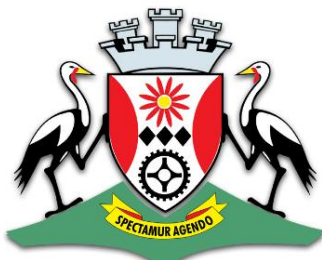


# DRAFT ANNUAL REPORT 2023/2024 FINANCIAL YEAR



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**GERT SIBANDE**  
DISTRICT MUNICIPALITY

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**IMAGE:** Gert Sibande District Municipality office building, Corner of Joubert and Oosthuise Streets, Ermelo, Mpumalanga ( S26 31' 25.73" E29 58' 19.25")





**IMAGE:** Gert Sibande District Municipality office building, Corner of Joubert and Oosthuise Streets, Ermelo, Mpumalanga ( S26 31' 25.73" E29 58' 19.25")

## *Editor's note*



This Annual Report is for the reporting period from 1 July 2023 to 30 June 2024. It has been compiled in line with the Municipal Finance Management Act No. 56 of 2003 and the Municipal Finance Management Act Circular No. 11, issued in January 2005 using the template provided by National Treasury in the year 2012.

The content herewith gives effect to the legal framework requirements, concepts and principles 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.

This annual report provides an overview of Gert Sibande District Municipality's 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. It makes its contribution by forging linkages with the Integrated Development Plan (IDP), Service Delivery and Budget Implementation Plan (SDBIP), Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information.

Chapter 2 of the report provides an elaborative content on governance issues such as Risk Management. Chapter 3 focusses on service delivery performance. The report also provides information on good management practice in Chapter 4; and Supply Chain Management in Chapter 5. It also addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This unlocks greater possibilities for financial and nonfinancial comparisons between municipalities and improved value for money. In addition, the annual report provides information on probity, including anti-corruption strategies and disclosure of financial interests by officials and councillors.

The Gert Sibande District Municipality strives to be a "A community driven District of excellence and development". The institution was able to retain an Unqualified Audit Opinion with matters from the Auditor General of South Africa (AGSA) for the financial year ending June 2024. An approved action plan is in place with corrective measures for matters raised.

This report entails details of how the Gert Sibande District Municipality's vision was realised during the 2023/24 Financial Year.

**Bongki Ka Dube, Head of Communication.**



## MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR'S FOREWORD



Cllr Walter Mngomezulu  
Executive Mayor

The Gert Sibande District Municipality remains committed to always ensure accountability and transparency on municipal matters. The development of the Annual Report is a requirement of the Municipal Finance Management Act, (MFMA) (Act No. 56 of 2003). Section 127 (3) of the Local Government Municipal Finance Management Act 56 of 2004 states that, *"the mayor of a municipality must, within seven months after the end of the financial year, table in the Municipal Council the Annual Report of the Municipality and of any Municipal Entity under the Municipality's sole or shared control"*.

Whilst the role of my office has been to provide political guidance and ensuring functional and effective governance structures, it is also the mandate that is granted and contained in the MFMA that I present this report to all Gert Sibande District Municipal stakeholders.

Therefore, it gives us great pleasure to present the annual report for 2023/24 Financial Year.

We remain committed and focussed on the vision of the municipality, which is to be service delivery driven through excellence and development, the kind that seeks to extricate people from poverty, unemployment and inequality which is why we have implored all government stakeholders to envision a "One District Plan" in line with the District Development Plan (DDM). It remains our commitment to find and explore different ways to achieve a "One District Plan" and to create a business-ready environment, which will help us foster economic growth and realise the state's developmental mandate through economic development by improving the material conditions of our people.

Since coming to office, we have strived to accelerate the pace and quality of the provision of the municipal services through the support provided to local municipalities guided by the five developmental local government key performance areas: good governance and public Participation, Financial Viability, Infrastructure and Service Delivery; Institutional Transformation and Development and Local Economic Development and Planning.

#### **Good governance and public participation**

The Council remains committed to its legislative role in terms of oversight responsibility on matters pertaining to the developmental agenda and implementation of service delivery

projects. Portfolio committees chaired by the members of the Executive Committee are in place and functional. They oversee the various activities implemented by municipal administration departments. These are Finance portfolio, Infrastructure and Technical Services Portfolio, Planning, Economic Development and Innovation Portfolio, Corporate Services Portfolio, and Special Programmes portfolio. Also, in place and functional is the Internal Audit Committee and Municipal Public Accounts Committee and other Section 79 Committees.

We are adamant of our capability to continue maintain financial viability and management and we continue to inculcate a culture of excellence, accountability, and good governance. While the Gert Sibande District Municipality has continued to receive Unqualified Audit Opinion with matters, our objective remains to be considered audit clean.

**In line with Chapter 4 of the *Municipal Systems Act, 2000***, we are of a strong view that communities and stakeholders should be involved and walking hand in hand with government in the developmental agenda of their municipalities. The MSA, 2000 compels us to create allowing conditions for communities to be part of the developmental agenda through public participation structures. We successfully held IDP and Budget Consultations with all seven local constituent municipalities and the District House of Traditional Leaders and Khoisan. The IDP and Budget for the 2024/25 financial year was also adopted by GSDM Council within the relevant timeframes. Izimbizo were held in Dundonald, Chief Albert Luthuli Municipality, Amersfoort in Pixley Ka Isaka Seme Municipality, and Grootvlei in Dipaleseng Municipality.



Photo: Mayoral Imbizo in  
Dipaleseng - 2024



### Key Service Delivery Improvements

In line with the District Development Model, we continue to share an effective performance driven relationship with all stakeholders involved in the DDM structures of Gert Sibande District. We are confident that service backlogs continue to show a decline due to collaborative efforts by the stakeholders. The Statistics South Africa Community Survey 2022 indicated that Gert Sibande District Municipality has approximately 85% of its population access to basic sanitation services. The major challenge is however the ageing infrastructure and new informal settlements which has led to an increase in infrastructure maintenance backlogs and sewer spillages throughout the network. Another challenge at hand is that the population growth in our seven local municipalities caused by immigration due to increased coal mining activities, urbanization amongst others; has over the past decade constrained availability of services such as water, sanitation, electricity, land availability; etc. As a result, the district has experienced service delivery protests due to challenges in providing satisfactory services.

We have made considerable strides towards supporting local municipalities in the provision of basic water services and infrastructure development. The district municipality is neither a Water Services Authority (WSA) nor a Water Services Provider (WSP), the functions lie with the local municipalities within the district. However, we provide water quality testing services for all the local municipalities within their area of jurisdiction. In the 2023/24 Financial year, GSDM also invested R1.41 million as a 60% subsidy in support of Local Municipalities for water quality testing. The water quality testing and sampling services also continue assisting the Local municipalities to improve on their Blue Drop and Green Drop certification scores. In the current financial year 2024/25, we will be intervening in municipalities that continue to score low in blue/green and no drop assessment outcomes. An external service provider working with DWS shall be deployed for at least a period of 2 years to turn the situation around.

We also provide bulk infrastructure through funding from Department of Water and Sanitation and GSDM funding. A total budget of R388 million was allocated in the 2023/24 FY for the Regional Bulk Infrastructure (RBIG) at the local municipalities. The district is an Implementing Agent (IA) for the Regional Bulk Infrastructure Grant (RBIG) funding from the Department of Water and Sanitation (DWS) in the five local municipalities that is Chief Albert Luthuli, Mkhondo, Lekwa, Dipaleseng and Msukaligwa. We successfully handed over an upgraded Fortuna Water Treatment Plant in Balfour, Dipaleseng. We will by the end of September 2024 hand over the eMpuluzi Water Treatment Works in Chief Albert Luthuli Municipality, and the Breyten Water Treatment Works in Msukaligwa.



Photo: Project Oversight visits in 2024

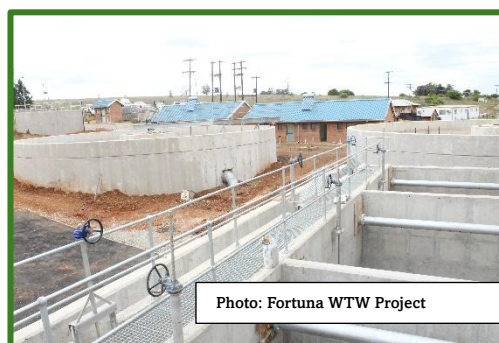


Photo: Fortuna WTW Project

We managed to provide eight (8) electric pumped boreholes in deep rural farm areas, namely four (4) in Lekwa local municipality and two (2) in Msukaligwa local municipality and last two (2) in Dipaleseng local municipality.



Photo: Project oversight visit at the Gabosch Dam, Mkhondo.

The GSDM covers a total area of approximately 31 842 square kilometers. According to the Road Asset Management Systems, Gert Sibande District has a road network of 4003 km, 1304km is paved and or tarred roads which is about 32% and 2699km is gravel roads which is about 68% of the total network. We are also implementing a Municipal Support Program to assist all seven Local Municipalities to reduce backlog on maintenance of road network. The District Municipality procured road maintenance fleet and formulated a program that is rotating in all the seven Local Municipalities spending a minimum of one month in each municipality. The fleet includes two Jetpatcher trucks of which one was added in the 2023/2024 financial year, Graders, Water tanks, TLB, Roller, Tipper trucks and a lowbed truck. The district also allocated funds to assist the municipalities with road resealing through hiring of Plant C supply of Material (Hot Mix Asphalt) focusing on taxi routes, roads leading to public amenities like hospitals, clinic, schools etc.

A total of 121 588m<sup>2</sup> of road resurfacing the square meters include the co-funding from Dr Pixley ka Seme LM, Msukaligwa LM, Chief Albert Luthuli LM, and Govan Mbeki LM and 41 784m<sup>2</sup> of pothole using Jetpatcher truck and 507km of blading/re-gravelling was completed during 2023/24 financial year within the seven Local Municipalities.



Photo: Road Rehabilitation programme by GSDM



Photo: Road Rehabilitation programme by GSDM

### **Key Future Actions**

- We have prioritised the fight against GBVF as well the reduction of people infected with HIV/AIDS through consistent roll out District Aids Council programme.
- We are going to working together with DWS support municipalities to improve their Blue/ Green and No Drop scores on water supply so to give confidence to our communities on the quality of water.
- We will within the context of the District Development Model be establishing a District War Room that will meet on fortnightly to attend to sanitation services, support the upgrade of the source of electricity, improve municipal governance, and aaccelerate bulk infrastructure projects in identified hotspots municipalities within the district.
- We have prioritized implementation of the District Local Economic Development Strategy which addresses partnerships towards progressively responding to the skills need by the growing Regional Economy. The strategy will be realized through marketing and promotion of the tourism sector, increasing local beneficiation and shared economic growth across the district.

### **Economic Development in line with the District Development Model**

- Close monitoring and support towards the Ummbila Emoyeni/ Seriti Wind Farm project regarding the construction of a 900MW hybrid renewable facility [750 wind energy consisting of 111 turbines;150 MW of Solar PV, and 8000MWh of Battery Storage]. The project will be implemented over 5-year phases at a total investment of R20 billion and is expected to create 600 direct jobs. The Project Steering Committee has been established and is chaired by the Executive Mayor of the District. Community Liaison Officers have been appointed
- Participating in the long-anticipated exploration of availability of GAS in Wakkerstroom under Dr Pixley ka Isaka Seme Municipality. The project has a potential to change the economic landscape of our district by creating a sizeable number of jobs.
- To support and participate in the oversight and monitoring over the Carbon Capture Utilisation and Storage Project in Leandra.
- To support local municipalities to apply, budget and implement provision of bulk infrastructure engineering projects for their new township developments.

### **Conclusion**

We are committed to building a capable and developmental state which is essential to tackle poverty and inequality. The rate of unemployment, inequality and poverty remain stubbornly high; hence, a capable developmental state is to take a centre stage within the Gert Sibande District. As we commemorate 30 years of democracy, while we have come so far, we still have a long way to go, and we will continue to champion joint planning that prioritises challenges for effective interventions.

We believe that if all role players do their part, we can grow Gert Sibande District together.

**CLLR WALTER MNGOMEZULU**

**EXECUTIVE MAYOR**





Photo: GSDM Office Complex, Ermelo.

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 MUNICIPAL MANAGER'S OVERVIEW



Gerts Sibande District Municipality (GSDM) as a grant dependant municipality was directly affected by the low economic growth the country has been experiencing over the past couple of years, load shedding which was rife meant high spending on alternative power supply. The Financial year 2023/2024 also saw a reduction to some of the grants due to this slow growth which was mainly caused by the COVID pandemic and load shedding which ravaged our country over the past couple of years.

GSDM has had to try and be innovative to try and mitigate the burden caused by these challenges on the institution's financial resources, this had unintended consequences on the support to be provided to local municipalities.

Nevertheless, a district has a mandate, and it is to support local municipalities under its jurisdiction, and it is clearly stipulated in Section 83 (3) and (4) of the Municipal: Structures Act and Section 88 of the Municipal: Structures Act, 1998, which calls for cooperation between district and local municipalities that: -

- a) A district municipality on request by a local municipality within its area may provide financial, technical, and administrative support services to that local municipality to the extent that that district has the capacity to provide those support services.*

GSDM spent on infrastructure development projects on allocation to municipalities R21 546 822 and R20 386 212 was spent representing 94,6%.

The organisational overall performance is 92%, the IDP has achieved 84,%, SDBIP KPAs achieved 97%. The Audit report of the Auditor General of South Africa (AGSA) is still to be provided after the audit has been concluded.

