214	14 335	3 879
<b>Expenditure:</b>					
Employees	10,732	11 578	10 460	10 564	(104)
Repairs and Maintenance	0	0	0	0	0
Other	3,655	2 677	7 754	3 771	3 983
<b>Total Operational Expenditure</b>	14,387	14 255	18 214	14 335	3 879
<b>Net Operational Expenditure</b>	2,846	0	0	0	0
					T3.10.5

**Comment [ML4]:** Please confirm where these amounts come from, I cannot confirm them to any source audited

## 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

### INTRODUCTION TO ECONOMIC DEVELOPMENT

The review of the LED strategy is ongoing with the desktop work having been complete, this includes provision of current statistics that are acquired with the assistance of the DESTEA research unit and the COGTA. Free State COGTA is assisting the Xhariep District Municipality together with all its local municipalities in developing / review of the Local Economic Development Plans. A draft document for the district is in place, upon the final outstanding review processes to ensure priorities of the 7<sup>th</sup> administration of government are incorporated and proper alignment concluded together with Free State COGTA, the draft document will be tabled in council for adoption as a draft document for consultation, after the consultations, the final LED will be tabled and adopted in Council.

COGTA continues to assist local municipalities in the Free State with the development and review of LED Strategies, DESTEA continues as the lead department in economic development alignment with municipalities is yet to be realized.

T3.11.1

# Chapter 3

<b>Jobs Created during 2023-2024 by LED Initiatives (Excluding EPWP projects)</b>				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
2021-2022	32	0	32	Periodic maintenance of the National Route N1 section 14 between Springfontein north and Trompsburg, km 2.20 to km 18.60
	30	0	30	Periodic maintenance of the National Route N1 Section 13 Between Springfontein South and Springfontein North, km 41.60 to km 2.20
	53	0	53	Periodic maintenance of the National Route N1 section 13, from Driekuil (km 20.0) to Mount road (km 41.6)
2022-2023	101	0	101	National Route N1 section 14 between Springfontein north and Trompsburg, KM 2.20 to 18,60
	36	0	36	Periodic maintenance of the National Route N1 section 13, between Springfontein South and Springfontein North Km 41.60 to Km 2.20
	94	0	94	Periodic maintenance of the National Route N1 section 13, from Driekuil (km 20.0) to Mount Road (Km 41.6)
	0	0	0	-
	0	0	0	-

# Chapter 3

2023-2024				
	0	0	0	-
				T3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
2021-2022	3	188
2022-2023	3	166
2023-2024	3	210
* - Extended Public Works Programme		T3.11.6

# Chapter 3

Employees: Local Economic Development Services					
Job Level	2022-2023		2023-2024		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0
4 – 6	2	2	1	1	50%
7 – 9	0	0	0	0	0
10 – 12	0	0	0	0	0
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>33%</b>
					73.11.8

## 3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

### INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABBATOIR LICENSING AND INSPECTIONS, ETC

A key responsibility in rendering an effective Municipal Health Services is the monitoring of food and health surveillance of private and government premises in order to ensure compliance with R638, Foodstuffs, Cosmetics and Disinfectants act 1972 (Act no. 54 of 1972) and the National health act, 2003 (Act no 63 of 2003).

District Environmental Health Practitioners conduct health inspections of premises and issue out compliance notices to food premises which are found to be non-compliant with the set legislation. A certificate of acceptability (COA) is issued in accordance with the legislation to compliant premises. For other premises Certificate of health is issued to compliant ECD's and old age homes inclusive of the COA. Operational licenses are the competency of the local municipality and other stakeholders.

Surveillance of premises is also conducted to ensure vector control and to monitor health and hygiene standards of premises. Spot raids are conducted with the assistance of SAPS to curb non-compliance by shop owners and seize expired foods. Quarterly monitoring of all premises is conducted by the Environmental Health Practitioners. The compliance of food premises inspected in the district was: Quarter 1: 32, 5%, Quarter 2: 47, 5%, Quarter 3: 50% and Quarter 4: 12, 5%.

# Chapter 3

## **Challenges:**

The lack of by-laws and law enforcement remains a challenge in ensuring compliance of all food and other premises in the district.

## **Health and Hygiene**

Health and hygiene awareness activities were successfully carried out by the Environmental Health Practitioners in an effort to influence behavioral change on matters of health and the environment. The topics covered included food safety, hand hygiene, the national Environmental Health norms and standards for premises and communicable diseases amongst others. The key focus groups were the community members, School learners and the food handlers. The total number of people reached during the awareness campaigns conducted in the four quarters of the 2023/24 financial year were 1000.

## **Waste Management and Health surveillance of premises**

The Environmental Health Practitioners in Xhariep District Municipality conducted landfill site audits in the second quarter of the 2023/24 financial year to determine the level of compliance. **Waste Management functions of Environmental Health under the Health Professions Act, 1974 (Act no. 56 of 1974) Regulations defining the scope of profession of Environmental Health: Amendment.** All landfill sites in the district were found to be non-compliant in terms of the National Environmental Management Waste Act, 59 of 2008. The current compliance rate is; Mohokare LM (0%), Kopanong LM (0%) and Letsemeng LM (0 %). This has a negative impact on both human health and the Environment.

## **Disposal of the dead and exhumation of human remains**

Another key role is the implementation of Regulations Relating to the Management of Human Remains – Government Notice Number – R 363 of 22 May 2013. The District Environmental Health Practitioners conducted compliance inspections at funeral undertaker's premises and issued out compliance notices to both government and private which were found to be non-compliant with legislation and where premises were compliant; a certificate of competence was issued. Monitoring was conducted in the fourth quarter of the financial year. 83% of the premises that were visited were compliant.

## **Water quality monitoring**

The Environmental Health Practitioners monitored the quality of drinking water at the point of use on a monthly basis to ensure that community members receive water that is safe for human consumption and the water does not pose a risk on human health. The results obtained from the laboratory after analysis are communicated with the local municipalities, the Department of Health and the community where necessary. This is done to ensure that the local municipalities supply the community with treated water and complies with the standards in terms of SANS 241:2015. The total number of drinking water samples for the financial year 2023/24 was 396 excluding the re-samples.

## **Wastewater effluent monitoring**

Wastewater samples were also collected in the financial year to monitor the quality of wastewater effluent discharged into the environment in terms of the National Water Act, 36 of 1998; the general authorization

# Chapter 3

limits. The total number of samples collected was 20 and 100% of the wastewater treatment plants were found to be non-compliant; the wastewater effluent discharged into the environment is untreated and causes environmental pollution in terms of the National Environmental Management Act, 107 of 1998. The results and recommendations were shared with the affected local municipalities in the district.

T3.64.1

## 3.67 DISASTER MANAGEMENT

### INTRODUCTION TO DISASTER MANAGEMENT

**Disaster Management** is a continuous and integrated multi-sectorial and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, -mitigation, -preparedness, -response, -recovery and -rehabilitation

Top Four Service Delivery Priorities:

1. Community Safety
2. Preparedness
3. Recovery and Rehabilitation
4. Educational Program

The DM Unit main role is to ensure a safe and unwavering environment to the Xhariep district community. Through proper planning the Unit will be able to build resilient communities through the Disaster Management Activities within the district Municipality. A budget for the Disaster Management Contribution has been set aside for affected families. The DM Unit played a vital role by conducting educational programme both at Secondary and Primary Schools in the district municipality. We are also in partnership with Working on Fire (WoF) to conduct Fire Awareness at local level with the assistance of local Councillors

T3.67.1

# Chapter 3

Employees: Disaster Management					
Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0
4 – 6	1	2	1	1	50%
7 – 9	0	0	0	0	0
10 – 12	0	0	0	0	0
13 – 15	0	0	0	0	0
16 – 18	0	0	0	0	0
19 – 20	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>33.3%</b>
					T3.67.4

# Chapter 3

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

### 3.69 EXECUTIVE AND COUNCIL

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

#### INTRODUCTION TO EXECUTIVE AND COUNCIL

Municipality is currently executing three service delivery related matters, i.e. local economic development, Disaster Management and Municipal Health Services. The Local Economic Development Division that is located within the Department of Planning and Social Development has made strides in providing financial assistance and providing training to Small Micro and Medium Enterprises. The Municipality has assisted interested individuals or group of people to establish their own businesses, in particular cooperatives.

The Environmental Health Services Division that is also located within the Department of Planning and Social Development is monitoring the quality of drinking water and final waste water effluent from different local municipalities that fall within its jurisdiction on frequent intervals as required by applicable legislations and policies. Furthermore this division insures compliance of food premises and local municipalities' landfill sites.

The Disaster Management Division is located in the Department of Planning and Social Development. The division is responsible to ensure a safe and unwavering environment to the Xhariep district community.

T3.69.1

# Chapter 3

Employees: The Executive and Council					
Job Level	2022-2023	2023-2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	5	4	1	20%
4 - 6	6	6	6	0	0
7 - 9	5	5	5	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>16</b>	<b>16</b>	<b>15</b>	<b>1</b>	<b>6.66%</b>
					T3.69.4

**Comment [NN5]:** According to the information provided to auditor in the beginning of the audit the municipality has 16 councillors, kindly confirm

# Chapter 3

Financial Performance 2023-2024: The Executive and Council					
R'000					
Details	2022-2023	2023-2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	15,300	12 187	13 868	16 751	(2 883)
Expenditure:	0				
Employees	11,216	11 996	12 141	12 458	(317)
Repairs and Maintenance	0	0	0	0	0
Other	5,112	191	1 727	4 293	(2566)
<b>Total Operational Expenditure</b>	16,328	12 187	13 868	16 751	(2 883)
<b>Net Operational Expenditure</b>	-1,028	0	0	0	0
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.69.5

Employees: Financial Services					
Job Level	2022-2023	2023-2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0
4 - 6	5	5	5	0	0
7 - 9	4	4	4	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0</b>
					T3.70.4

**Comment [NN6]:** Can not confirm the number as the organisation structure indicate 14 post

# Chapter 3

Financial Performance 2023-2024: Financial Services					
R'000					
Details	2022-2023	2023-2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	14,662	39 820	79 879	36 478	43 401
Expenditure:					
Employees	9,507	10 411	10 257	10 271	(14)
Repairs and Maintenance	0	0	0	0	0
Other	3,726	29 409	69 622	26 207	43 415
<b>Total Operational Expenditure</b>	13, 233	39 820	79 879	36 478	43 401
<b>Net Operational Expenditure</b>	1, 429	0	0	0	0
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
					T3.70.5

# Chapter 3

## 3.71 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The management set itself priorities to overhaul the services the institution provides to its internal clients, the key three amongst them were;

Purify leave management

Provide accurate inputs- information to payroll

Recruit people with required competencies

So far this division has made major strides in ensuring that leave of employees is managed in accordance with Municipal Human Resources Policy Manual. Every week there is reconciliation of attendance registers, VIP register with completed leave forms; and follow-ups on employees who did not sign registers or completed leave forms. The principle of no work no pay is applied on employees who are found not to have followed proper procedure in absenting themselves from work.

The official providing information to employees in payroll on remuneration and benefits of employees work s closely with the payroll division in order to ensure that accurate information is forwarded to division before processing the salaries of councillors and employees. The inputs are compiled, checked, approved by different individuals in order to ensure that correct information is provided to payroll. Such information is forwarded to payroll on or before the 15<sup>th</sup> of each month in order to give officials in payroll an ample time to process the remuneration and benefits of both councillors and officials

The Human Resources Division advertises all vacant positions as required by the Human Resources Policy Manual and set competencies that are needed from the interested individuals. It is important to highlight that the Municipality appoints only incumbents who meets minimum competency requirements as placed on the advertisement.

T3.71.1

# Chapter 3

Employees: Human Resource					
Job Level	2022-2023	2023-2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	3	5	3	2	40%
7 - 9	1	1	1	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>5</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>11%</b>
T3.71.4					

**Comment [NN7]:** The organisational structure indicate that 4 posts are filled

# Chapter 3

Financial Performance 2023-2024: Human Resource Services					
R'000					
Details	2022-2023	2023-2024			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	24,795	22 818	31 641	35 111	(3 470)
Expenditure:					
Employees	19,290	19 356	18 718	19 691	(973)
Repairs and Maintenance	147	90	664	633	31
Other	4,866	3 372	12 259	14 787	(2 528)
<b>Total Operational Expenditure</b>	24,303	22 818	31 641	35 111	(3 470)
<b>Net Operational Expenditure</b>	492	0	0	0	0
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.71.5

# Chapter 3

## 3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The main objective of the IT Unit is to

1. Ensure connectivity at all times: This was achieved through enhancement of the bandwidth from 10mbps to 50mbps and the connectivity is much stronger.
2. Ensure stable Network infrastructure: The network is fairly stable. The project to Revamp Municipal Network Infrastructure, was halted due to litigations by the service provider, demanding payment for incomplete work
3. Ensure Servers and server room is fully functional: The servers are fully functional. The network infrastructure in a better state, but the Network Infrastructure Revamp project was halted in its final stages, fire extinguishing unit will also be replaced, the floor was listed as well in case of flooding.
4. Ensure information systems are fully operational: The municipality is housing the Financial Information System on the cloud. All Information Systems are functioning properly.
5. Ensure smooth Telecommunications: The project to install fully functional Telephone System was halted due to litigations by the service provider, demanding payment for incomplete work, as a result the telephone system is not functioning.
6. Ensure printing facility is available: The municipality has recently bought a printer for the archives office for volume printing. There are also small printers bought for various offices to address printing at a smaller scale.
7. Ensure Municipal Website is fully functional: The municipality has a new fully functional website

T3.72.1

# Chapter 3

Employees: ICT Services					
Job Level	2022-2023	2023-2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	1	1	1	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>
<i>T3.72.4</i>					

# Chapter 3

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

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

### TOP LAYER PERFORMANCE INFORMATION

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE/S TAKEN TO IMPROVE PERFORMANCE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
<b>MUNICIPAL MANAGER</b>												
TL 1	Develop and enhance human capital services to minimize service delivery	MT&ID	Employment contracts	Number of signed performance agreements by the MM and Sec 56 Managers	4	4	0	-	Filling of the vacancy of the Director: Planning & Social Development	4	3	(1)
TL2	Develop and enhance human capital services to minimize service delivery	MT&ID	Performance Management	Assessment of the Performance of Senior Management on a quarterly basis	2 x informal 2 x formal	2 x informal 0 x formal	2 x informal 0 x formal	The last formal review is scheduled for September 2024.	The formal review to take place as scheduled	2 x informal 2 x formal	2 x informal 2 x formal	0

# Chapter 3

TL3	Develop and enhance human capital services to minimize service delivery	MT&ID	Performance Management	No. of performance analysis reports to Management on a quarterly basis	4	4	0	-	-	4	4	0
TL4	Sustain good corporate governance through effective and accountable clean administration	GG&PP	Overseeing the functionality of Audit Committee	Quarterly Audit Committee meetings	4	3	(1)	The Internal Audit division fell behind on the third-quarter audits, which caused the committee to be unable to meet as scheduled.	The vacancy of the Internal Audit has been filled.	4	2	(2)
TL5	Sustain good corporate governance through effective and accountable clean administration	GG&PP	Overseeing the functionality of MPAC	Number of MPAC meetings held	4	2	(2)	There were no UIF reports referred to the MPAC for investigation in the second and forth quarter hence the negative variance	The Accounting Officer to follow up with the BTO on the submission of these reports to MPAC so that the committee sits as planned	New KPI	New KPI	New KPI

# Chapter 3

TL6	Sustain good corporate governance through effective and accountable clean administration	GG&PP	Ensure the sitting of management	Number of formal (minuted) meetings to which all senior managers were invited-held	4	0	(4)	Senior Management sits regularly but do not keep records or minutes of their meetings	Record keeping of Senior Management minutes as prescribed by MFMA circular 88	New KPI	New KPI	New KPI
TL7	Sustain good corporate governance through effective and accountable clean administration	GG&PP	Providing support to Local Municipalities through Technical IGR engagements	No. of Technical IGR meetings held	4	2	(2)	The Technical IGR could not sit as planned in the second and fourth quarter due to provincial meetings clashing with the sitting of the Technical IGR.	The convener of the Technical IGR to communicate the schedule of the District Technical IGR with the provincial departments to avoid the clash of dates	4	3	(1)
TL8	Sustain good corporate governance through effective and accountable clean administration	GG&PP	Overseeing the functionality of the Risk Management Committee	No. of Risk Management reports submitted to the Risk Management Committee on a quarterly basis	4	3	(1)	The risk management report was compiled but could not be presented to the Risk Management Committee due to the committee	Risk Management report will be presented in the next sitting of the Risk Management	4	1	(3)