In implementing the District Development Model (DDM) as was first pronounced by the president of the republic in 2019 with the view to eliminate silo planning amongst government in all spheres, GSDM welcomed the promulgation of the regulations by the Minister of Cooperative Governance and Traditional affairs which will guide the implementation. GSDM in the aim to better understand and learn on good practices visited one of the pilots of the municipalities which is Waterberg District Municipalities on a benchmarking exercise. During the year in question good progress has been made NBI has partnered with the District to enhance the capabilities of the District in ushering innovations that will allow service delivery prosperity through the DDM. All the structures are in place and functional, the One Plan was

developed and was adopted by Council. The institution has been able The role of the district in the implementation of the DDM, has also been to provide coordination of local municipalities, Provincial and National Government Departments, private sector, and other stakeholders, in order to allow for a more aligned planning.

The GSDM has continuously engaged with local and international partners in pursuit of the vision of establishing the Gert Sibande Aerospace Industrial Hub. The municipality has embarked on an international trade visit to the United Arab Emirates to attract international investment into the district. To this regard, Transworld Aviation senior management pledged commitment towards supporting the establishment of aviation logistics, aircraft manufacturing, maintenance, and overhaul operations at the Gert Sibande Aerospace Industrial Hub (GSAIH). Diamond Aircraft from Austria also pledged commitment to the project to the extent of offering the Sub Sahara Africa market for the exclusive benefit of the operations to be established in the GSAIH. The GSDM continues to engage provincial and national government departments to support the implementation of this catalytic project.

The district has performed relatively well for a sustained period of time although a clean audit has not been obtained, the district has been consistently obtaining unqualified audit opinions from the Auditor General of South Africa. A solid foundation has been laid; the future looks promising. Even though the district has received an unqualified Audit Opinion with matters of emphasis it is safe to say that, this should only be regarded as a minor hurdle that should be corrected with enhanced internal controls. It is against this strong background of hard work and commitment that Gert Sibande District Municipality present the Annual Report for 2023/24 in terms of the provisions of the Local Government Municipal Finance Management Act, 2003 in relation to the role of the Municipal Manager as the Accounting Officer and the compilation of the Annual Report. The act states as follows: -

*Section 129 (2) “the accounting officer must attend council and council committee meetings where the annual report is discussed, for the purposes of responding to questions concerning the report; and submit copies of the minutes of those meetings to the Auditor General, the relevant provincial treasury and the provincial department responsible for local government in the province”*

*Section 129 (3) “The accounting officer must in accordance with section 21A of the Municipal Systems Act make public an oversight report referred to in subsection (1) within seven days of its adoption”*

We want to confirm that the contents of the report are in line with the above statements and the necessary processes are taken into consideration on finalization and publication of the Annual Report. The administration team responsible for the implementation of Council decisions is composed of the following departments: - the administration consists of six departments:

- The Office of the Municipal Manager
- Corporate Services
- Finance
- Infrastructure and Technical Services
- Planning, Economic, Development and Innovation
- Community and Social Services



Consistent with supporting Local Municipalities, a Municipal Support unit was established aimed at assisting our local municipalities within the district on financial management and viability as part of the operation clean audit campaign. We hope for a time, in our lifetime, where all municipalities in the district would be financially clean according to the Auditor-General's compliance standards.

## 1.2 . MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.2.1 District Demographics Analysis

According to Stats SA's 2016 Community Survey, Gert Sibande District population increased from 1 043 194 in 2011 to 1 135 409 people in 2016. This translates to the annual growth rate of 1.9% between the two time periods. The district is the smallest district amongst the three districts in the province in terms of population size. According to Stats SA's 2022 Mid-year population estimates, the district is home to 1 288 598. This is a 13.5% change between 2016 and 2022, which is the second highest percentage change behind Nkangala district. It is also projected that the district will have a population size of almost 1.5 million people by 2031. This means that its population will grow by 14.1% between 2022 and 2031. When looking at local municipality level Govan Mbeki remains the most populous municipality in the district, while Dipaleseng local municipality continues being the least populated (refer to the table below).

### 1.2.2 Population figures per municipal area

	Baselines		2022	2031	% Change (2016-2022)	% Change (2022-2031)	% Distributio n 2022	% Distributio n 2031
	2011	2016						
Chief Albert Luthuli	186 010	187 629	184 756	172 463	-1.5	-6.7	14.3	11.7
Msukaligwa	149 377	164 608	190 532	220 644	15.7	15.8	14.8	15.0
Mkhondo	171 982	189 036	249 457	312 030	32.0	25.1	19.4	21.2
Dr Pixley Ka Isaka Seme	83 235	85 395	95 613	100 668	12.0	5.3	7.4	6.8
Lekwa	115 662	123 419	139 046	155 094	12.7	11.5	10.8	10.6
Dipaleseng	42 390	45 232	42 554	39 402	-5.9	-7.4	3.3	2.7
Govan Mbeki	294 538	340 091	386 639	469 755	13.7	21.5	30.0	32.0
<b>Gert Sibande District</b>	<b>1 043 194</b>	<b>1 135 409</b>	<b>1 288 598</b>	<b>1 470 056</b>	<b>13.5</b>	<b>14.1</b>	<b>26.8</b>	<b>27.6</b>
Nkangala District	1 308 129	1 445 624	1 677 664	1 958 473	16.1	16.7	34.9	36.7
Ehlanzeni District	1 688 615	1 754 931	1 837 790	1 905 385	4.7	3.7	38.3	35.7
Mpumalanga	541 248	4 335 964	4 804 052	5 333 914	10.8	11.0	100.0	100.0

Table 1: Population figures per municipal area



## Gert Sibande population data and projections

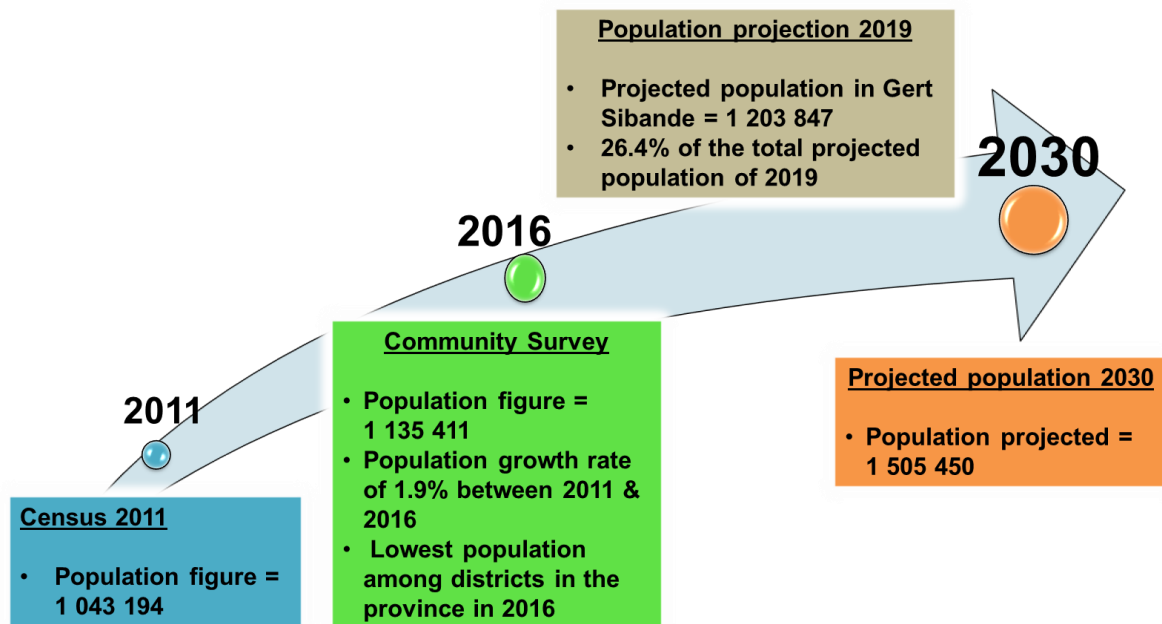


Figure 1: Gert Sibande population data and projections

### 1.2.3 Socio Economic Status

The Gert Sibande District Municipality is an economic hub for mining, manufacturing, agriculture, and tourism. It is also a home for huge industries such as Sasol, Eskom, Mondi and other gold and coal mines.

The district economic activity is predominantly concentrated within the urban / industrial complex formed by Secunda, Evander, Kinross, and Trichardt (Govan Mbeki LM). However, other areas of economic importance are distributed throughout the district includes Ermelo, Piet Retief, Standerton, Carolina, Balfour and Elukwatini.

GSDM has a strong economy within the region which is predominantly mining, the coal belt starts from Govan Mbeki, Msukaligwa & Mkhondo & Dr Pixley Ka Isaka Seme local municipalities and gold deposits from Govan Mbeki to Dipaleseng local municipality.

The District's forestry stretches from Mkhondo, Dr Pixley Ka Isaka Seme & Chief Albert Luthuli local municipality where most agricultural activities like farming of cattle & sheep breeding and maize production.

The District also hosts one of the largest petro-chemical industries in the country (SASOL) and 4 ESKOM coal powered stations.

### 1.2.3.1 Gross domestic Product

The economic growth rate for Gert Sibande was 0.6% per annum on average over the period 1996 to 2019. Contribution to the Mpumalanga economy is 27.0% which is the smallest economy among the districts in the province.

Govan Mbeki local municipality is the largest contributor to the economy of the GSDM at 56.3% of the total GDP followed by Lekwa and Msukaligwa at 12.8% and 12.2% respectively.

Region	Contribution to Gert Sibande economy 2019	Average annual economic growth 1996-2019	Average annual economic growth 2014-2019	Average annual economic growth 2019-2024
Chief Albert Luthuli	6,4%	2,7%	1,7%	-0,4%
Msukaligwa	12,2%	2,4%	0,6%	0,2%
Mkhondo	6,6%	3,1%	1,3%	0,1%
Dr Pixley Ka Isaka Seme	3,3%	1,5%	0,2%	0,0%
Lekwa	12,8%	0,5%	-0,4%	0,3%
Dipaleseng	2,3%	1,9%	-0,1%	-0,4%
Govan Mbeki	56,3%	0,4%	-0,7%	-0,8%
<b>Gert Sibande</b>	<b>100,0%</b>	<b>1,1%</b>	<b>0,0%</b>	<b>-0,4%</b>

Table 2: Gert Sibande Economic Growth

The Gert Sibande District Municipality's economy is made up of various industries. The mining and manufacturing sectors are strong economic drivers in the district and have a significant presence in Govan Mbeki LM. Manufacturing activities are naturally clustered in proximity to the main concentrations of natural resources. Large scale manufacturing activities generated in the region include petro-chemical and coal as the major energy source. The service-related sectors of trade, transport, finance and community services are dominant economic drivers in Lekwa and Msukaligwa.

### 1.2.4 Household Profile

Household profile is very crucial in district and local municipalities. This is because most of services are provided at household level. According to Stats SA, Community Survey, 2016, the number of households in the district grew from 273 490 in 2011 to 333 815 in 2016. Majority of households (61%) in the district is headed by males. Almost 1% of the households were child-headed, with majority of them found in Dr Pixley Ka Isaka Seme and Chief Albert Luthuli local municipalities. The average household size in Gert Sibande district was 3.4 nonetheless, Mkhondo has biggest household size (4 members) of all the local municipalities.

Stats SA's 2021 mid-year population estimates revealed that the district had 402 173 households in 2021. It is further projected that the number of households will reach 557 842 by 2031. That is, at an annual growth rate of 3.3%. Like in population size, Govan Mbeki has the biggest share of households in the district. However, in terms of annual growth rate, Mkhondo local municipality is projected to have the fastest annual growth rate of households.

### 1.3 . Service Delivery overview

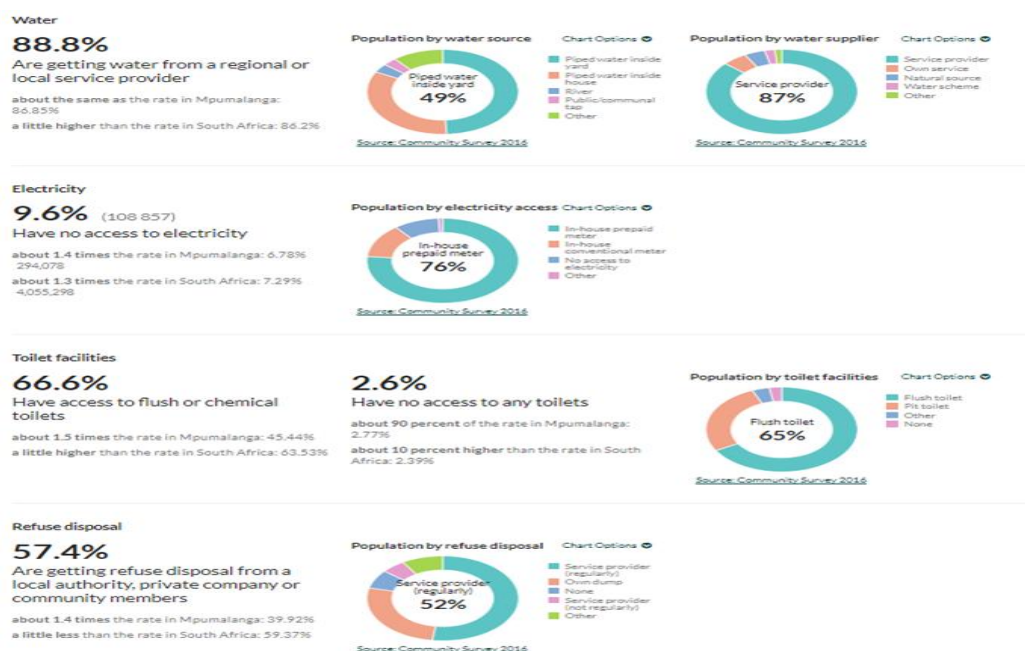
#### 1.3.1 Access to basic services in Gert Sibande District Municipality

There has been notable improvement with regards to access to basic household services in Gert Sibande between 2011 and 2016. When looking at the findings from Census 2011 and Community Survey 2016, there has been improvement in households' access to water and electricity. However, the challenges remain in terms of access to flushing/chemical toilets as well as refuse removal. The situation is dire especially in informal dwellings. The number of informal dwellings decreased from 45 935 in 2011 to 44 862 in 2016 but with 13.4% of the households still living in informal dwellings. Dipaleseng has the highest percentage of households in informal settlements followed by Govan Mbeki and Lekwa.