# Chapter 3

								not convening in the fourth quarter.	Committee			
TL9	Sustain good corporate governance through effective and accountable clean administration	GG&PP	Improved audit outcomes	Monitoring the implementation of AGSA audit action plan and report quarterly	2	2	0	-	-	2	2	0
TL10	Continue with accountable and developmental orientated monetary management to sustain a sound fiduciary position	MFV&M	Ensure compliance with Section 32 of the MFMA	Monthly reports on irregular, unauthorized, fruitless and wasteful expenditure	12	12	0	-	-	12	12	12
TL11	Sustain good corporate governance through effective and accountable clean	MT&ID	Ensure compliance with Municipal Staff Regulations (2021)	Monitoring the implementation plan of the Municipal Staff Regulations (2021) on a quarterly basis	4	4	4	-	-	4	4	0

# Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE/S TAKEN TO IMPROVE PERFORMANCE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
<b>CHIEF FINANCIAL OFFICER</b>												
TL12	To manage the finances of the municipality to ensure financial viability	MFV&M	Annual Financial Statements	Compilation AFS on or before 31 Aug 2023 and submission to AGSA	1	1	0	-	-	1	1	0
TL13	To manage the finances of the municipality to ensure financial viability	MFV&M	Oversee the review and implementation of the Audit Action Plan	Updated Action Plan	2	2	0	-	-	2	2	0
TL14	To manage the finances of the municipality to ensure financial viability	MFV&M	Ensure that the FMG conditional operational grant is fully utilized by 30 June 2024	% of FMG conditional operational grant spent on a quarterly basis	100%	100%	0	-	-	100%	100%	100%

# Chapter 3

TL15	To manage the finances of the municipality to ensure financial viability	MFV&M	Oversee the implementation of the SCM Policy	Quarterly reports on the deviations of the SCM Policy	4	4	0	-	-	4	4	0
TL16	To manage the finances of the municipality to ensure financial viability	MFV&M	Oversee the implementation of the SCM Policy	Annual Report on the deviations of the SCM Policy to Council	1	0	(1)	Annual Report on the deviations of the SCM Policy compiled but could not be tabled to Council at the end of the fourth quarter	Annual Report on the deviations of the SCM Policy will be tabled in the next sitting of Council (on or before the end of August 2024). SCM also to align its reporting with the approved SDBIP targets	1	0	(0)
TL17	To manage the finances of the municipality to ensure financial viability	MFV&M	Oversee the implementation of the SCM Policy	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned	4	4	0	-	-	New KPI	New KPI	New KPI

# Chapter 3

TL18	To manage the finances of the municipality to ensure financial viability	MFV&M	Oversee the implementation of the SCM Policy	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based	4	4	0	-	-	New KPI	New KPI	New KPI
TL19	To manage the finances of the municipality to ensure financial viability	MFV&M	Ensure Compliance to SCM Regulations	Number of awards made in terms of SCM Reg 32	4	4	0	-	-	New KPI	New KPI	New KPI
TL20	To manage the finances of the municipality to ensure financial viability	MFV&M	Compilation of MFMA Sec 71 reports to Provincial and National Treasury	Monthly MFMA Sec 71 reports	12	12	0	-	-	12	12	0
TL21	To manage the finances of the municipality to ensure financial	MFV&M	Compilation of MFMA Sec 52 (d) reports to Provincial and National Treasury	Quarterly Sec 52 (d) (MFMA) reports	4	4	0	-	-	12	12	0

# Chapter 3

	viability											
TL22	To manage the finances of the municipality to ensure financial viability	MFV&M	Compilation of SCM reports to Provincial and National Treasury	SCM quarterly reports	4	4	0	-	-	4	4	0
TL23	To manage the finances of the municipality to ensure financial viability	MFV&M	Monitor the implementation of the Demand Management Plan	Quarterly reports on the implementation of the Demand Management Plan	4	4	0	-	-	4	4	0
TL24	Sustain good corporate governance through effective and accountable clean administration	MT&ID	Ensure compliance with the Municipal Staff Regulations (2021)	Monitoring the implementation plan of the Municipal Staff Regulations (2021) of a quarterly basis	4	4	0	-	-	4	4	0
TL25	Sustain good corporate governance through	GG&PP	Overseeing the functionality of the Risk Management	No. of Risk Management reports submitted to the Risk	4	3	(1)	The risk management report was compiled but could not be	Risk Management report will be presented in the	4	1	(3)

# Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE/S TAKEN TO IMPROVE PERFORMANCE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
	effective and accountable clean administration		Committee	Management committee by Senior Management				presented to the Risk Management Committee due to the committee not convening in the fourth quarter.	next sitting of the Risk Management Committee			
<b>DIRECTOR: CORPORATE SERVICES</b>												
TL26	Sustain good corporate governance through effective and accountable clean administration	MT&ID	Oversee the compilation and the submission of the WSP	WSP approved by the LLF and submitted to LGSETA in April 2024	1	1	0	-	-	1	1	0
TL27	Sustain good corporate governance through effective and accountable clean administration	MT&ID	Ensure compliance with the Municipal Staff Regulations (2021)	Review of the Employment Equity Policy/Plan on or before 30 Sep 2023	1	1	1	-	-	1	1	0

# Chapter 3

TL28	Sustain good corporate governance through effective and accountable clean administration	MT&ID	Employment Equity	Monitor and report on the implementation the Employment Equity Plan	1	1	0	-	-	1	1	0
TL29	Sustain good corporate governance through effective and accountable clean administration	MT&ID	Work Skills Plan	Number of municipal officials completed training in the 2023-2024 financial year	15	15	0	-	-	5	5	0
TL30	Oversee the achievement of good governance through the implementation of council resolution	GG&PP	Sitting of Council and Council Committees	Develop schedule for the sitting of Council and Council Committees and table before Council	1	1	0	-	-	1	1	0
TL31	Oversee the achievement of good governance	GG&PP	Sitting of Council and Council	No. of Council portfolio committee	6	4	(2)	The Council portfolio committees did not sit as per	Sitting of the Council portfolio committees will be aligned to the	New KPI	New KPI	New KPI

# Chapter 3

	through the implementation of council resolution		Committees	meetings held				the approved SDBIP projections in the 2023-2024 financial year	SDBIP projections			
TL32	Oversee the achievement of good governance through the implementation of council resolution	GG&PP	Ensure that Council sits as regulated by the MSA (Act 32 of 2000)	Number of ExCo or Mayoral Executive meetings held	6	6	0	-	-	New KPI	New KPI	New KPI
TL33	Oversee the achievement of good governance through the implementation of council resolution	GG&PP	Ensure that Council sits as regulated by the MSA (Act 32 of 2000)	No. of Council meetings(ordinary ) held	4	4	0	-	-	4	6	2
TL34	Sustain good corporate governance through effective and accountable clean	GG&PP	Stakeholder relations	No. of Political IGR meetings held	4	0	(4)	Political IGR did not sit as planned in the year under review	The Executive Mayor to resuscitate the Political IGR	4	4	0

# Chapter 3

	administration											
TL35	Sustain good corporate governance through effective and accountable clean administration	GG&PP	Stakeholder relations	No. of District AIDS Council meetings held	4	1	(3)	District AIDS Council did not sit as planned in the year under review	The Executive Mayor to resuscitate the District AIDS Council	4	3	(1)
TL36	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Ensure functionality of Local Labour Forum	No. of Local Labour Forum meetings	4	2	(2)	Local Labour Forum did not sit as planned in the year under review	The Director Corporate Services will resuscitate the LLF and ensure that it sits as planned in the new financial year	4	4	0
TL37	To maintain a skilled, capable and diverse workforce in a good working environment	MT&ID	Performance Management System	Cascading Individual performance management to (Lower level employees before 30 June 2024	2	2	0	-	-	New KPI	New KPI	New KPI

# Chapter 3

TL38	Sustain good corporate governance through effective and accountable clean administration	MT&ID	Ensure compliance with the Municipal Staff Regulations (2021)	Monitoring the implementation plan of the Municipal Staff Regulations (2021) on a quarterly basis	4	4	0	-	-	4	4	0
TL39	Embed good governance through sound administrative practices and improved stakeholder relation	GG&PP	Overseeing the functionality of the Risk Management Committee	No. of Risk Management reports submitted to the Risk Management committee by Senior Management	4	3	(1)	The risk management report was compiled but could not be presented to the Risk Management Committee due to the committee not convening in the fourth quarter.	Risk Management report will be presented in the next sitting of the Risk Management Committee	4	1	(3)
TL40	Oversee the achievement of good governance through the implementation of council resolution	GG&PP	Anti-Fraud and Corruption	Quarterly reports on disciplinary cases for misconduct relating to fraud and corruption	4	1	(3)	Only one report of the MPAC was referred to the DC board for investigation	The sitting of the MPAC as planned in the new financial year will influence the number of reports from the DC board	New KPI	New KPI	New KPI

# Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE/S TAKEN TO IMPROVE PERFORMANCE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
<b>DIRECTOR: PLANNING AND SOCIAL DEVELOPMENT</b>												
TL41	Provide safe and healthy environment for the community	BSD&ID	Maintaining and improving the standard of water quality (compliance to SANS 241)	Ensure that water quality tests are done on a quarterly basis	4	3	(1)	Water samples could not be taken as planned for the month of July 2023 due to the lapse of the contract of the Service Provider	Appointment of the service provider on time	4	4	0
TL42	Provide safe and healthy environment for the community	BSD&ID	Maintaining and improving the standard of water quality (compliance to SANS 241)	Total number of water samples tested	396	363	(33)	Water samples could not be taken as planned for the month of July 2023 due to the lapse of the contract of the Service Provider	Appointment of the service provider on time	396	396	396
TL43	Provide safe and healthy environment for the	BSD&ID	Maintaining and improving the standard of water quality (compliance to SANS 241)	Number of water sample tests that complied with SANS 241	396	306	(57)	The target for water samples taken as per the approved SDBIP 2023-	Timeous appointment of service provider and resampling of all failed	New KPI	New KPI	New KPI

# Chapter 3

	community		ce to SANS 241)	requirements				2024 is 396 but because of non-taking of 33 water samples in the month of July; the municipality managed only to test 363 samples. From the 363 samples taken; only 306 met the SANS 241 requirement due to some samples having E.coli and total coliforms.	batches water samples			
TL44	Provide safe and healthy environment for the community	BSD&ID	Wastewater samples compliant to water use license conditions	Total wastewater samples tested for all determinants over the municipal financial year	20	20	0	All the treatment plants in the 3 local municipalities were accessible in the 2023-2024 financial year hence waste water samples could be taken as planned	-	20	19	(1)

# Chapter 3

TL45	Provide safe and healthy environment for the community	BSD&ID	Wastewater samples compliant to water use license conditions	Number of wastewater samples tested per determinant that meet compliance to specified water use license requirements	20	0	(20)	This is due to old waste water infrastructure that causes the treatment plants not functioning as they should therefore treatment does not take place and as a result untreated effluent is released back to the environment	Local municipalities to ensure the upgrading and maintenance of the waste water treatment plants to ensure compliance with the general authorization limits	New KPI	New KPI	New KPI
TL46	Strategic support on the implementation of municipal programmes and projects	BSD&ID	Ensure that the RRAMS grant is fully utilized by 30 June 2024	% of RRAMS grant spent on a quarterly basis	100%	100%	0	-	-	100%	100%	0
TL47	Strategic support on the implementation of municipal programmes and projects	BSD&ID	Play an oversight role in terms of the implementation of the RRAMS project	No. of reports to Management/ Council on the implementation of the RRAMS project	4	0	(4)	Reports on the implementation of the RRAMS project were compiled but there is no proof that they were	Reporting of the RRAMS project will be as projected by the approved SDBIP in the new financial	4	3	(1)

# Chapter 3

								tabled before management or Council	year			
TL48	Facilitate investment and development of strategic infrastructure to unlock growth and job creation	LED	Job Creation	No. of jobs opportunities created through the Expanded Public Works Programme	160	210	50	More EPWP workers were recruited due to the favorable EPWP budget	-	237	166	(71)
TL49	Facilitate investment and development of strategic infrastructure to unlock growth and job creation	LED	Ensure participation of all local municipalities towards the implementation of LED	No of LED Forums	4	2	(2)	Two LED Forum meetings could not be confirmed	Proper record keeping	4	4	0
TL50	Facilitate investment and development of strategic infrastructure to unlock	LED	Lobbying of external stakeholders to invest in Xhariep	No. of stakeholder engagement meetings	2	2	0	-	-	2	2	0

# Chapter 3

	growth and job creation											
TL51	Provide safe and healthy environment for the community	BSD&ID	Ensuring compliance of funeral undertakers premises	No. of reports on Funeral parlours compliance status	1	1	0	-	-	New KPI	New KPI	New KPI
TL52	Sustain good corporate governance through effective and accountable clean administration	GG&PP	Overseeing the functionality of the Risk Management Committee	No. of Risk Management reports submitted to the Risk Management Committee by Senior Management	4	3	(1)	The risk management report was compiled but could not be presented to the Risk Management Committee due to the committee not convening in the fourth quarter.	Risk Management report will be presented in the next sitting of the Risk Management Committee	4	1	(3)
TL53	Sustain good corporate governance through effective and accountable clean administration	MT&ID	Ensure compliance with the Municipal Staff Regulations (2021)	Monitoring the implementation plan of the Municipal Staff Regulations (2021) on a quarterly basis	4	4	0	-	-	4	4	0

# Chapter 3

## DEPARTMENTAL PERFORMANCE

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE/S TAKEN TO IMPROVE PERFORMANCE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
<b>MUNICIPAL MANAGER</b>												
D1	Embed good governance through sound administrative practices and improved stakeholder relations	GG&PP	Implementation of the Risk Management, anti-fraud and anti-corruption initiatives	No. of Risk Management, anti-fraud and anti-corruption awareness conducted	1	1	0	-	-	1	1	0
D2	Embed good governance through sound administrative practices and improved stakeholder relations	GG&PP	Risk Management	Development of the Risk Management Register before 30-Sep- 2023	1	1	0	-	-	1	1	0
D3	Embed good governance through sound administrative practices and improved stakeholder	GG&PP	Risk Management	No. of quarterly risk assessments performed for each(4) department	4	4	0	Tools of trade were bought for the CRO	-	4	3	(1)

# Chapter 3

	relations											
D4	Embed good governance through sound administrative practices and improved stakeholder relations	GG&PP	Improved audit outcomes	Reduction of audit findings by 80% in the 2022/2023 financial year	80%	40%	(40%)	The municipality managed to reduce audit finding only by 40%. This is due to material statements on the audited AFS 2022-2023.	Frequent monitoring of the audit action	80%	53.43%	(26.57%)
D5	Embed good governance through sound administrative practices and improved stakeholder relations	GG&PP	Functional Internal Audit Unit (MFMA 62(1))	No of quarterly reports prepared for Audit Committee	4	3	(1)	The Internal Audit division fell behind on the third-quarter audits, which caused the committee to be unable to meet as scheduled.	The vacancy of the Internal Audit has been filled.	4	2	(2)
D6	Embed good governance through sound administrative practices and improved stakeholder relations	GG&PP	Development of the Risk based audit plan	Risk based audit plan approved by Audit Committee by 30 Sep 2023	1	1	0	-	Appointment of the Audit and Performance Committee	1	0	(0)

# Chapter 3

	relations											
D7	Embed good governance through sound administrative practices and improved stakeholder relations	GG&PP	Compilation of the draft Annual Report	Draft Annual Report approved by Council on or before 31 January 2024	1	1	0	-	-	1	1	0
D8	Embed good governance through sound administrative practices and improved stakeholder relations	GG&PP	Compilation of the Oversight Report on Annual Report (MFMA 129(1) and MSA 46(2))	Oversight Report adopted by Council on or before 31 March 2024	1	1	0	-	-	1	1	0
D9	Embed good governance through sound administrative practices and improved stakeholder relations	GG&PP	Mid-Year review of the performance of the municipality (MFMA S72)	Mid-year report submissions (Mayor, Provincial and National Treasury) by 25 January 2024	1	1	0	-	-	1	1	0

# Chapter 3

D10	Embed good governance through sound administrative practices and improved stakeholder relations	GG&PP	Develop IDP / Budget (Time schedule of key deadlines (Process Plan) (MSA 28 / MFMA 21)	Approved IDP Framework and Process Plan on or before 31 Aug 2023	1	1	1	-	-	1	1	1
D11	Embed good governance through sound administrative practices and improved stakeholder relations	GG&PP	IDP and Budget Public Participation meetings	No. of meetings held before the approval of the IDP and Budget	3	3	0	-	-	3	3	0
D12	Embed good governance through sound administrative practices and improved stakeholder relations	GG&PP	Compile final IDP (MSA 34)	Final IDP approved by Council on or before 30 June 2024	1	1	0	-	-	1	1	0