In terms of the informal dwellings, the district has a backlog of 72 213, which is 23.6% of total households in the district. Govan Mbeki local municipality has recorded the highest backlogs at 21 538, followed Mkhondo at 15 741. The least affected local municipality is Dipaleseng with 3 110.

The Stats SA's Community Survey 2016 shows a marginal decrease in the number of people without access to piped water only in Lekwa local municipality. There is an increase in the backlogs between the period 2011 and 2016. There is however a difference in the research approach between the two counting periods which renders the counts incomparable.

Mkhondo LM recorded the highest decline in the backlogs in this category of services from 12.9% in 2011 to 4.3% in 2016. Dipaleseng recorded the highest backlog at 6%. The GSDM is planning to do upgrades to the bulk water supply network to respond to the water and sanitation challenges in Dipaleseng.



## 1.4 FINANCIAL HEALTH OVERVIEW

Financial Overview 2023/24			
Details	Original budget	Adjustment Budget	Actual
<b>Income</b>			
Grants	R345 975 000	R345 475 000	R345 475 000
Interest	R21 069 670	R25 069 670	R25 358 613
Other Income	R23 161 560	R78 062 748	R74 354 042
Revenue from construction contracts		R410 000 000	R402 198 225
<b>Expenditure</b>			
Employee Compensation & Councillor allowance	R247 857 480	R238 468 985	R231 583 876
General Expenditure& Depreciation	R117 528 680	R116 697 170	R101 423 544
Grants and subsidies	R35 997 070	R93 086 727	R89 705 089
Construction contract costs		R410 000 000	R401 886 833
<b>Surplus/(deficit)</b>	<b>(R7 177 000)</b>	<b>R354 536</b>	<b>R22 860 034</b>

Operating Ratios	
Detail	Percentage
Employee costs	30.06%
Repairs & maintenance	1.8%
Finance charges & impairment	0.19%

### Capital budget

Description	2021/22	2022/23	2023/24
Original budget	R38 157 000	R4 994 450	R8 527 000
Adjustment budget	R38 157 000	R4 888 900	R8 527 000
Actual	R32 073 551	R5 589 730.90	R9 503 362

## AUDITOR GENERAL REPORT

### 1.4.1 Municipal performance

Gert Sibande District's overall audit performance over the last 5 financial years has been mixed, ranging from Financially Unqualified with findings in the 2016/17 Financial Year, to unqualified with no findings in 2020/21. The district has however showed a steady improvement since the unqualified with findings outcomes, achieving two consecutive clean audits in the years 2017/18 and 2018/19 Financial Year. Audit outcome for the 2021/22 Financial Year has again seen the district regress to an unqualified Audit opinion with findings,

which means that we can never be complacent, we must continue to put much effort in making sure that the District remains clean at all times.

In terms of revenues source, only 4.39% of the district's revenue is generated locally, while the overall 95.61% is received from the National Government in the form of Equitable Share and other Grants from the National Government.

Municipality	Status	Audit opinion				
		2023-24	2022-23	2021-22	2020-21	2019-20
Gert Sibande District	Retain	Unqualified with findings	Unqualified with findings	Unqualified with findings	Unqualified with findings	Unqualified with findings
Chief Albert Luthuli	Retain	Qualified with findings	Qualified with findings	Qualified with findings	Unqualified with findings	Unqualified with findings
Dr Pixley Ka Isaka Seme	Retain	Unqualified with findings	Unqualified with findings	Unqualified with findings	Qualified with findings	Disclaimed with findings
Dipaleseng	Retain	Qualified with findings	Qualified with findings	Qualified with findings	Disclaimed with findings	Disclaimed with findings
Lekwa	Retain	Qualified with findings	Qualified with findings	Disclaimed with findings	Disclaimed with findings	Disclaimed with findings
Mkhondo	Retain	Unqualified with findings	Unqualified with findings	Unqualified with findings	Unqualified with findings	Qualified with findings
Msukaligwa	Retain	Qualified with findings	Qualified with findings	Qualified with findings	Qualified with findings	Adverse with findings
Govan Mbeki	Retain	Qualified with findings	Qualified with findings	Qualified with findings	Qualified with findings	Disclaimed with findings

## 2023/2024 ANNUAL REPORT PROCESS PLAN

**Legends:**

	<b>Completed</b>
	<b>Partially completed</b>
	<b>Incomplete</b>

ACTIVITY	DESCRIPTION OF PROCESS AND PROCEDURE	RESPONSIBLE PERSON	DUE DATE	PROGRESS
<b>Nomination of Departmental Annual Report Champions</b>	Submission of names/ champions	All HOD's	28/06/2024	
<b>Coordinating and empowerment of champions</b>	Departmental Annual report Champions workshop	Manager: Communications	10/07/2024	
<b>Collection of information</b>	Distribution of template to the champions to populate Information from their departments	Manager: Communications	10/07/2024	
	Champions submit populated template to manager communications	Champions/HODs	12/07/2024	
<b>Progress report</b>	Submit the draft to Champions and management, gaps identified to be corrected.	Manager: Communications	22/07/2024	
<b>Collection of information</b>	Submit Draft annual report to CFO/ DCFO	Manager: Communications	31/07/2024	
	Annual financial statements (Draft Annual report) submitted to AGSA	CFO / DCFO	31/08/2024	
<b>Consolidation and first submissions</b>	Work towards finalising the draft annual report	Manager: Communications	31/10/2024	

ACTIVITY	DESCRIPTION OF PROCESS AND PROCEDURE	RESPONSIBLE PERSON	DUE DATE	PROGRESS
	Preparing the draft annual report and report item for Portfolio Committee/ GSDM Audit Committee/ Mayoral Committee/ Council.	Manager: Communications	08/11/2024	
<b>Submission of Draft Annual Report to Auditor General</b>	Submit Draft Annual Report to Auditor General before tabling item to Council to note changes following the audit.	Chief Financial Officer	06/01/2025	
<b>Submission of report</b>	Council sitting to consider the draft annual report	Manager: Communications	31/01/2025	
<b>Compliance</b>	Make public draft annual report printing and delivering the annual report to different points in the district and the province for public comments.	Manager: Communications	07/02/2025	
	Submit Draft Annual Report to Provincial Treasury, COGTA, & Legislature	Manager: Communications	07/02/2025	
	Collecting and processing the public comments for inclusion in the annual report.	Manager: Communications	28/02/2025	
<b>Progress report</b>	Proofreading the document and circulating it to all HODs, for check-up.	Manager: Communications	28/02/2025	
<b>Compliance</b>	Refer the annual report with the public comments to the MPAC Committee for processing. Also share the comments with the HODs and refer it for quality checking.	Manager: Office of the Municipal Manager	28/02/2025	



ACTIVITY	DESCRIPTION OF PROCESS AND PROCEDURE	RESPONSIBLE PERSON	DUE DATE	PROGRESS
<b>Progress report</b>	Audit committee makes final input on the annual report	Senior Manager: Audit	04/03/2025	
<b>Compliance</b>	Council approves MPAC report and annual report	Council	31/03/2025	
	Make public the oversight report	Manager: Communications	08/04/2025	
<b>Finalisation of the report and circulation to relevant sector departments</b>	Distribution to relevant government departments and AGSA.	Manager: Communications	30/04/2025	
<b>Commencement of coordination of annual report 2021/22</b>	Begin process for the compilation of Draft Annual Report 2024/25	Manager: Communications	31/06/2025	

# **CHAPTER 2**

## **Governance**

## **2. GOVERNANCE**

The following governance structures are in place and are effectively functioning:

- The office of the Executive Mayor,
- The office of the Speaker and
- The office of the Whip of Council.

The Executive Mayor, Speaker and Whip of Council constitute the Troika of the district municipality. The Troika holds its meetings as and when necessary and all meetings are chaired by the Whip of Council. The main objective of this governance structure is to oversee the political function of the district, pursue strategic leadership issues, looks at the functionality of local municipalities and progress on projects as well as other matters related to service delivery.

*T 2.0.1*

### **2.1. POLITICAL AND ADMINISTRATIVE GOVERNANCE**

The key committees at Gert Sibande District are Section 79 and 80 Committees which are formed in terms of section 79 of the Municipal Structures Act. 117 of 1998. The Committees are well functional, and they comprise of all political representation as represented in the Council of Gert Sibande District.

The Municipality has an Audit Committee which is accountable to Council and is also functioning well. The Audit Committee meet regularly, and report to Council on a quarterly basis, it also provides comments to the Municipal Public Accounts Committee (MPAC).

Gert Sibande has established an oversight committee, which comprises of non – Executive Members with the specific purpose of oversight on all financial matters. The oversight committee also report and give recommendations to Council.

The Municipal Public Account Committee is an oversight committee established to strengthen oversight and accountability over the use of the GSD Municipal resources. The committee is constituted as follows:

#### **Cllr. NS Nhlapho (Chairperson)**

Cllr. MV Nkosi

Cllr V Duddley

Cllr DP Nkosi

Cllr GR de Vries

Cllr TG Mbuli

Cllr KA Matshaba

T 2.1.0

## INTRODUCTION TO POLITICAL GOVERNANCE

The District Municipality is governed by the following leadership:

Cllr WM Mngomezulu – Executive Mayor

Cllr BG Sekhonde – Speaker

Cllr BH Mtshali – Whip of Council



**Photo (From left): Cllr WM Mngomezulu (Executive Mayor), Cllr BG Sekhonde (Speaker of Council), & Cllr BH Mtshali (Whip of Council) during State of the District Address 2024**

### Members of the Mayoral Committee

Cllr NF Maboja-Boltman

Cllr JB Zunguza

Cllr BM Buthelezi

Cllr PV Malatsi

Cllr NN Zulu

Cllr BP Mollo

Cllr CB Mkhwanazi

The Gert Sibande District Municipal Council has established both Section 79 and Section 80 committees. Section 79 committees are: By-laws and Policies, Rules and Ethics, Infrastructure and Monitoring, Geographical Names committees as well as the Municipal Public Accounts committee which all have their terms of references under which they operate.

In terms of section 80 committees, the Gert Sibande District Council has established the following portfolio committees: Corporate Services, Community & Social Services, Infrastructure & Technical Services, Finance, Special Programmes & Agriculture, Planning Economic Development & Innovation and Monitoring and Evaluation. All these section 80 committees are headed by members of the Mayoral committee or Executive committee which reports to the Executive Mayor who is part of Executive.

Gert Sibande District Municipality has its own Audit Committee which is headed by an independent chairperson, who is not an employee of the district.

*T 2.1.1*

<i>Photos</i>	<b>POLITICAL STRUCTURE</b>	Function
	<b>MAYOR</b> Cllr. WM Mngomezulu	
	<b>SPEAKER</b> Cllr. BG Sekhonde	
	<b>CHIEF WHIP</b> Cllr. BH Mtshali	
<i>Photos (optional)</i>	<b>MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE</b> Cllr. NF Maboja-Boltman Cllr. JB Zunguza Cllr. BM Buthelezi Cllr. PV Malatsi Cllr. NN Zulu Cllr. BP Mollo Cllr. CB Mkhwanazi	<i>T 2.1.1</i>

#### COUNCILLORS

The District Council comprises of a total number of forty-eight (48) councillors of which 19 are directly elected and 29 are seconded from Local Municipalities.