# Chapter 3

D13	Embed financial viability and sustainability through good financial management	MFV&M	Sound Financial Management	No of monthly MFMA Sec 71 Reports presented to the Executive Mayor	12	12	0	-	-	12	12	0
REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE/S TAKEN TO IMPROVE PERFORMANCE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
<b>FINANCIAL SERVICES</b>												
D14	Embed financial viability and sustainability through good financial management	MFV&M	Production of annual Audit file	No of Audit files produced by mid-August 2023	1	1	0	-	-	1	1	0
D15	Embed financial viability and sustainability through good financial management	MFV&M	Closing of all municipal financial accounts at the end of each month in terms of sec 65 of	No. of monthly reports on the closing of all municipal financial accounts	12	12	0	-	-	12	12	0

# Chapter 3

			the MFMA									
D16	Embed financial viability and sustainability through good financial management	MFV&M	No of creditors reconciliations done monthly (30 days)	No of creditors reconciliation reports submitted	12	12	0	-	-	12	12	0
D17	Embed financial viability and sustainability through good financial management	MFV&M	Financial Viability: Cost coverage (Reg 796)	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure (SA8))	>1	(0.02%)	(0.98)	The ratio shows that the municipality does not have sufficient cash to fund its operational	Cash flow management needs to be in place	>1	1.08%	0.08%
D18	Embed financial viability and sustainability through good financial management	MFV&M	Financial Viability: Debt coverage (Reg 796)	Debt coverage (Total operating revenue- operating grants received)/debt service payments due within the year) (SA8)	>1	(0.09)	(0.91)	Insufficient funds to cover debts. The municipality does not generate own revenue, depends on grants	The municipality does not generate its own revenue, it depends on grants	>1	0.03%	(0.97%)

# Chapter 3

D19	Embed financial viability and sustainability through good financial management	MFV&M	Monthly notification of awards over R 100 000	List of awards	12	12	0	-	-	12	12	0
D20	Embed financial viability and sustainability through good financial management	MFV&M	Effective management of payroll by providing the section 66 payroll report on a monthly basis	Monthly reports to management in terms of section 66 of the MFMA	12	12	0	-	-	12	12	0
D21	Embed financial viability and sustainability through good financial management	MFV&M	Ensure the submission of IRP5's	IRP5's submitted not later than 30 May 2024 to SARS	1	1	0	-	-	1	1	0
D22	Embed financial viability and sustainability through good	MFV&M	Monthly salary reconciliations	No of reconciliations done	12	12	0	-	-	12	12	0

# Chapter 3

REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
<b>DIRECTORATE: CORPORATE SERVICES</b>												
D23	Oversee the achievement of good governance through the implementation of council resolutions	GG&PP	Draw quarterly resolution execution report for all directorates	No. of execution reports where Council resolutions are captured on every sitting of Council	4	4	0	Council sat as planned in the year under review	-	4	6	2
D24	Oversee the achievement of good governance through the implementation of council resolutions	GG&PP	Ensuring implementation of outstanding Council resolutions	Annual Resolution register submitted to Council on or before 30 June 2024	1	0	(0)	Annual Resolution register was not submitted to Council as planned at the end of quarter 4	Annual Resolution register will only be submitted to Council in the next sitting of Council(August 2024)	1	0	(1)
D25	To maintain a skilled, capable and diverse	MT&ID	Development of the Works Skills Plan	WSP approved by the LLF and submitted to the LGSETA on or	1	1	0	-	-	1	1	0

# Chapter 3

	workforce in a good working environment			before 30 April 2024								
D26	Sustain good corporate governance through effective and accountable clean administration	MT&ID	Provide secured Internet Services	Quarterly reports on the supplier's performance on the effectiveness of Internet Service Provider(ISP)	4	4	0	-	-	4	4	0
D27	Sustain good corporate governance through effective and accountable clean administration	MT&ID	Labour Relations	No. of litigation cases instituted against the municipality at the end of the financial year	0	4	(4)	The municipality had 4 x litigation cases (as per the litigation register 2023-2024)	Maintenance of good relations between the municipality and its clients	0	3	(3)
D28	Oversee the achievement of good governance through the implementation of council resolutions	GG&PP	Anti-fraud and Corruption	Number of disciplinary cases for misconduct relating to fraud and corruption	0	0	0	-	-	New KPI	New KPI	New KPI

# Chapter 3

D29	Sustain good corporate governance through effective and accountable clean administration	MT&ID	Declaration of Interest	No. of councillors that have declared their financial interest on or before 30 Sep 2022	16	16	0	-	-	16	16	0
D30	Coordinate sustainable social livelihood through developmental programmes	S&CD	Social Responsibility	100% utilization of the Social Responsibility grant by 30 June 2024	100%	101%	1%	The budget was overspent just with 1% which is not quite significant	-	100%	100%	0
REF	IDP OBJECTIVE	KPA	KPI	UNIT OF MEASUREMENT	ANNUAL TARGET	ACTUAL	VARIANCE	REASON FOR DEVIATION	CORRECTIVE MEASURE/S TAKEN TO IMPROVE PERFORMANCE	PRIOR TARGET	PRIOR ACTUAL	PRIOR VARIANCE
<b>PLANNING AND SOCIAL DEVELOPMENT</b>												
D31	Facilitate investment and development of strategic infrastructure to unlock growth and job creation	LED	Implementation of the Expanded Public Works Programme (EPWP)	No. of quarterly reports on the EPWP progress, grant, staff and wages paid submitted to the	4	3	(2)	Although reports were compiled 1 x report was presented to management outside the	Line Managers to align their reporting with the approved SDBIP target dates and the	4	3	(1)

# Chapter 3

				MM/ Council				SDBIP target dates	schedule of the sitting of management			
D32	Facilitate investment and development of strategic infrastructure to unlock growth and job creation	LED	Report on the implementation of the EPWP	No. of EPWP steering committee meetings held quarterly	4	4	0	-	-	4	4	0
D33	Facilitate investment and development of strategic infrastructure to unlock growth and job creation	LED	Expenditure of the EPWP Grant	100% Expenditure by end of June 2024	100%	100%	0	-	-	100%	100%	0
D34	Facilitate investment and development of strategic infrastructure to unlock growth and	LED	Making tourism awareness to schools and communities	No. of tourism awareness campaigns conducted quarterly	4	4	0	-	-	4	4	0

# Chapter 3

	job creation											
D35	Provide safe and healthy environment for the community	BSD&ID	Environmental Health services	No. of Health Education programmes/projects planned	4	4	0	-	-	4	4	0
D36	Provide safe and healthy environment for the community	BSD&ID	Water quality monitoring	No of quarterly water quality reports submitted to Management	4	4	0	-	Alignment of reporting time frames to the approved SDBIP and the sitting of management	4	3	(1)
D37	Provide safe and healthy environment for the community	BSD&ID	Waste Management (NEMWA)	No. of quarterly reports to management on the compliance status of landfill sites	1	0	(1)	It could not be confirmed that the report on the compliance status of landfill sites was tabled before management	Line Managers to ensure that all their reports presented to management are captured correctly and reflects on the minutes of management	New KPI	New KPI	New KPI
D38	Provide safe and healthy	BSD&ID	Food monitoring as	No. of food premises	Kopanong 80	80	0	No follow up inspections	-	Kopanong 50	69	19

# Chapter 3

	environment for the community		per R638	inspected per local municipality on a quarterly basis	Letsemeng 40	40	0	were done in the year under review		Letsemeng 40	44	4
					Mohokare 40	40	0			Mohokare 40	70	30
D39	Provide safe and healthy environment for the community	BSD&ID	Water quality monitoring	No of water quality samples collected per local municipality	Mohokare 72	66	(6)	Water samples could not be taken as planned for the month of July 2023 due to the lapse of the contract of the Service Provider	Appointment of the service provider on time	Mohokare 72	72	0
					Letsemeng 108	99	(9)			Letsemeng 108	108	0
					Kopanong 216	198	(18)			Kopanong 216	216	0
D40	Provide safe and healthy environment for the community	BSD&ID	Improve service delivery to communities	No. of quarterly sanitation(waste water) reports submitted to Management	4	4	0	-	-	4	3	(1)
D41	Provide safe and healthy environment for the community	BSD&ID	Improve service delivery to communities	No of quarterly waste water samples taken per local municipality	Mohokare 12	12	0	All the treatment plants in the 3 local municipalities were	-	Mohokare 12	12	0
					Kopanong 4	4	0			Kopanong 4	3	(1)