The following table indicates the status quo of the Gert Sibande District Council:

## SECTION 79 AND 80 COMMITTEES

Council established the following Section 79 and 80 committees:

<b>SECTION 80 COMMITTEES</b>		
<b><u>PLANNING AND ECONOMIC DEVELOPMENT</u></b>  <b>1. Cllr. BM Buthelezi (Chairperson) (ANC)</b> 2. Cllr. A Mahlalela (ANC) 3. Cllr. MR Yende (EFF) 4. Cllr. SJ Mahlangu (DA) 5. Cllr. SA Mabuza (DA)	<b><u>CORPORATE SERVICES</u></b>  <b>1. Cllr. NF Maboja-Boltman (Chairperson) (ANC)</b> 2. Cllr. M Mncina (ANC) 3. N Cllr. T Seimela (EFF) 4. Cllr. TE Mazibuko (ANC) 5. Cllr. ML Molaba (ANC) 6. Cllr. N Gwebu (ANC) 7. Cllr. B A Dlamini (DA)	<b><u>FINANCE</u></b>  <b>1. Cllr. JB Zunguza (Chairperson) (ANC)</b> 2. Cllr. SA Maboea (ANC) 3. Cllr. KA Matshaba (ANC) 4. Cllr. NC van Hyssteen (DA) 5. Cllr. GL Khumalo (EFF) 6. Cllr. DM Thwala (ANC)
<b><u>COMMUNITY AND SOCIAL SERVICES</u></b>  <b>1. Cllr NN Zulu (Chairperson) (ANC)</b> 2. Cllr. BJ Mhlanga (ANC) 3. Cllr. MR Yende (EFF) 4. Cllr. S Mkhonto (EFF) 5. Cllr. BA Dlamini (DA) 6. Cllr. M Molaba (ANC)	<b><u>INFRASTRUCTURE AND TECHNIC SERVICES</u></b>  <b>1. Cllr PV Malatsi (Chairperson) (ANC)</b> 2. Cllr. NB Sikhakhane (ANC) 3. Cllr. VD Duddley (DA) 4. Cllr. MR Yende (EFF) 5. Cllr. K Webber (FF-Plus) 6. Cllr. TE Mazibuko (ANC)	<b><u>SPECIAL PROGRAMMES AND AGRICULTURE</u></b>  <b>1. Cllr. CB Mkhwanazi (Chairperson) (ANC)</b> 1. Cllr. NB Sikhakhane (ANC) 3. Cllr. SA Silosini (DA) 4. Cllr. TH Kgwedi (EFF) 5. Cllr. MP Nkosi (ANC)
<b><u>MONITORING AND EVALUATION</u></b>  <b>1. Cllr. BP Mollo (Chairperson) (ANC)</b> 2. Cllr. SJ Masango (DA) 3. Cllr. TG Mbuli (ANC) 4. Cllr. GR de Vries (FF-Plus) 5. Cllr. MV Nkosi (EFF) 6. Cllr. VS Mahlangu (ANC) 7. Cllr. SA Maboea (ANC)		

<b>SECTION 79 COMMITTEES (OVERSIGHT COMMITTEES)</b>		
<b><u>INFRASTRUCTURE AND MONITORING</u></b>  <b>1. Cllr. S A Maboea (Chairperson) (ANC)</b> 2. Cllr. JH Ndebele (EFF) 3. Cllr. DM Nkambule (DA) 4. Cllr. GL Khumalo (EFF) 5. Cllr. DM Thwala (ANC)	<b><u>RULES AND ETHICS</u></b>  <b>1. Cllr. LS Karim (Chairperson) (EFF)</b> 2. Cllr. NB Sikhakhane (ANC) 3. Cllr. SA Silosini (DA) 4. Cllr. TG Mbuli (ANC) 5. Cllr. NC Hyssteen (DA) 6. Cllr. DM Nkambule (DA) 7. Cllr. A Mahlalela (ANC)	<b><u>BY-LAWS AND POLICY</u></b>  <b>1. Chairperson – Vacant</b> 2. Cllr. S Mkhonto (EFF) 3. Cllr. ML Molaba (ANC) 4. Cllr. VS Mahlangu (ANC) 5. Cllr. M Mncina (ANC) 6. Cllr. JS Mahlangu (DA) 7. Cllr. SV Hlophe (EFF)
<b><u>MUNICIPAL PUBLIC ACCOUNT COMMITTEE</u></b>  <b>1. Cllr. NS Nhlapho (Chairperson) (ANC)</b> 2. Cllr. MV Nkosi (EFF) 3. Cllr. V Duddley (DA) 4. Cllr. DP Nkosi (ANC) 5. Cllr. GR de Vries (FF-Plus) 6. Cllr. TG Mbuli (ANC) 7. Cllr. KA Matshaba (ANC)	<b><u>GEOGRAPHICAL NAME CHANGE</u></b>  <b>1. Cllr. N Gwebu (Chairperson)</b> 2. Cllr. T. Seimela 3. Cllr. ME Mazibuko 4. Cllr. ML Molaba 5. Cllr. EV Hlophe 6. Cllr. MA Kubheka	<b><u>LOCAL LABOUR FORUM</u></b>  <b>1. Cllr. Maboja-Boltman</b> 2. Cllr. DM Thwala 3. Cllr. Gwebu 4. Cllr. MA Kubheka 5. Cllr. BA Dlamini

T 2.1.2

### POLITICAL DECISION-TAKING

Political decisions are taken in the form of Council as well as Troika meetings. The Council resolutions are implemented fully as the Heads of Departments are required to comment on a quarterly basis as to whether the resolutions are implemented or not and such is reported to the Municipal Manager as well as Council. There is only one council resolution that has not been implemented during the year under review.

T 2.1.3



## **2. INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS**

Gert Sibande District Municipality has since appointed IGR Manager for effective coordination of IGR Function in the District at large, IGR structures are now considered as effective. Local Municipalities are a bit behind but in the right track in terms of staffing in as far as Intergovernmental relations is concerned. IGR strategy was developed and adopted by Council during 2018/19 financial year. The IGR Strategy will be reviewed annually pending the adoption of the Provincial IGR Framework which is still to be finalised. IGR Forums quarterly reports are submitted to Council as a tool to monitor the implementation of IGR Strategy. A Calendar of Events is developed in each financial year and was adopted by the Council during 2021/2022 Financial year, so as to assist in coordinating the sittings of all IGR Structures/Forums in the District, and for proper planning. The establishment of the GSDM Extended IGR Forum which consists of all departments in the district is underway and will be launched as soon as the Provincial IGR Framework is finalised.

### **2.1 INTERGOVERNMENTAL RELATIONS**

Cooperative governance

#### **2.1.1 Integrated Development Plan (IDP)**

Providing strategic direction entails aligning the vision of the municipality and encapsulating the intent thereof into the IDP in order to ensure that the district serves the needs of the community through effective, efficient and economical service delivery. This process involves conducting an in-depth analysis to identify the changes that have occurred and their impact on the strategic focus of the current IDP.

The District Municipality held its Strategic Planning Workshop on the 9<sup>th</sup>-10<sup>th</sup> March 2023 involving Troika, the Mayoral Committee, Section 79 Committees Chairpersons, House of Traditional Leaders, and management from GSDM. Stakeholders included members of Troika and MMC PED and senior management from local municipalities as well as sector departments with their SOEs. The purpose of the strategic planning workshop was threefold: -

- To consolidate the status quo document of the District Development Model.
- To revise the IDP based on the review of strategic goals, objectives, strategies, and current community needs; and
- To develop the IDP score card.

The development of the strategic goals was affected by way of crafting a Strategy Map which creates a picture of the strategic intent of the municipality. It depicts the strategic goals in support of the strategy in terms of different perspectives and their respective inter dependency based upon the Balanced Scorecard methodology as developed by Kaplan and Norton, namely;

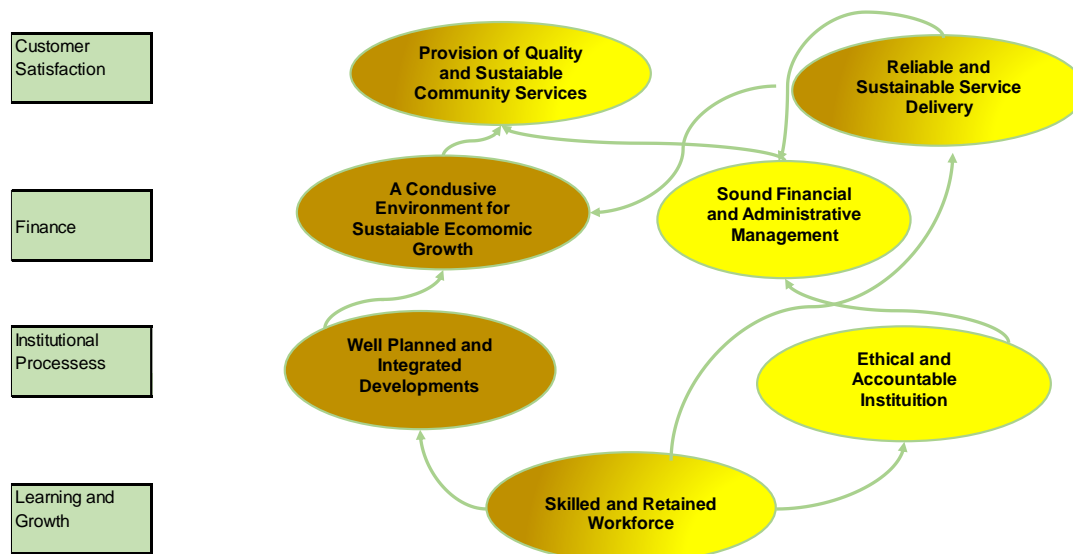
- Learning and growth perspective;

- Institutional perspective;
- Financial; and
- Customer perspectives.

The Balanced Scorecard model has proved to be the most popular performance and strategic management tool used by both public and private organisations nationally and internationally. The benefits of implementing the model include the provision of strategic focus and direction to the organisation; improves governance and accountability; promotes alignment and transparency and improves management effectiveness

Attendance by provincial sector departments was not good and not much was done in the consolidation of the District Development Model document. Development of appropriate strategic goals through the exercise of identifying pains and enablers as outcomes emanating from the SWOT analysis was undertaken. Each commission reviewed their respective current strategic goals. The review resulted in delegates agreeing on seven (7) strategic goals which will serve to enable the attainment of the vision

The outcome of the workshop yielded clear and tangible strategic goals based on the critical success factors of the district. The Strategy map of the GSDM is articulated in the diagram below.



## 2.2 NATIONAL INTERGOVERNMENTAL STRUCTURES

None

## 2.3 PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The Premier's coordinating Forum and MUNIMEC are the Provincial structures whereby our Political and Administrative principals are partaking. Resolutions taken on various structures in the district are escalated to these Provincial structures, thus enabling intervention by Province when it is necessary.

SALGA has since established IGR Forum in September 2018. It exists to build on the body of knowledge, unpack the prevailing impediments and as a capacity building forum towards the improvement of municipal governance. All Mpumalanga District Municipalities are represented in this Forum which took place once per quarter. It is the platform where National policies and legislation within the province are interpreted and discussed so that they can be implemented.

## 2.4 RELATIONSHIPS WITH MUNICIPAL ENTITIES

There are no entities falling under the Gert Sibande District Municipality.

## 2.5 DISTRICT INTERGOVERNMENTAL STRUCTURES

NAME OF THE STRUCTURE	COORDINATOR	FREQUENCY OF MEETINGS
<b>COUNCIL</b>		
1. Executive Mayor's Forum	GSDM	Quarterly
2. Speaker's Forum	GSDM	Quarterly
<b>OFFICE OF THE MUNICIPAL MANAGER</b>		
3. District Municipal Manager's Forum	GSDM	Monthly
4. District Risk Management Forum	GSDM	Quarterly
5. Risk assessment committee		
6. Internal Audit Forum	GSDM	Quarterly
7. District Audit Committee		
8. District Communicator's Forum	GSDM	Quarterly
<b>FINANCE</b>		
9. CFO Forum	GSDM	Quarterly
<b>CORPORATE SERVICES</b>		
10. District Corporate services forum	GSDM	Quarterly
11. District ICT forum	GSDM	Quarterly

12. District Skills Development Forum	GSDM	Quarterly
13. GSDM Legal Advisory Forum	GSDM	Monthly
<b>COMMUNITY AND SOCIAL SERVICES</b>		
14. Food Control Forum	GSDM	Quarterly
15. Waste Forum	GSDM	Quarterly
16. Air Quality Stakeholders Forum	GSDM	Quarterly
17. GSDM Implementation Task Team Forum	GSDM	Quarterly
18. Friends Of The Library Committee	GSDM	Quarterly
19. District AIDS Council	GSDM	Quarterly
20. Youth Forum	GSDM	Quarterly
21. People living with disability Forum	GSDM	Quarterly
22. Sport Forum	GSDM	Quarterly
<b>PLANNING AND ECONOMIC DEVELOPMENT</b>		
23. Local Economic Development Forum	GSDM	Quarterly
24. Integrated Development Plan (IDP) Representative Forum	GSDM	Quarterly
25. IDP Management Committee	GSDM	Quarterly
26. Spatial working group	GSDM	Quarterly
27. Transport Forum	GSDM	Quarterly
28. EPWP Forum	GSDM	Quarterly
29. PED HOD's Forum	GSDM	Quarterly
30. Joint municipal planning Tribunal	GSDM	Quarterly
<b>INFRASTRUCTURE AND TECHNICAL SERVICES</b>		
31. Technical Stakeholder's Forum	District	Quarterly
32. Water quality review	District	Quarterly
<b>HUMAN SETTLEMENT, PUBLIC SAFETY, ROADS AND TRANSPORT</b>		
33. District Disaster Management Forum	GSDM	Quarterly
34. District Community Safety Forum	GSDM /Department of public safety and liaison (District Office)	Quarterly
35. OSH Forum	District	Quarterly

## COMPONENT D: CORPORATE GOVERNANCE

### 2.6. RISK MANAGEMENT

Risk Management Unit is located in the office of the Municipal Manager, its running with two officials: Chief Risk Officer and a Risk Officer, The Chief Risk Officer reports directly to the

Accounting Officer (Municipal Manager). Activities of the unit include conducting strategic risks assessment for all risks identified through IDP Municipal Objectives, departmental risk assessments using SDBIP, AG Report and Internal audit reports. These risk registers with their mitigating factors form part of a quarterly risk meeting with departmental HODs presenting their risks registers. The unit is also responsible for the running and coordination of the Risk Management Anti-fraud and anti-corruption committee meetings by giving advice, proper guidance, and leadership. The Committee consists of All Departmental HODs, the Accounting Officer and is chaired by the external member who serves a three-year term. Reports of risk management committee meetings are presented to Audit Committee Meetings before submission to council. The committee seats quarterly and where there is a need a special committee sitting is held. The committee tackles all the risks of the municipality as raised during risk assessments and makes follow ups on their mitigation plans.

## **2.7 ANTI-CORRUPTION AND FRAUD**

The Risk Management Unit is also responsible for anti-fraud and anti-corruption in the institution. A fraud risk register is yearly developed during risk assessments and be presented during Risk Committee meetings. The unit conducts workshops yearly and delivers presentations on Ethics, anti-fraud and anti-corruption and risk management policies to all GSDM officials and Councillors. During induction of new employees, the Unit has a slot to do presentations aimed at informing new members on risk management activities, presentations are focussed on ethics, anti-fraud, and anti-corruption, it also has a slot in all top Management meetings of the municipality to update and inform management on issues of risk management and any emerging risks.

Risk Management Unit of GSDM also assists local municipalities especially those who do not have risk management officials in their employ, such as Dipaleseng Local Municipality which gets assistance on chairing of their risk committees, Dr Pixley Ka Isaka Seme where the unit assisted with risk assessments and their risk meetings. Unit also attends all Risk Management Committee meetings of all other local municipalities in the Gert Sibande region.

## **2.8 ETHICS**

The current chairperson of Risk Management Committee encourages Management to also establish ethics unit to look as un-ethical behaviour in the whole institution, GSDM Accounting Officer has requested risk management unit to assist in this regard since there is no budget for the establishment of the ethics unit, workshops on ethics has also been conducted by the unit, one of the recommendations of Risk Management Committee meeting was to look at incorporating ethics into Risk Management Unit which is planned during the next financial year.



*Photo: Strategic Planning Session, January 2024.*

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

As a district municipality, we have local municipalities as our main stakeholders, therefore, letters were written to all 7 local municipalities requesting to have meetings, for an example, IDP/Budgets consultation (between April and May every year) or review (between September and October every year) meetings, each local municipality was requested to invite its stakeholders that will include amongst others, Councillors, Ward Committee Members, Community Development Workers, NGOs, CBOs, Business People, Sports Fraternity, etc. Once an agreement has been reached, with respect to time and venue, with the local municipality, the meeting is then advertised through the district website, face book page, print media, local radio stations and also the local municipality invite all these stakeholders in writings and also advertise on social media.

*T 2.4.1*

### WARD COMMITTEES

The district municipality does not have ward committees but it assists locals in making sure that ward committees do receive training and other tools of trade. GSDM had successful IDP/



Budget consultation meetings with local municipalities and Traditional Leaders in the Gert Sibande district.

T 2.4.2

### PUBLIC MEETINGS

To ensure community participation in the affairs of the District Municipality, the following consultation meetings were held:

#### **DATES OF INTEGRATED DEVELOPMENT PLANNING PUBLIC CONSULTATIONS**

MUNICIPALITY	VENUE	DATE	TIME
Chief Albert Luthuli	Elukwatini Community Hall Tjakastad Community Hall	13 September 2022 & 25 April 2023	10h00 09h00
Dipaleseng	Nthoroane Community Hall Balfour Town Hall	07 September 2022 & 20 April 2023	10h00 09h00
Govan Mbeki	Bethal Town Hall Difa Community Hall	09 September 2022 & 03 May 2023	14h00 09:00
Lekwa	Sakhile Community Hall Sakhile Community Hall	07 September 2022 & 22/04/2022	14h00 10:00
Mkhondo	Town hall Town Hall	08 September 2023 & 21 April 2023	14h00 14h00
Msukaligwa	Lothair Community Hall GSDM Mayor's Palour	08 September 2022 & 03 May 2023	10h00 14h00
Dr Pixley Ka Isaka Seme	Amersfoort Community Hall Amersfoort Community Hall	09 September 2022 & 02 May 2023	10h00 09h00

MUNICIPALITY	VENUE	DATE	TIME
Gert Sibande House of Traditional Leaders	Elukwatini Municipal Offices	13 September 2022 &	14h00
	Elukwatini Municipal Office	25 April 2023	13h00

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

Overall, both public meetings were effective in that:

- Invitations to the meetings were issued well in advance i.e. two weeks before the dates of the meetings, so that local municipalities could also invite their stakeholders in time.
- Attendance was also good because the majority of stakeholders invited to the meetings attended as per GSDM expectations.
- Participation was also satisfactory and that resulted to exciting and inspiring interaction amongst participants.
- A fair opportunity for the expression of opinions was given to everyone who wanted to participate, of course without repeating what has been said by others.
- All inputs/ questions and comments made during the meetings were properly handled by the chairperson who also ensured that all participants stick to the relevant agenda points of the meeting.

These public meetings were very much important to both the district and its stakeholders, in the sense that local municipalities were afforded an opportunity to successfully contribute to the IDP of the district and so the district to let them know its affordability, needs and wants from them.

T 2.4.3.1

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

In terms of the Supply Chain Management regulations 7(3), the district is mandated to establish a Supply Chain Management unit to implement its Supply chain policy. Furthermore, the regulations mandate that where possible the unit to report to the Chief Financial Officer. In line with the requirement of the legislation Gert Sibande District Municipality has established an SCM unit which report to the Chief Financial officer. Over the past years there has been some reforms in terms of the SCM processes within the local government which aimed at the improvement in the delivery of the service in an efficient, effective and economical manner. This has saw the introduction of centralised supplier database (CSD) and Standard for



Infrastructure Procurement and Delivery Management (SIPDM). In keeping with these changes there is a frequent need to annually review the SCM policy of the municipality. In the 2022/23 financial period the SCM policy was reviewed and changes approved by council by the May 2023.

South African President Cyril Ramaphosa signed into law the Public Procurement Act 28 of 2024 on 23 July 2024, marking a significant step towards fulfilling the constitutional obligations of state organs and other institutions identified in national legislation to conduct fair, transparent and cost-effective procurement.

Aside from upholding this constitutional objective, the Act mandates the soon-to-be-established Public Procurement Office to implement a technology-based procurement system to enhance efficiency and combat corruption. Furthermore, the Act requires the relevant Minister to introduce measures that enable the public and the media to access, scrutinize, and monitor procurement processes to promote transparency.

The district acknowledges the strategic role played by supply chain in its broader transformation agenda. In recognition of this imperative, the district is continuously working to improve supply chain processes, strengthen and improve the governance of the whole supply chain value chain and institutionalize controls to mitigate against associated risks. All these targeted reforms are implemented within the limits of the guiding legislative framework. In the current financial period, the district only had one finding from Auditor General of South Africa which was disputed and escalated to the Office of the Chief Procurement Officer.

## 2.9 BY-LAWS

<b>BY- LAWS INTRODUCED DURING YEAR 2022/2023</b>					
<b>Newly developed</b>	<b>Revised</b>	<b>Revised Public participation conducted prior to adoption By-Laws (Yes/No)</b>	<b>Dates of public participation</b>	<b>By-laws Gazetted (Yes/No)</b>	<b>Date of publication</b>
GSDM Standing orders		No		No	
	Noise by-law	No		Yes	21/05/2014
	Air quality Management by law	No		Yes	21/05/2014
	Municipal Heath by law	No		Yes	21/05/2014

Note: See MSA Section 13

T 2.9.1

**COMMENT ON BY-LAWS:**

The GSDM Standing Orders By-law will be placed at strategic places within the district for perusal and comments. Once promulgated, Standing Orders will be enforced by the Speaker, and the Noise, Air Quality Management and Municipal Health bylaws will be enforced by Environmental Health Practitioners.

T 2.9.1.1

**2.10 WEBSITES**

<b>MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL</b>		
<b>Documents published on the Municipality's/Entity's Website</b>	<b>Yes/No</b>	<b>Publishing Date</b>
Current annual and adjustments budgets and all budget related documents	Yes	30 June 2023
All current budget related policies	Yes	30 June 2023
The previous annual report(Year -1)	Yes	30 June 2023
The Annual report(Year 0) published/to be published		
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year0) and resulting scorecards	Yes	24 July 2023
All Service Delivery Agreements (Year 0)	Yes	29 June 2023
All long-term borrowing contracts (Year 0)	No	N/A
All Supply chain management contracts above a prescribed value(give value) for year 0	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 year 1	No	
Contracts agreed in year 0 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 year 0	No	
All quarterly reports tabled in the council in terms of section 52 (d) during year 0		
Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.		

**COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:**

There is no shortfall in content. 4113 hits was measured on the website.

T 2.10.1.1
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## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFCATION LEVELS

Not applicable as the district municipality does not provide any basic services to local communities.

*T 2.11.1*

# CHAPTER 3

**[SERVICE DELIVERY PERFORMANCE ONE]  
Performance Report Part 1**

## **INTRODUCTION**

The Gert Sibande District Municipality does not render basic services to the communities. Its role is mainly to provide bulk infrastructure and planning services, technical assistance and advise to local municipalities, and financial assistance support.

## **COMPONENT A: BASIC SERVICES**

### **3.1. WATER PROVISION**

The Gert Sibande District has made considerable strides towards supporting local municipalities in the provision of basic water services and infrastructure. The district municipality is neither a Water Services Authority (WSA) nor a Water Services Provider (WSP), the WSA and WSP functions lie with the local municipalities within the district. The district municipality however provides water quality testing services for all the local municipalities within its area of jurisdiction and bulk infrastructure through funding from Department of Water and Sanitation and own funds:

- R 388 million of the total budget in the 2023/24 FY was allocated for the Regional Bulk Infrastructure (RBIG) at the local municipalities. The district is an Implementing Agent (IA) for the Regional Bulk Infrastructure Grant (RBIG) funding from the Department of Water and Sanitation (DWS) in the five local municipalities that is Chief Albert Luthuli, Mkhondo, Lekwa, Dipaleseng and Msukaligwa.
- GSDM managed to provide 8 electric pumped boreholes, Four (4) in Lekwa local municipality and Two (2) in Msukaligwa local municipality and Two (2) in Dipaleseng local municipality

### **3.2 WASTEWATER (SANITATION) PROVISION**

The Gert Sibande District Municipality prides itself in that approximately 85% of its population have access to at least basic sanitation services. The major challenge has however been the ageing infrastructure and new informal settlements which has led to an increase in infrastructure maintenance backlogs and sewer spillages throughout the network:

- R 150 million of budget was allocated for Water and Sanitation Infrastructure Grant (WSIG) at Lekwa local municipality for the 2023/24 FY, it is a project funded by the Department of Water and Sanitation (DWS). GSDM is the implementing agent for WSIG at Lekwa local municipality. GSDM was focusing on the eradicating sewer spillages in Rooikopen.

## **GSDM WATER QUALITY LABORATORY**

The GSDM Water Quality Laboratory obtained its second cycle of accreditation by the South African National Accreditation System (SANAS) in May 2022 which is valid until May 2027. In the five-year accreditation cycle, surveillance assessments are performed in 12-months



intervals. The first surveillance assessment was performed in October 2023 in the 2023/24 financial year, and the Laboratory maintains the Accreditation status. The next assessment is planned for October 2024.

In the 2023/24 Financial year, GSDM also invested R1.41 million as a 60% subsidy in support of Local Municipalities for water quality testing. The water quality testing and sampling services also continue assisting the Local municipalities to improve on their Blue Drop and Green Drop certification scores.

## **COMPONENT B: ROAD TRANSPORT**

### **3.7. ROADS**

#### **INTRODUCTION**

The Gert Sibande District Municipality covers a total area of approximately 31 842 square kilometers. It is a stand-alone category C Municipality which comprises of 7 Local municipalities. According to the Road Asset Management Systems Gert Sibande District has a road network of 4003 km, 1304km is paved and or tarred roads which is about 32% and 2699km is gravel roads which is about 68% of the total network.

Gert Sibande District Municipality is implementing a Municipal Support Program to assist all 7 Local Municipalities to reduce backlog on maintenance of road network. The District Municipality then procured road maintenance fleet and formulated a program that is rotating in all the 7 Local Municipalities spending a minimum of 1 month in each.

The fleet includes Jetpatcher trucks, Graders, Water tanks, TLB, Roller, Tipper trucks and lowbed truck. The District also allocated funds to assist LM's with road resealing through hiring of Plant & supply of Material (Hot Mix Asphalt) focusing on taxi routes, roads leading to public amenities like hospitals, clinic, schools etc.

#### **ACHIEVEMENTS AND EXPENDITURE DURING 2023/24 FY**

A total of 121 588m<sup>2</sup> of road resurfacing the square meters include the co-funding from Dr Pixley ka Seme LM, Msukaligwa LM, Chief Albert Luthuli LM, and Govan Mbeki LM and 41 784m<sup>2</sup> of pothole using Jetpatcher truck and 507km of blading/re-gravelling was completed during 2023/24 financial year within the 7 Local Municipalities.

Budget spent during the 2023/24 financial year on Roads programs.

<b>LOCAL MUNICIPALITY</b>	<b>REPAIR &amp; SERVICE COSTS</b>	<b>DIESEL COSTS</b>	<b>RESURFACING OF ROADS</b>
Dr Pixley Ka Seme LM	R147 152.17	R94 584.86	R7 839 130.43
Mkhondo LM	R114 516.35	R121 011.83	R0

LOCAL MUNICIPALITY	REPAIR & SERVICE COSTS	DIESEL COSTS	RESURFACING OF ROADS
Lekwa LM	R120 496.50	R132 859.16	R0
Govan Mbeki LM	R197 738.50	R273 800.70	R13 043 478.26
Msukaligwa LM	R146 335.87	R115 263.01	R24 069 443.75
Dipaleseng LM	R44 623.74	R113 517.04	R0
Chief Albert Luthuli LM	R146 777.69	R55 395.25	R8 678 260.86
<b>TOTAL</b>	<b>R917 640.82</b>	<b>R 906 431.85</b>	<b>R53 630 313.30</b>

### COMPONENT C: PLANNING, ECONOMIC DEVELOPMENT & INNOVATION

This component includes Planning, Economic Development and Innovation.