# Chapter 3

					Letsemeng 4	4	0	accessible in the 2023-2024 financial year hence waste water samples could be taken as planned		Letsemeng 4	4	0
D42	Provide safe and healthy environment for the community	BSD&ID	Environmental Health services	No. of people reached for Health Education programmes	200	1029	829	More people showed interest in the Health Education programmes	-	200	699	499
D43	Provide safe and healthy environment for the community	BSD&ID	Disaster Management	No. of municipal disaster management advisory forum meetings held (section 51 of the Disaster Management Act 2002)	4	4	0	-	-	4	4	0

# Chapter 3

D44	Provide safe and healthy environment for the community	BSD&ID	Disaster Management	No. of Disaster Management awareness sessions held in the District	2	2	0	-	-	2	2	0
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# Chapter 3

**The following abbreviations are used in the service delivery targets and performance indicators:**

- KPA - Key Performance Area
- KPI - Key Performance Indicator
- GGPP - Good Governance and Public Participation
- MFVM - Municipal Financial Viability and Management
- MTID - Municipal Transformation and Institutional Development
- LED - Local Economic Development
- BSD&ID - Basic Service Delivery and Infrastructure Development
- MFMA - Municipal Finance Management Act 56 of 2003
- MSA - Municipal Systems Act 32 of 2000
- EEA - Employment Equity Act 55 of 1998
- SDA - Skills Development Act 97 of 1998
- MPPR - Local Government: Municipal Planning and Performance Management Regulations, 2001
- MPR - Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### INTRODUCTION

Organization Development (OD) is about improving performance at the individual, group, and Municipal organizational levels. It is about improving the organization's ability to effectively respond to changes in its external environment, and it's about increasing internal capabilities by ensuring the Xhariep District Municipal structures, human resources systems, job designs, communication systems, and leadership/managerial processes fully harness human motivation and help people function to their full potential.

Done well, such improvement can be transformational—producing fundamental changes in the way individuals, groups, and organizations functions.

T4.0.1

# Chapter 4

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Vacancy Rate: 2023-2024			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	2	0	0%
Other S57 Managers (Finance posts)	1	1	100%
Managers: Levels 0-3 (excluding Finance Posts)	13	0	0%
Senior management: Levels 0-3 (Finance posts)	3	0	0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	10	2	0,2%
Highly skilled supervision: levels 9-12 (Finance posts)	4	1	25%
<b>Total</b>	<b>35</b>	<b>4</b>	<b>11.4%</b>

T4.1.2

# Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
2021/2022	11	10	11%
2022/2023	4	5	5.92%
2023/2024	13	8	5.68%
			T4.1.3

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
					T4.3.1

# Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Finance Interns	14	0	4	5	3.5	5 384
General Assistants/Maintenance (9-12)	42	0	5	6	7	24 217
Drivers/Admin/Clerks(5-8)	252	0	4	17	16	317 488
Accountants/Officers/Practitioners(4-6)	154	0	3	26	14	577 809
Middle Management (0-3)	385	0	1	14	23	623027
MM and S57	1	0	1	3	0.3	5 375
<b>Total</b>	<b>848</b>	<b>0</b>	<b>18</b>	<b>71</b>	<b>14.6</b>	<b>1 553 300</b>

T4.3.2

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Manager Communications	Insolence	11/03/2024	The case is finalized and closed with the sanction	29/07/2024

T4.3.5

# Chapter 4

<b>Disciplinary Action Taken on Cases of Financial Misconduct</b>			
<b>Position</b>	<b>Nature of Alleged Misconduct and Rand value of any loss to the municipality</b>	<b>Disciplinary action taken</b>	<b>Date Finalised</b>
No financial misconduct cases were reported in the 2023-2024 financial year			
			T4.3.6

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

<b>Financial Competency Development: Progress Report</b>						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>	12	0	12	0	0	12
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	2	0	2	0	0	2
<i>Any other financial officials</i>	3	0	3	0	0	0
<b>Supply Chain Management Officials</b>	1	0	1	0	0	1
<i>Heads of supply chain management units</i>	1	0	1	0	0	1
<i>Supply chain management senior managers</i>	0	0	0	0	0	0
<b>TOTAL</b>						

T4.5.2

# Chapter 4

R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2023-2024							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	1	-	-	-	-	-	20 650.00	-	-
	Male	2	-	-	-	-	-	110 886.30	-	-
Councillors	Female	1	-	-	-	-	-	140 715.82	-	-
	Male	1	-	-	-	-	-	54 650.07	-	-
Managers	Female	4	-	-	5 000.00	-	-	34 333.20	-	-
	Male	3	-	-	-	-	-	116 976.00	-	-
Professionals	Female	5	-	-	10 000.00	-	-	98 718.40	-	-
	Male	1	-	-	-	-	-	11 444.40	-	-
Clerks	Female	4	-	-	15 000.00	-	-	102 247.00	-	-
	Male	5	-	35 000.00	15 000.00	-	-	42 414.40	-	-
Elementary occupations	Female	2	-	70 000.00	-	-	-	-	-	-
	Male	2	-	70 000.00	-	-	-	-	-	-
Sub total	Female	3	-	-	-	-	-	-	-	-
	Male	4	-	-	-	-	-	-	-	-

# Chapter 4

Total		17	-	130 000	-	-	-	212 000	-	-
<i>*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.</i>									%*	*R0
										T4.5.3

# Chapter 4

## Repair and Maintenance Expenditure: 2023-2024

R' 000

	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	90	664	633	31
				T5.3.4

### COMPONENT D: OTHER FINANCIAL MATTERS

#### 5.12 SUPPLY CHAIN MANAGEMENT

##### SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy of the municipality was reviewed to ensure that it is in line with the Municipal Supply Chain Management Regulations, other applicable legislations and guidelines of National Treasury. The reviewed SCM policy of the municipality for 2023/24 financial year was approved by the Council in June 2023. The municipality also developed the Preferential Procurement Policy in line with the new Preferential Procurement Regulation of 2022, which was also part of the policies approved by Council in June 2023.

The municipality (as far as the National Treasury SCM implementation check list is concerned, both quarterly and annually) does not have IT related projects above R10m, hence it has not yet utilized the services of SITA to procure such goods or service; and Lastly, an institutional delegation of powers has to be established in collaboration with Free State Provincial Treasury.

No Councillor is a member of any committee handling Supply Chain processes. All three (3) Officials in Supply Chain have the MFMA minimum competency requirements in 2016.

Non – compliance with Supply Chain Management Policy and other applicable legislations which resulted in irregular expenditure – As a remedial action to this problem, such expenditure to be investigated by MPAC, consequence management to be implemented and the SCM checklist to be reviewed and implemented effectively to ensure for an example, that all transactions, prior to awarding, are given to suppliers/service providers that are CSD compliant and/or comply with all the necessary bidding requirements.

T5.12.1

# Chapter 4

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2023-2024

Auditor-General Report on Financial Performance 2023-2024	
<b>Audit Report Status*:</b>	<b>Unqualified Opinion ( 2023 – 2024)</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
1. Annual Financial Statement	Ensuring that AFS are represented accurately, objectively and in compliance with the applicable accounting framework and reporting standards.
2. Expenditure Management	Strengthen/review internal controls and business processes to ensure that payments being made within a period of 30 days are adhered to.
3. Consequence management	Management will engage with MPAC and Provincial Treasury to advise on historical UIFW.
4. Procurement and Contract Management.	Monitor compliance with laws and regulations concerning SCM procurement and contract management to reduce irregular expenditure and non-compliance.
5. Utilization of Conditional Grants	Monitoring of action plan on a monthly basis and provide evidence on progress made.
T6.1.1	

Auditor-General Report on Financial Performance 2023/2024	
<b>Status of audit report: Unqualified</b>	
<b>Annual financial statements: Unqualified (with findings on compliance matters)</b>	
<i>Please refer to the report of the Auditor General below for more details</i>	T6.2.1

# Chapter 4

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

## Report of the auditor-general to the Free State Legislature and the council on the Xhariep District Municipality

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OPINION

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Xhariep District Municipality set out on pages xx to xx which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Xhariep District Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

#### Emphasis of matters

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

#### Close calls relating to going concern

# Chapter 4

7. Note 35 in the financial statements, which deals with the possible effects of the future implications of continuing deterioration in operational results on the municipality's prospects, performance, and cash flows.

## Unauthorised expenditure

8. As disclosed in note 37 to the financial statements unauthorised expenditure of R12 670 102 (2023: R6 724 033) was incurred, due to overspending of the budget.

## Irregular expenditure

9. As disclosed in note 39 to the financial statements, irregular expenditure of R4 168 088 (2023: R1 295 694) was incurred, due to non-compliance with supply chain management (SCM) requirements.

## Restatement of corresponding figures

10. As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of errors in the financial statements of the municipality at, and for the year ended, 30 June 2024.

## Other matters

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

## Unaudited disclosure notes

12. 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

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

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

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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an

# Chapter 4

audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 11, forms part of our auditor's report.

## Report on the annual performance report

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

18. I selected the following material performance indicators related to basic service delivery and infrastructure development presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

- Ensure that the water quality tests are done on quarterly basis.
  - Total number of water samples tested.
  - Number of water samples tests that complied with SANS 241 requirements
  - Total waste water samples tested for all determinants over the municipal financial year
  - Number of waste water samples tested per determinant that meet compliance to specified water use license requirements
  - Percentage of RRAMS spent on quarterly basis
  - Number of report to management/council on implementation of RRAMS project
  - Number of reports on funeral parlours compliance status
  - Number of food premises inspected per local municipality
19. Number of water quality samples collected per local municipality
- Number of quarterly waste water taken per local municipality

# Chapter 4

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

21. I performed procedures to test whether:

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

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

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

## Other matters

24. I draw attention to the matters below.

### Achievement of planned targets

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

26. 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.

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## Basic service delivery and infrastructure development

*Targets achieved: 35%*

*Budget spent: Undeterminable/Unknown*

*The budget spent is not available as the municipality's actual spending is not aligned with their key performance areas( programmes)*

Key service delivery indicator not achieved	Planned target	Reported achievement
Ensure that water quality tests are done on a quarterly basis	4	3
Total number of water samples tested	396	363
Number of water sample tests that complied with SANS 241 requirements	396	306
Number of wastewater samples tested per determinant that meet compliance to specified water use license requirements	20	0
No. of reports to Management/ Council on the implementation of the RRAMS project	4	0
No of water quality samples collected per local municipality (Mohokare)	72	66
No of water quality samples collected per local municipality (Letsemeng)	108	99
No of water quality samples collected per local municipality (Kopanong)	216	198

### Material misstatements

27. 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 subsequently corrected all the misstatements, and I did not include any material findings in this report.

### Report on compliance with legislation

28. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the municipality's compliance with legislation.

# Chapter 4

29. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

30. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

31. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

## Expenditure management

32. Reasonable steps were not taken to prevent irregular expenditure amounting to R4 168 088 (2023: R1 295 694) as disclosed in note 39 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with SCM requirements.

33. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R12 670 102 (2023: R6 724 033) as disclosed in note 37 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the budget.

34. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R255 704 (2023: R398 286) as disclosed in note 38 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties charged on late payments.

35. Payments were made from the municipality's bank accounts without the approval of a properly authorised official, as required by section 11(1) of the MFMA.

36. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

## Annual financial statements and annual report

37. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, current liabilities, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements

# Chapter 4

receiving an unqualified audit opinion.

## Consequence management

38. 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.

39. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

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

## Utilisation of conditional grants

41. Performance in respect of programmes funded by Integrated National Electrification Program (INEP) was not evaluated within two months after the end of the financial year, as required by section 12(5) DORA.

42. The Rural Roads Asset Management System (RRAMS) grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 16(1) of DORA.

43. 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.

## Procurement and contract management

44. Some of the contracts were awarded to bidders based on points given for legislative requirement that differed from those stipulated in the original invitation for bidding, in contravention of SCM regulations 21(b) and 28(1)(a)(i) and the Preferential Procurement Regulations.

45. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored monthly as required by section 116(2) of the MFMA.

46. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA.

## Other information in the annual report

47. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in key performance area (KPA) presented in the annual performance report that has been specifically reported on in this auditor's report.

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48. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

49. 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 material indicators in the scoped-in KPA presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

50. I did not receive the other information before 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

51. 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.

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

53. Management did not review compliance with the relevant laws and regulations, which resulted in material non compliance being reported.

Lack of adequate controls over daily and monthly processing and reconciling transactions.

54. Management did not prepare financial statements that were accurate, and were evidenced by the reliable supporting documentation, in addition to this, management did not review internal controls effectiveness in detection, correction and prevention of these deficiencies and this resulted in repeat findings due to non-adherence to the audit action plan.

The audit committee did not ensure that the internal audit unit is adequately resourced which resulted in the unit not being able to enhance the internal controls of the municipality as they could not perform all planned audits per the audit plan.

Auditor General  
Bloemfontein

30 November 2024



AUDITOR-GENERAL  
SOUTH AFRICA

Auditing to build public confidence

# Chapter 4

## 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 material performance indicators 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

# Chapter 4

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.

# Chapter 5

## Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	<p>Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1),</p> <p>Sections: 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), 32(6)(a),</p> <p>Sections: 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b),</p> <p>Sections :64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e),</p> <p>Sections: 72(1)(a)(ii), 112(1)U, 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2),</p> <p>Sections: 126(1)(a) 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3),</p> <p>Sections: 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
<b>MFMA:</b> Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)

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MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), Regulations: 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), 28(1)(a)(i), Regulations: 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), Regulations: 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i) , 38(1)(g)(ii), 38(1)(g)(iii), Regulations: 43, 44, 46(2)(e), 46(2)(f)
MSA: Municipal Staff Regulations	Regulations 7(1), 31
Municipal Systems Act 32 of 2000 (MSA)	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), Sections: 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 54A(1)(a), 56(1)(a), 57(2)(a), Sections: 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 12(1) Regulations 15(1)(a)(i), 15(1)(a)(ii)
<b>Legislation</b>	<b>Sections or regulations</b>
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	Regulations 17(2), 36(1)(a)

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Managers, 2014	
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Division of Revenue Act 5 of 2023	Sections 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, 2004	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), 7(1) Regulations 7(2), 7(3), 7(6), 7(8), 8(2), 8(5), 9(1), 10(1), 10(2), 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	Section 34(1)

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GLOSSARY	
<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.

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<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to

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

# APPENDICES

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

<b>Councillors, Committees Allocated and Council Attendance</b>				
<b>Council Members</b>	<b>Full Time / Part Time</b>	<b>Committees Allocated</b>	<b>*Ward and/ or Party Represented</b>	<b>Percentage Council Meetings Attendance</b>
	<b>FT/PT</b>			<b>%</b>
Cllr AM Shasha	FT	Speaker	ANC	100%
Cllr.NI Mehlomakulu	FT	Executive Mayor	ANC	100%
Cllr NJ Garekoe	FT	Chairperson of Corporate Services Committee	ANC	80%
Cllr AM Molai	FT	Budget and Treasury Committee Member	EFF	100%
Cllr TI Phatsoane	FT	Chairperson of MPAC	ANC	100%
Cllr AJJ Van Rensburg	FT	Planning and Social Development Committee Member	DA	60%
Cllr AM Lebaka	FT	Chairperson of Budget and Treasury Committee Member	ANC	90%
Cllr MG Mokheseng	PT	Corporate Services Committee member	ANC	100%
Cllr RW Van Wyk	PT	Planning and Social Development Committee member	DA	80%
Cllr MV Malgas	PT	Budget and Treasury Committee member	ANC	80%

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Clr ME Lekoenea	PT	Corporate Services committee member	EEF	60%	
Clr AN November	FT	MPAC Member	DA	60%	
Clr TD Mochechepa	FT	Chairperson of Planning and Social Development	ANC	90%	
Clr MM Potgieter	PT	Corporate Services committee member	DA	100%	
Clr S Riddle	PT	MPAC member	DA	80%	
Clr NA Adoons	PT	Planning and Social Development committee member	ANC	100%	
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					T A

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## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Oversight Committee	Playing an oversight Role over the finances and the administration of the Municipality
Audit Committee	Performing duties as stipulated in Section 166 of the MFMA
MPAC	Playing an oversight Role over the finances and the administration of the Municipality
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## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	Yes	
Building regulations	No	
Child care facilities	Yes	
Electricity and gas reticulation	No	
Firefighting services	No	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Storm water management systems in built-up areas	No	
Trading regulations	No	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
<i>Continued next page</i>		
<i>Continued from previous page</i>		
Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 5, Part B functions:</b>		
Beaches and amusement facilities	No	

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Billboards and the display of advertisements in public places	No	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	No	
Control of public nuisances	No	
Control of undertakings that sell liquor to the public	No	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	No	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	No	
Local amenities	No	
Local sport facilities	No	
Markets	No	
Municipal abattoirs	No	
Municipal parks and recreation	No	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds	No	
Public places	No	
Refuse removal, refuse dumps and solid waste disposal	No	
Street trading	No	
Street lighting	No	
Traffic and parking	No	
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>		T D