#### INTRODUCTION TO PLANNING, ECONOMIC DEVELOPMENT & INNOVATION

The GSDM development opportunities arises from the existing industrial activities in coal and gold mining, primary agriculture , petrochemical manufacturing as well electricity generation.

Implementation of the district's development policies and programs remain imperative in order to support major sectors, improve living standards, and provide sustainable human settlement in the district.

Partnerships with key stakeholders has enabled the district to leverage on resources available. Feasibilities studies are conducted to determine the development opportunities for economic growth purposes and to the benefit of communities

*T 3.10*

### 3.10 PLANNING

#### INTRODUCTION TO PLANNING

The municipal planning units in the GSDM are faced with structural deficiencies limiting the efficiency with which the municipal planning function is performed. The GSDM is co-ordinating a joint municipal planning tribunal on behalf of the 7 local municipalities that were unable to establish their own due to financial and human resource constraints. The district planning team has been strengthened by the recruitment of 4 Town Planning Graduates curtesy of the Infrastructure Skills Development Grant (ISDG) funded by National Treasury and 2 Land surveying graduates in order to improve the support provided to LMs. The GIS unit has also provided GIS support to the 7 local municipalities by way of GIS licences and technical support. Furthermore, a GIS server has been procured and commissioned to host data for 5 of our Local Municipalities that do not have the hardware to host their own data. This shared service model

has ensured that there is GIS functionality in every local municipality providing the foundation for successful spatial planning and spatial referencing of municipal datasets like valuation rolls and asset registers.

*T 3.10.1*

<b>Applications for land use development</b>						
Detail	Formalization of Townships		Rezoning		Other	
	Year-1	Year 2	Year -1	Year 2	Year-1	Year 2
Planning applications received	7	5	4	6	5	2
Determination made in year of receipt	6	5	4	4	3	2
Determination made in the following year	N/A	N/A	N/A	N/A	N/A	N/A
Application withdrawn	0	0	0	0	1	0
Applications outstanding at year end	1	0	0	2	1	0



#### COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The GSDM has identified the establishment of an aerospace industrial hub as a major catalyst for economic development in the district. The project is at planning phase and various milestones have been achieved thus far. This includes the compilation and submission of a funding application by the infrastructure fund in the office of the Presidency. The Morgenzon Township was approved by the GSDM MPT, the district will conduct land surveying and solicit Surveyor Generals Approval for the Township during the 2024/25 financial year. The registration of the Township in favour of the Lekwa Local Municipality will also be done during the 2024/25 financial year. A geotechnical survey to determine the suitability of a Portion (Measuring 60.18 Ha) of the Remainder of Portion 11 of the farm Nooitgedacht 268 IT to sustain a landfill site and cemetery was conducted on behalf of the Msukaligwa Local Municipality to relieve the pressure on the existing facilities. An Environmental Impact Assessment for the same development will be conducted in the next financial year.

*T 3.10.7*

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

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

The district, in collaboration with its seven (7) constituent Local Municipalities and other stakeholders endeavours to optimize the impact of economic growth in the district through the proper implementation of the District Local Economic Development Strategy which addresses, the following;

Partnerships towards progressively responding to the skills need by the growing Regional Economy.

- Marketing and promotion of the Tourism Sector.
- Increasing local beneficiation and shared Economic Growth across the District.
- Identification and implementation of high impact LED projects.
- Providing support services, mentorship and investment towards ensuring sustainability and effective utilization of farms attained through Land Reform Programs.
- Development and Training of Co-operatives and SMMEs (Financial and Non-Financial support).
- Informal Sector development and Second economy interventions (i.e. skills development).
- Promotion of the usage of alternative sources of energy.

34 SMMEs including Cooperatives were supported through purchasing of business production inputs, business development training and marketing of their products at Pop up markets exhibition. Capacity building workshop conducted in partnership with SEDA , Services SETA, SASOL & NYDA.

The district has supported 4 events to promote the Tourism sector. 5 tourism product owners were supported to exhibit at Tourism indaba in May 2024. A new tourism website has been developed to provide required and relevant information & data related to local tourism.

A district Mining Forum has been established to monitor the implementation of Social Labour Plans by mining companies and to strengthen the relationship between the private sector and local government. The forum comprises of Executives Mayors, MMC responsible for LED and



LED Managers from the 7 local municipalities and bi-annual meetings were held chaired by the GSDM Executive Mayor.

The district also hosts one of the largest petro-chemical industries in the country (Sasol) and 4 Eskom coal powered stations, such as Amajuba; Thuthuka; Grootvlei and Camden respectively.

### Economic Factors

- Gert Sibande was the leading role player in the provincial agriculture industry & made significant contributions to the other provincial industries, specially manufacturing & transport.
- Over the period 1996 to 2022, the economic growth rate for Gert Sibande was 1.2% p.a., however, it contracted by 0.6% p.a. between 2019 & 2022.
- The Gert Sibande economy stagnated in 2019 with growth of 0.0%, contracted by 1.6% in 2022 & is expected to expand by 0.8% in 2023.
- The estimated average annual GDP growth between 2023 & 2027 for Gert Sibande is 1.7% p.a.
- In 2023, the size of the economy was estimated at R144.1 billion in current prices & R90.3 billion in constant 2015 prices.
- In 2023, the four largest industries (community services, manufacturing, mining, & finance) contributed two thirds to the economy of Gert Sibande.
- Gert Sibande holds comparative advantages in industries such as agriculture, mining, manufacturing, & utilities.
- In 2019, tourism spend amounted to R5.8 billion or equal to 4.9% of the district's GDP in current prices. By 2023, it declined to R4.5 billion, which was equal to 3.1% of the district's GDP in current prices.

Economic Activity by Sector			
Sector	Year - 1 2021/22	Year 1 2022/23	Year 1 2023/24
Trade	14.3	12,8	13.7
Community services	17.5	18,0	21.7
Finance	9.3	11,8	14.0
Manufacturing	17.0	17,3	16.7
Agriculture	5.6	6,0	6.4
Mining	22.2	19,6	15.4
Construction	4.9	2.4	2.0
Transport	4.0	6.0	5.5
Utilities	5.2	6.0	4.6
Total	100	100	100
T 3.11.2			

<b>Economic Employment by Sector</b>			
<b>Sector</b>	<b>Year - 1 2021/22</b>	<b>Year 1 2022/23</b>	<b>Year 1 2023/24</b>
Trade	20.9	23,3	22.4
Community services	18.8	18,6	21.3
Finance	11.5	13,1	12
Manufacturing	10.3	10,3	10.1
Agriculture	12.9	7,6	8
Mining	7.2	7,1	6.8
Private households	7.1	7,0	6.5
Construction	6.5	6,6	6.5
Transport	4.8	4,7	4.7
Utilities	1.6	1,6	1.6
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>
T 3.11.2			

### Expanded Public Works Program

Siyathuthuka is the special programme implemented under EPWP, in all seven (7) Local municipalities with the emphasis on the creation of a cleaner and litter free District environment that would be favourably perceived by residents.

7 Projects were implemented under Environment and Culture Sector, 13 projects implemented under Infrastructure sector and 9 projects implemented under the Social Sector leading to creation of work opportunities and 306 work opportunities.

Included in the number of work opportunities is the jobs created through Siyathuthuka Enterprise Development program wherein 3 Cooperatives have been registered under EPWP with the objective to support participants in their quest to operate and grow their businesses.

<b>Sector</b>	<b>No. Of Projects</b>	<b>Work Opportunities</b>	<b>FTE (Full-Time Equivalent)</b>
Environment and Culture	7	169	144
Infrastructure Sector	13	176	80
Social Sector	9	24	4
<b>Total</b>	<b>29</b>	<b>369</b>	<b>228</b>

Job creation through EPWP* projects			
Details	EPWP Projects	Jobs created through EPWP projects	
	No.	No.	
Year 2021/22	17	306	
Year 2022/23	27	515	
Year 2022/23	29	369	
* - Extended Public Works Programme			
			T 3.11.6

Employees: Local Economic Development Services					
Job Level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	1	1	0	1	
13 - 15	3	3	3		
10 - 12	5	5	5		
7 - 9	2	2	2		
4 - 6	1	1	1		
0 - 3	0	0	0		
Total	12	12	12		
					T 3.11.8

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

## COMPONENT D: COMMUNITY AND SOCIAL SERVICES

### a) INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

The Gert Sibande District library play a fundamental role in community of Gert Sibande District as a gateway to knowledge and culture. The resources and services offered create opportunities for learning, support literacy and education, and help shape the new ideas and perspectives that are central to a creative and innovative society to meet the needs of individuals and groups for education, information and personal development including recreation and leisure.

The library is targeting mostly, tertiary students, researchers, government employees especially those who are continually empowering themselves through pursuing advanced academic training relating to the requirements of the professions, as they are easily connected to their institutions for reference and research purposes. The library meets quarterly with the Friends of the Library Committee which act as a bridge between the library and community.

GSDM library over the years has also been able to afford our users an opportunity to link up with other libraries and tertiary institutions within South Africa and world-wide. Currently the GSDM is trying by all means to market the services offered by the library to our relevant patrons and the utilization of the library is increasingly day by day. The GSDM together with the Department of Culture Sports and Recreation (DCSR) as the custodian of Library Services has revived Libraries in Correctional Services at Gert Sibande Region. These two spheres of government are working tirelessly in making sure that the libraries extend their services to all types of society even those who for some reason are unable to come to the libraries. The GSDM is also working hand in hand with other relevant stakeholders.

Gert Sibande District Library in partnership with the Department of Culture Sports and Recreation together with 7 Local Municipalities and stakeholders are committed in providing Library Services for the community within the Jurisdiction of Gert Sibande. The GSDM Library is one of the state-of-the-Art facilities within the district. We at aimed at ensuring that the district becomes the center of knowledge and Information assimilations and dissemination for the people within its jurisdictional areas, and those who are passing through using the National Roads that traverse the district.

The library is equipped with a free internet access, Workshop for library activities and meetings. With the limited budget the library has able to develop comprehensive library collection of Reference and Subject books, suitable for project work, research and for individual development. The library has also engaged on awareness programs in making sure that the community is aware of the services rendered. This section is also taking part in trainings and relevant workshops at national and international conferences such as LIASA and IFLA for the staff development.

The library is targeting mostly, tertiary students, researchers, government employees especially those who are continually empowering themselves through pursuing advanced academic training relating to the requirements of the Professions, as they will be easily connected to their institutions for reference and research purposes. The library meets quarterly with the Friends of the Library Committee which act as a bridge between the community and the library. The library consists of two permanent staff and one seconded staff from the Department of Culture Sports and Recreation. We are also engaging the national, provincial and private sector for social responsibility source. We are hoping that the correct and positive response would be coming forth.

*T3.12.1*

## **b) INTRODUCTION TO CEMETORIES & CREMATORIUMS**

The district is mandated to render Municipal Health Services in terms of section 32 of the National Health Act, 2003 (Act No. 61 of 2003) as amended. One of its key functions is the management



of human remains. The district is responsible for monitoring funeral parlours, undertakers or mortuaries.

T 3.13.1

### **c) SERVICE STATISTICS FOR CEMETORIES & CREMATORIALS**

The National Norms and Standards of the National Department health requires the district to monitor funeral parlours, undertakers or mortuaries on quarterly bases. There is number of funeral parlours, undertakers or mortuaries is ninety-one (91) and all of them were inspected. Out of the ninety-one (91) only three were found to be non-compliant. Currently, there is no crematorium in the district.

T 3.13.2

### **d) INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES**

The National Norms and Standards of the National Department of Health requires the district to monitor early childhood development centres or day care centres and home for the aged on quarterly bases. There are three hundred and fifty-nine (359) day care centres and twenty nine (29) homes for the aged. The inspections were conducted in all three hundred and fifty-nine (359) day care centres and twenty nine (29) homes for the aged. There were one hundred and three (103) day care centres and eight (08) homes for the aged which were non-compliant

### **e) INTRODUCTION TO AND SOCIAL SERVICES**

The community and social services, social development, mainly provide certain program which must uplift the communities that are living in poverty. The following program is for awareness to the previous advantage communities , HIV,STI's and TB, Women Empowerment, Disability, Children and Elderly.

### **f) CHILD CARE, AGED CARE AND SOCIAL PROGRAMS**

- **CHILDRENS RIGHT**

The social development has embarked on the number of programs which talk to the children, aged care. This program include the provision of school uniforms to the needy children in the school around Gert Sibande District. It has also distributed sanitary to different school in In the district.

- **OLDER PERSON PROGRAM**

Coordinate Older Person programs in the District, Health and Wellbeing, Community Base Care and Support services

Capacity building of older persons, safety and security of older person.

## • PERSON WITH DISABILITY PROGRAM

Coordinate and facilitate empowerment and skill development programs, access to education, equal employment, access to public transport and physical infrastructure.

## LGBTQI+ PROGRAM

- Coordinate prevention programs that address violence stigma and discrimination on the ground of social orientation
- HIV,STI's and TB
- Coordinate Presentation Programs that address HIV epidemic amongst all partners and stakeholder
- Gender Base Violence and Femicide programs
- Continuously assessment of community and institutional prevention intervention that are effective and have potential for wider impact
- Coordinate the implementation of District GBVF comprehensive respond model
- Create awareness on GBV& F, Empowerment and promote values of the Constitution and Bill of Rights

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUM; GALARRIES; COMMUNITY FACILITIES; OTHER (THEATRES,ZOOS, ETC)						
Membership	210					
Internet usage	6200					
Library usage	7300					

Service Objectives	Outline Service Targets
	(ii)
Service Indicators	
(i)	
Purchasing of Library Books	None
Awareness Campaigns	8
Collection Development Policy	N/A

## COMPONENT: DISASTER MANAGEMENT

### a) INTRODUCTION TO DISASTER MANAGEMENT

The Disaster Management Act 57 of 2002 (as amended) is the primary legislation governing the implementation of the disaster management function and the coordination of response and recovery from disastrous.

The Act provides for the development of an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery and rehabilitation.

Furthermore, the Act provides for the establishment and functioning of national, provincial and municipal disaster management centres, disaster management volunteers and matters incidental to. The Act is supplemented by the National Disaster Management Framework (NDMF) of 2005 which guides its implementation. The NDMF is structured into Key Performance Areas and Enablers and they are as follows;

**KPA 1:** Integrated Institutional Capacity for Disaster Risk Management ;

**KPA 2:** Disaster Risk Assessment;

**KPA 3:** Disaster Risk Reduction;

**KPA 4:** Response and Recovery;

**PE 1:** Information Management and Communications;

**PE 2:** Education, Training, Public Awareness and Research; and,

**PE 3:** Funding Arrangements for Disaster Risk Management.

In line with the provisions of the Act, the district disaster management centre executed a number of programmes which includes amongst the following: conducting awareness campaigns, monitoring functionality and supporting local municipal disaster management centres, responding to and providing relief resources during incidents.

### b) INTERGOVERNMENTAL RELATIONS AND STAKEHOLDER PARTICIPATION

Strategic Objective	KPI	Service targets	2023/24 Targets	Actual target achieved
Advance Community Wellbeing	International Day for Disaster Risk Reduction [IDDR] Commemoration	01	01	01

**c) MONITORING OF MUNICIPAL DISASTER MANAGEMENT CENTRES**

<b>Strategic Objective</b>	<b>KPI</b>	<b>Service targets</b>	<b>2023/24 Targets</b>	<b>Actual target achieved</b>
Advance Community Wellbeing	Monitoring and Evaluation of the Municipal Disaster Management Centres	07	07	07

**d) PUBLIC AWARENESS, EDUCATION AND COMMUNITY SAFETY**

The GSDM Disaster Management Centre in partnership with other internal municipal departments/sections, Local Municipalities Disaster Management Centres, government/sector departments and agencies, State Owned Entities (SOEs) and private sector organizations established to support government programmes jointly conducted awareness campaigns at various communities throughout the district. The purposes herewith was to educate and alert vulnerable communities about prevailing hazards and the risks/dangers associated with such hazards.

Furthermore, communities were capacitate with relavant knowledge and basic skills such as emergency evacuation procedures, basic structural fire fighting, basic veld fighting, basic water purification procedures and environmental care programmes which they can be utilised before, during and after incidents and/or emergencies to prevent, minimise harm, injuires and/or loss of life, damage to properties and destruction and/or presevation of the environment prior to or before professional or advance assistance and/or interventions are initiated. Awareness campaign which were undertaken included fire safety, water safety, water pollution prevention, environmental care and biodiversity programmes such as cleaning and greening.

<b>Strategic Objective</b>	<b>KPI</b>	<b>Service targets</b>	<b>2023/24 Targets</b>	<b>Actual target achieved</b>
Advance Community Wellbeing	Public Awareness, Education and Community Safety [Risk Reduction Programmes]	07	07	11

**e) CAPACITY BUILDING AND SUPPORT TO LOCAL MUNICIPALITIES**

The district municipality Disaster Management Centre distributed relief material to all the local municipalities to ensure a state of readiness and quick response when the need arises in communities. Such relief materials includes blankets, tarpaulins, sponges and cooking stoves. Furthermore, the district and local municipalities disaster management centres are enhancing partnership and collaboration with sector departments and agencies such as the South African Social Security Agency (SASSA), Depts. of Home Affairs, Social Development, Human Settlements, Agriculture, Education etc. in all the local municipalities jurisdiction to enable

resources sharing and support to each other for the benefit of the communities during and after disastrous incidents.

Strategic Objective	KPI	Service targets	2023/24 Targets	Actual target achieved
Advance Community Wellbeing	Distribution of Disaster Relief Material	Achieved	Achieved	Achieved

**f) DISASTER INCIDENTS OCCURRING AND COORDINATION OF HUMANITARIAN ASSISTANCE**

Municipalities within the district were affected by severe thunderstorms, floods, veld and structural fires. Damages suffered include eroded road surfaces, collapsed bridges, collapsed residential houses, businesses and office infrastructure, damaged crops, livestock and human lives disrupted. The district together with local municipalities, the provincial and national government stakeholders provided support in form of food parcels, blankets, building materials and temporary shelters. Assessments were conducted to quantify the damages and subsequent interventions were made as guided by the provincial and national disaster management centres guidelines [MDRG].

Strategic Objective	KPI	Service targets	2023/24 Targets	Actual target achieved
Advance Community Wellbeing	Coordinate response and recovery to disastrous incidents.	Achieved	Achieved	Achieved

Employees: Disaster Management					
Job level	2022/23	2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	0	1	0	1	100%
13 - 15	1	1	1	0	0%
10 - 12	3	3	3	0	0%
7 - 9	0	1	0	1	100%
4 - 6	0	0	0	0	0%
0 - 3	0	0	0	0	0%
<b>Total</b>	<b>4</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>33.33%</b>

**COMPONENT E: ENVIRONMENTAL PROTECTION**



## ENVIRONMENTAL SERVICES

This component includes: pollution control; biodiversity and landscape; and costal protection.

### a) INTRODUCTION TO ENVIRONMENTAL PROTECTION

The District is responsible for environmental pollution control through municipal health and environmental services and provide support to sector departments in terms of biodiversity and landscape

*T 3.14*

## 3.15 POLLUTION CONTROL

### b) INTRODUCTION TO POLLUTION CONTROL

The district is monitoring water quality monthly in all its local municipality for compliance to SANAS241 standards for drinking water, there is surveillance of surface water and some boreholes for possible pollution by heavy metals or other chemical or biological contaminants. The district is the licensing authority for all facilities triggering atmospheric emission licensing in terms of the national environmental management Air Quality Act, Act 39 of 2004 as amended. The district is also managing air pollution through regulatory services and compliance monitoring services. It also do environmental pollution nuisance control and pollution incident management and pollution prevention awareness campaigns. The impact of the service has been increased awareness and increase community participation in pollution prevention.

*T 3.15.1*

### SERVICE STATISTICS FOR POLLUTION CONTROL

Strategic objective	ES Programme	No. Of employees and ranks in 2023/24	Vacancies
Advanced community wellbeing	Administration	Snr. Manager: MH&ES x1 Manager: ES x1 Biodiversity & Conservation officers x2 Compliance monitoring and Enforcement officers x1 Air Quality officers x 2 Environmental officer x1	Compliance monitoring and Enforcement officers x2 Senior Environmental Officer x1

## **COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD**

Below is the 2023/2024 Annual Performance Report of the Gert Sibande District Municipality.

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## 1. Purpose

The purpose of this report is to give feedback regarding the performance of Gert Sibande District Municipality as required through The Municipal Systems Act No 32 of 2000 and Municipal Finance Management Act No 52 of 2003. The information included in this report is based on the IDP<sup>1</sup> and SDBIP<sup>2</sup> as developed for the financial year 2023/24. The scorecards were developed to reflect **cumulative performance**, therefore the status of indicators are a reflection of the overall performance level achieved year to date. This report is based on information received from each department for assessment of performance ended June 2024. This is a high level report based on performance achieved through a process whereby actual information per Key Performance Area (KPA), strategic objective, programme and then aligned Key Performance Indicators and projects are compared to the budget and planning included in the 2023/24 Integrated Development Plan.

Overall performance for Gert Sibande District Municipality is based on the Departmental Performance Scorecards which is inclusive of the IDP and SDBIP. Sub-sections are included that discuss the progress made in achieving the targets as detailed in each scorecard in terms of the contribution made by each Department.

This report serves as a summary of results. The detail pertaining to the Key Performance Indicators (KPIs) are included as annexure in the report. Performance is presented in the form of scores as detailed below and were calculated using an automated system and is based on the guidelines contained in the DPLG Regulation 805; Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006. The scoring method utilised is as follows;

Colour code	Scoring	% Target achieved	
Rating	Score	Low	High
Unacceptable performance	1-1.99	0.0%	66%
Performance not fully effective	2 -2.99	66.6%	99.9%
Fully effective	3 -3.99	100%	132%
Performance significantly above expectations	4 -4.99	133%	166.9%
Outstanding performance	5+	167.0%	+
NA – Not applicable for reporting in reporting period (excluded from performance measurement)			
OW – Set to zero weighting (excluded from performance measurement) by the Department			

<sup>1</sup> Integrated Development Plan

<sup>2</sup> Service Delivery and Budget Implementation Plan

## 2. Executive Summary

This report serves as the **2023-2024** Annual Performance Overview Report for the period ending June 2024 . It provides feedback on the performance level achieved to date against the targets as laid out in the IDP and SDBIP.

The overall performance for Gert Sibande District Municipality is based on the Departmental Performance Scorecards as this contains all the indicators as included in the IDP and SDBIP. A total of **144** . Key Performance Indicators encompassing the different scorecards contribute to the overall organisational performance, no Key Performance Indicators were zero weighted (excluded from performance measurement). All **144** Key Performance Indicators were assessed, **133 (92%)** were achieved and **11 (8%)** were below the target. The overall accumulative performance achieved a target with an overall score of **3.10**

A summary of performance by scorecard is provided as per the table below;

Gert Sibande District Municipality	June 2023		June 2024	
	No. of targets	Score	No. of Targets	Score
Overall	146	3.10	144	3.10
IDP	44	3.13	51	3.00
SDBIP	102	3.08	93	3.19

### Table: Overall Performance

The **IDP Scorecard** achieved **84% (2022-2023: 86%)**. A total of 51 KPI's contribute to this scorecard and none were zero weighted. Of the 51 indicators, 43 (84%) achieved target(s) and only 8 (16%) indicators were below target.

The **SDBIP Scorecard** achieved **97% (2022-2023: 95%)**. A total of 93 KPI's contribute to this scorecard and none were zero weighted. Of the 93 indicators, 90, (97%) achieved target(s) and only 3 (3%) indicators were below target.



The institution has achieved 92% of indicators in the 2023/24 financial year. In all instances of under-performance, challenges and reasons were identified and measures taken to address these challenges were taken and will be implemented.

Upgrading of Rooikoppen sewer-Internal Reticulation phase 6 is not completed, progress is at 89% due to increased scope of works.

- Construction of a new reinforced concrete chamber at Rooikoppen Sewer Pump Station.
- Adverse physical working conditions near the stream and rain delays.
- Delay on Delivery of Pumps due to logistics at South African Harbors.

Extension of time has been approved and the contractor will complete the project by 13 September 2024.

The unblocking of Sewer System in Standerton Sakhile, Standerton Ext 6, 7 and TLC Area, progress of the project is 98% and the contractor came across hard rock while laying new pipeline and the delays due to the conditions of working next to Transnet oil/gas line which was unforeseen and beyond contractor's control.

Contractor adhered to the Transnet wayleave conditions to avoid gas explosions and for the hard rock excavations packers and Jack hammers were utilized to break the rock and practical will be achieved on the 25<sup>th</sup> of July 2024 while final completion is planned for the 5<sup>th</sup> of August 2024 .

Audit Action Plan was developed and corrective measures were implemented to ensure improved audit outcome.

Measures to improve performance.

- Acceleration plans will be developed to address challenges and to ensure that mitigating measures are implemented.
- Quarterly performance assessment meetings will be held between Accounting Officer and the Heads of departments to monitor performance.
- Oversight committees will monitor performance and provide guidance to help improve performance.
- Assessment on the performance of external service providers will be conducted regularly to ensure that we derive value for money from the work done by service providers and to ensure that timely remedial actions are taken where performance is not satisfactory.

### 3. Departmental Performance

The Departmental Performance Scorecards constitutes all the KPIs as contained in the IDP and SDBIP. This section of the report provides information on the contribution made by each Department to the performance levels achieved for the different scorecards which in turn represents the overall performance level achieved by the Municipality. Gert Sibande District Municipality completed the 2023/2024 financial year with an overall score of **3.10**. A summary of the overall performance level achieved by each Department is provided in the table below;

Departmental Performance Overall Scores	June 2023		June 2024	
	No. of targets	Score Achieved	No. of targets	Score Achieved
Overall	146	3.10	144	3.10
Office of the Municipal Manager	31	3.06	31	3.03
Financial Services	17	3.11	15	3.13
Corporate Services	27	3.08	23	3.17
Community and Social Services	32	3.06	41	3.02
Infrastructure and Technical Services	20	2.75	17	3.06
Planning, Economic Development & Innovation	19	3.68	17	3.29

Summary contains a breakdown of the Departmental performance.

Table: Departmental Performance

### 3.1 Office of the Municipal Manager

The Office of the Municipal Manager Department is responsible for a total of 31 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows;

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	10	10	9	1
SDBIP	21	21	20	1

The Department ended the financial year with an overall achievement of 93% (90% of IDP indicators were achieved and 91% of SDBIP indicators were achieved). A summary of performance by Key Performance Area is provided below;

Departmental Performance Office of the Municipal Manager	June 2023 Score	June 2024 Score
Overall	3.06	3.03
KPA 4: Municipal Financial Viability and Management	1.00	1.00
KPA 5: Good Governance and Public Participation	3.13	3.10

2 Indicator(s) were not achieved and information is provided on the details of underachieved targets, challenges and corrective measures.