# APPENDICES

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2023-2024

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2022-2023	Recommendations adopted (enter Yes) If not adopted (provide explanation)
25 August 2023	<ul style="list-style-type: none"> <li>- After that, the Audit Committee resolved that the 2nd set of AFS be submitted to Audit Committee Members and final AFS be reviewed by the Internal Audit Unit and Members prior to submission to AGSA on the 31st August 2023FSPT proposed that Municipality write a letter to them requesting a reviewer.</li> </ul>	
29 September 2023	<ul style="list-style-type: none"> <li>- After that, the Audit Committee resolved to have MS-Teams meeting with Management regarding the APR The Committee resolved that going forward, in the next review of the strategic documents there should be a note where changes took place.</li> <li>- Audit Committee Members approves the Three Year Rolling Plan and Annual Internal Audit Plan for 2023 – 2024 pending finalization of the inputs made and be circulated to Audit Committee Members.</li> <li>- The Audit Committee recommended that the Audit Committee Charter be approved subjected to changes made and be Audit Committee Charter be submitted to Council for approval with those changes.</li> <li>- Audit Committee members approves the Internal Audit Charter for 2023 – 2024.</li> <li>- Audit Committee members approves Policies and</li> </ul>	

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	<p>Procedure Manual for 2023 – 2024.</p> <ul style="list-style-type: none"><li>- Audit Committee members approves Combined Assurance for 2023 – 2024.</li><li>- Audit Committee members approves Quality Assurance Improvement Program for 2023 – 2024</li><li>- Audit Committee members approves Internal Audit Methodology for 2023 – 2024.</li><li>- Audit Committee members approves Audit Committee Schedule for the Audit Committee for 2023 – 2024 with changes made.</li></ul>	
<b>27 November 2023</b>	<ul style="list-style-type: none"><li>- Audit Committee approves the Progress report for Internal Audit Activities with changes proposed for the 1st Quarter of 2023 – 2024.</li></ul>	
<b>18 April 2023</b>	<ul style="list-style-type: none"><li>- Audit Committee Approves the 4th Quarter Report on PMS.</li><li>- Audit Committee approves the Annual Performance Report for municipality.</li><li>- Audit Committee resolved that Risk Champion to be appointed and be reported in the Next Audit Committee meeting and Internal Audit Manager performs a follow up audit on that finding.</li><li>- Audit Committee member noted the report of Risk Management Committee and the report will be presented to Council in December 2023.</li><li>- The Committee resolved that Management must submit the Budget and ensure that Cash Flow</li></ul>	

# APPENDICES

	<p>Statement is addressed adequately.</p> <ul style="list-style-type: none"><li>- The Committee resolved that all minutes be signed by the Chairperson.</li><li>- Audit Committee resolved that Management should appoint the Intern Internal Audit would be appointed before financial year end.</li><li>- Audit Committee need management to be fully engaged so that all work done by auditors can be concluded on time.</li><li>- The Audit Committee resolved that the additional of the Audit Committee be appointed.</li><li>- The Audit Committee Members approved all Internal Audit Reports with changes made by FSPT.</li><li>- The Audit Committee approved the Strategic Documents for 2024 -2025 with changes proposed and a report be tabled to Council.</li><li>- The Audit Committee resolved that INEP &amp; MIG should be separated from total revenue collected.</li><li>- The Audit Committee Members noted the Functionality Report and that the Chairperson to cover IT Governance in reporting as part of MFMA.</li></ul>	
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# APPENDICES

## APPENDIX H – LONG TERM CONTRACTS

Long Term Contracts (Largest Contracts Entered into 2023-2024)					
R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Purim Consulting	Rural roads asset management system	06 Oct 23	30 Sep 26	Mr SL Majenge	7 078 407.08
LQ Technologies	Internet Service Provision	16 Sep 2020	Contract ended on the 30 <sup>th</sup> of November 2023	Mr A. Tyhokolo	1,315,887.35
CCG Systems	Integrated Financial Management Systems and Internal Controls (mSCOA)	Dec 2019	Nov 2022, On a Month to Month	Mr T. Matsiliso	5 244 082.00
University of the Free State Ground Water Testing	Waste and Drinking Water Analysis	04 Aug 23	31 Jul 2024	Me Portia Mancoe	237 929.00
Musar Consulting PTY LTD	Internet Service Provision	05 Dec 2023	30 Nov 2026	Mr A Tyhokolo	1,537,744.88
Lobamaba Enterprise	Supply and Maintenance of	25 Feb	Feb 25	Mr A.	974,581.00

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(PTY)LTD	Telephone Systems	2022		Tyhokolo	
Kunene Makopo Risk Solutions (PTY) LTD	Insurance Service for the Municipality	01 Mar 2022	Feb 2024	None	545,357.61
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# APPENDICES

## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Service Provider	Project Name	Contract Amount	Project Status	End User Remarks
Musar Consulting PTY LTD	Internet Service Provision	05 Dec 2023	30 Nov 206	Mr A Tyhokolo
Lobamaba Enterprise (PTY)LTD	Supply and Maintenance of Telephone Systems	25 Feb 2022	Feb 25	Mr A. Tyhokolo
Lobamba Enterprise (PTY)LTD	Supply and Maintenance of Telephone Systems	25 Feb 2022	Feb 25	Mr A. Tyhokolo
Kunene Makopo Risk Solutions (PTY) LTD	Insurance Service for the Municipality	01 Mar 2022	Feb 2024	None
Musar Consulting PTY LTD	Internet Service Provision	05 Dec 2023	30 Nov 206	Mr. A Tyhokolo

# APPENDICES

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of 2023-2024 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
<b>(Executive) Mayor</b>	Clr NI Mehlomakulu	Nil
<b>Member of MayCo / Exco</b>		
	MA Lebaka	Employment and Remuneration, Pension Fund(SALA)
	NJ Garekoe	Bond 100%
	TD Mochechepa	Nil
<b>Speaker</b>	AM Shasha	Nil
<b>Councillor</b>	NA Adoons	Employed at Department of Education, Pension(GEPF)
	M Mokheseng	Nil
	AN November	SALA , employment: Letsemeng local municipality
	MV Malgas	Nil
	MA Molai	Nil
	ME Lekoenea	Nil
		OVK R10 000 BKB R10 000 Circle R Ranches: R100 000 Rustfontein Farm R2,500.000 Old Mutual Wealth R350 000
	AJJ van Rensburg	Old Mutual Wealth R350 000
	RW Van Wyk	Nil
	TI Phatsoane	Employment and Remuneration
		Click Photography MSB Art Box SALGA( as gazetted) Remuneration: Letsemeng Local Municipality(As gazetted) Remuneration: Xhariep District Municipality(as gazette)
	MM Potgieter	Remuneration: Xhariep District Municipality(as gazette)
		Nicks place(50% shareholder) Nicks Place Owner 2 million Porperty 2 million Old Mutual 1.5 million Dummer Trust (Trustee) Old Mutual Pension (R4000 000)
	J. Riddle	Old Mutual Pension (R4000 000)

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		Property(1.5 Million)
<b>Municipal Manager</b>	LY Moletsane	GEPP(pension fund) Erf R40 000( Trompsburg) Residential Property 1.5 million
<b>Chief Financial Officer</b>	PV Litabe	Share Holder: Calaria(PTY)Ltd (50%) Diabo Accountants & Consulting (80%) Property: 1.5 million(Business) Property: 1.3 million(Business) Residential Property: R760, 000
<b>Director: Corporate Services</b>	MA Jafta	Mbuyando Trading CC 30% shares Bethulie Partners(PTY LTD) 15% shares
<b>Director: Planning and Social Development</b>	OA Kale	Nil
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A T J		

# APPENDICES

## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	R '000					
	2022-2023	2023-2024			2023-2024 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Agency services						
Transfers recognized - operational	70 979					
Other revenue	1 150					
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>72, 129</b>					
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						

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# APPENDICES

## APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES 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	N/A	
Output: Implementation of the Community Work Programme	N/A	
Output: Deepen democracy through a refined Ward Committee model	N/A	
Output: Administrative and financial capability	N/A	
<p><i>* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.</i></p>		

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# VOLUME II

## VOLUME II: ANNUAL FINANCIAL STATEMENTS



Xhariep District Municipality  
(Registration number DC16)  
Annual Financial Statements  
for the year ended 30 June 2024