### 3.2 Financial Services

The Financial Services Department is responsible for a total of 15 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows;

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	5	5	4	1
SDBIP	10	10	9	0

The Department ended the financial year with an overall achievement of 93% (80% of IDP indicators were achieved and 100% of SDBIP indicators were achieved). A summary of performance by Key Performance Area is provided below;

Departmental Performance Financial Services	June 2023 Score	June 2024 Score
Overall	3.11	3.13
KPA 4: Municipal Financial Viability and Management	3.11	3.13

1 Indicator(s) were not achieved and information is provided on the details of underachieved targets, challenges and corrective measures.

### 3.3 Corporate Services

The Corporate Services Department is responsible for a total of 23 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows;

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	6	6	5	1
SDBIP	17	17	16	1

The Department ended the financial year with an overall achievement of 91% (83% of IDP indicators were achieved and 94% of SDBIP indicators were achieved). A summary of performance by Key Performance Area is provided below;

Departmental Performance Corporate Services	June 2023 Score	June 2024 Score
Overall	3.08	3.17
KPA 1: Municipal Transformation and Organisational Development	3.08	3.11
KPA 2: Basic Service Delivery and Infrastructure Development	3.00	3.00
KPA 4: Municipal Financial Viability and Management	2.50	3.50
KPA 5: Good Governance and Public Participation	3.09	3.20

2 Indicator(s) were not achieved and information is provided on the details of underachieved targets, challenges and corrective measures.



### 3.4 Community and Social Services

The Community and Social Services Department is responsible for a total of 41 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows;

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	17	17	13	4
SDBIP	24	24	24	0

The Department ended the financial year with an overall achievement of 90% (76% of IDP indicators were achieved and 100% of SDBIP indicators were achieved). A summary of performance by Key Performance Area is provided below;

Departmental Performance Community and Social Services	June 2023 Score	June 2024 Score
Overall	3.06	3.02
KPA 2: Basic Service Delivery and Infrastructure Development	3.06	3.02

4 Indicator(s) were not achieved and information is provided on the details of underachieved targets, challenges and corrective measures.

### 3.5 Infrastructure and Technical Services

The Infrastructure and Technical Services Department is responsible for a total of 17 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows;

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	6	6	4	1
SDBIP	11	11	11	0

The Department ended the financial year with an overall achievement of 94% (83% of IDP indicators were achieved and 100% of SDBIP indicators were achieved). A summary of performance by Key Performance Area is provided below;

Departmental Performance Infrastructure and Technical Services	June 2023 Score	June 2024 Score
Overall	2.75	3.06
KPA 2: Basic Service Delivery and Infrastructure Development	2.83	3.07
KPA 4: Municipal Financial Viability and Management	2.00	3.00

1 Indicator(s) were not achieved and information is provided on the details of underachieved targets, challenges and corrective measures.

### 3.6 Planning, Economic Development & Innovation

The Planning, Economic Development & Innovation Department is responsible for a total of 17 KPI's which contribute to the overall performance level for the IDP and SDBIP Scorecards. The statistics for the Department were as follows;

Scorecard	Total KPIs	Applicable for Reporting	Targets Achieved	Under Target
IDP	7	7	7	0
SDBIP	10	10	9	1

The Department ended the financial year with an overall achievement of 94% (100% of IDP indicators were achieved and 90% of SDBIP indicators were achieved). A summary of performance by Key Performance Area is provided below;

Departmental Performance Planning, Economic Development & Innovation	June 2023 Score	June 2024 Score
Overall	3.68	3.29
KPA 3: Local Economic Development	3.89	3.78
KPA 4: Municipal Financial Viability and Management	3.00	3.00
KPA 6: Spatial Development Analysis and Rationale	3.62	2.67

1 Indicator(s) were not achieved and information is provided on the details of underachieved targets, challenges and corrective measures.

#### 4. Details of underachieved targets, challenges and corrective measures

Key Performance Indicator	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
<b>Office of the Municipal Manager</b>					
Unqualified audit outcome	4.1	1	0	The District municipality incurred fruitless and wasteful expenditure of R25.62 million due to penalties paid to the South African revenue service (SARS), Irregular expenditure of R62.86 million due to non-compliance with supply chain management laws and regulations.	1- Audit Action Plan was developed and was approved by Audit Committee on the 19th January 2024. 2- The approved Audit Action Plan was submitted to the next Council meeting. 3 - Audit Action Plan was monitored on the monthly basis by top management. 4 - Internal Audit audited the implementation of the audit action plan.
% of Internal Audit findings resolved (annual)	5.1.2	100%	93%	Contractual disputes between GSDM and Service provider over fees. differences on starting kilometres stated on the requisition form compared to the starting kilometres stated on the logbook for selected trips.	Management does not have control over the contract management only legal section can do that. Fleet Management shall conduct a workshop for all GSDM drivers and train them on how to complete a logbook and requisition form, Only Corporate Service Head of Department shall authorise the trip.

Key Performance Indicator	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
<b>Financial Services</b>					
Number of Local Municipalities supported by GSDM through Municipal Support Programme	4.7	3	2	Two Senior Manager positions were vacant after resignations.	The two Senior Managers were appointed and started work on the 01 <sup>st</sup> of August 2024
<b>Corporate Services</b>					
Turn-around time for the filling of new and vacated positions	1.2.1	90days	152days	No control over SCM processes in terms of advertising.	Measurement will be reviewed
% of employees conducted performance assessments by 30 June 2024 (below sec 56)	1.3	100%	94%	Other departments did not complete their assessments before the closing date.	HODs to ensure that they assess their subordinates timeously before the closing date.
<b>Community and Social Services</b>					
% of municipal environmental and health surveillance complaints as documented on complaints register attended to within 21 days	2.8	100%	92%	The interpretation of 21 days has been set to mean calendar days and therefore rectified for compliance in future.	An engagement session was conducted to deal with the Standard Operating Procedure (SOP) deadline.
Development of an Integrated Community Safety Strategy for Local Government in the District	2.12	1	0	Insufficient funding.	Use intergovernmental relation for the development of the strategy(benchmarking)



Key Performance Indicator	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
Review of the District Disaster Management Framework and Plan	2.16	1	0	The reviewed framework was submitted to Portfolio Committee and Mayoral committee.	The reviewed document will be submitted to Council for approval on the 5 <sup>th</sup> December 2024.
Number of Climate Change Vulnerability Assessment, Adaptation and response strategies developed for the 7 LMs	2.24	2	0	The draft “GSDM Climate Change Mitigation and Adaptation Response Policy” as well as the “GSDM Climate Change Mitigation Strategy and Implementation Plan” which are documents that will inform the adaptation and response strategies developed for the 7LMs are still in the process of finalisation.3	Upon finalisation of the 2 above named documents, the vulnerability assessments for the 7 LMs shall be completed by the end of first quarter of the 2024/25 financial year, while the adaptation and responses strategies for the 7 LMs shall be completed by the second quarter of the 2024/25 financial year.
<b>Infrastructure and Technical Services</b>					
% of Water and Sanitation projects (external funding) completed by 30 June 2024 (Construction Phase)	2.2	76%	67%	<p>GSDM 174/2020 -Upgrading of Rooikoppen sewer-Internal Reticulation phase 6 is not completed, progress is at 89% due to increased scope of works.</p> <ul style="list-style-type: none"> <li>Construction of a new reinforced concrete chamber at Rooikoppen Sewer Pump Station.</li> </ul>	GSDM 174/2020 - Extension of time has been approved and the contractor will complete the project by 13 September 20 24.

Key Performance Indicator	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
				<ul style="list-style-type: none"> <li>Adverse physical working conditions near the stream and rain delays.</li> <li>Delay on Delivery of Pumps due to logistics at South African Harbors.</li> </ul> <p>GSDM 60/2022 - The unblocking of Sewer System in Standerton Sakhile, Standerton Ext 6, 7 and TLC Area, progress is at 98 % and the contractor came across hard rock while laying new pipeline and the delays due to the conditions of working next to Transnet oil/gas line which was unforeseen and beyond contractor's control.</p>	GSDM 60/2022 - Contractor adhered to the Transnet wayleave conditions to avoid gas explosions and for the hard rock excavations packers and Jack hammers were utilized to break the rock and practical completion was achieved on the 25 <sup>th</sup> of July 2024 while final completion was achieved on the 5 <sup>th</sup> of August 2024
<b>Planning, Economic Development and Innovation</b>					
Maintain Remote Operation Certificate (ROC) accreditation status with SACAA	6.3.1	1	0	We could not pay license renewal fees due to CAA non-tax compliance status.	We will appoint service provider to manage civil aviation compliance matters and be an intermediary between GSDM and SACAA during first quarter of 2024/25.

## 5. Annexure A : IDP Scorecard

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievem ents	Variance	Corrective Measures	Means of Verification	Score
KPA 1: Municipal transformation and Organisational Development – Improved institutional performance										
Institutional Capacity Development	Reviewed GSDM organizational structure submitted to Council	1,1	1	1	1	Achieved	None	None	2024/25 Organogram and Council resolution	3
Institutional Capacity Development	% of employees from employment equity target groups appointed in the highest levels of management as per the approved EE plan by 30 June 2024 (GKPI)	1,2	95,08%	85%	95%	Achieved	10%	None	List of employees as extracted from ESS system as at the end of the reporting period	3
Institutional Capacity Development	% of employees conducted performance assessments by 30 June 2024 (below sec 56)	1,3	100%	100%	94%	Not Achieved	Other departments did not complete their assessments before the closing date	HODs to ensure that they asses their subordinates timeously before the closing date.	Quarterly Performance report	2
Institutional Capacity Development	% of allocated budget spent on implementing the Workplace Skills Plan (GKPI) by 30 June 2024	1,4	93%	90%	97%	Achieved	7%	None	Financial expenditure report	3
KPA 2: Basic service Delivery and infrastructure Development – To accelerate provision of immediate and long term bulk infrastructure development										
Water and Sanitation	% of GSDM funded projects completed by 30 June 2024 (excluding RBIG)	2,1	100%	100%	100%	Achieved	None	None	Completion certificate and Status quo report	3

Water and Sanitation -	% of Water and Sanitation projects (external funding) completed by 30 June 2024 (Implementation Phase)	2,2	21%	76%	67%	Not Achieved	<p>GSDM 174/2020 - Upgrading of Rooikoppen sewer- Internal Reticulation phase 6 is not completed, progress is at 89% due to increased scope of works.</p> <ul style="list-style-type: none"> <li>Construction of a new reinforced concrete chamber at Rooikoppen Sewer Pump Station.</li> <li>Adverse physical working conditions near the stream and rain delays.</li> <li>Delay on Delivery of Pumps due to logistics at South African Harbors.</li> </ul> <p>GSDM 60/2022 - The unblocking of Sewer System in Standerton Sakhile, Standerton Ext 6, 7 and TLC Area, progress is at 98 % and the contractor came across hard rock while laying new pipeline and the</p>	<p>GSDM 174/2020 - Extension of time has been approved and the contractor will complete the project by 13 September 2024.</p> <p>GSDM 60/2022 - Contractor adhered to the Transnet wayleave conditions to avoid gas explosions and for the hard rock excavations packers and Jack</p>	Completion certificate and project list	2
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							delays due to the conditions of working next to Transnet oil/gas line which was unforeseen and beyond contractor's control.	hammers were utilized to break the rock and practical completion was achieved on the 25 <sup>th</sup> of July 2024 while final completion was achieved on the 5 <sup>th</sup> of August 2024		
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Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Laboratory Services	% of water quality tests conducted against the number of samples received	2,3	N/A – New KPI	100%	100%	Achieved	None	None	GSDM WQL- Monthly Test report summary and Monthly Statistics report	3
Laboratory Services	% Maintain Laboratory accreditation status by SANAS by 30 June 2024	2,4	100%	100%	100%	Achieved	None	None	Review notification	3
Road maintenance	Total square meters [m2] of roads repaired	2,5	92658,39 m2	135300m2	163826m2	Achieved	28526m2	None	Signed confirmation by the LMs	3
Municipal Health Services	% of water samples taken from local municipalities per month compared to scheduled target	2,6	89%	80%	89%	Achieved	9%	None	Monthly sample list broken down per LM cross referenced to actual GSDM lab results	3
Municipal Health Services	Number of food handling and preparation facility inspections conducted in terms of the Foodstuffs, Cosmetics, Disinfectant Act (FCDA)	2,7	3868	3700	3829	Achieved	129	None	Notice of inspections for food premises inspected within specified period	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Customer services	% of municipal environmental and health surveillance complaints as documented on complaints register attended to within 21 days	2,8	94%	100%	92%	Not Achieved	The interpretation of 21 days has been set to mean calendar days and therefore rectified for compliance in future.	An engagement session was conducted to deal with the Standard Operating Procedure (SOP) deadline.	Complaints register, complaints reports [Form A] and Investigation reports [Form B]	2
Research and Development	Number of Service Delivery Research and development conducted in line with the Municipality's approved research and development (R&D) programme 2022/2027	2,9	N/A-New KPI	3	3	Achieved	None	None	Research and Development Reports and Minutes	3
Transversal programmes	Number of HIV/AIDS programs implemented by 30 June (Including HCT and MMC)	2,10	6	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Transversal programmes	Number of Gender Based Violence and femicide programs implemented by 30 June 2024	2,11	6	4	7	Achieved	3	None	Feedback reports and attendance registers	5
Public Safety and Security Services	Development of an Integrated Community Safety Strategy for Local Government in the District	2,12	N/A- New KPI	1	0	Not Achieved	Insufficient budget.	Use intergovernmental relation for the development of the strategy(benchmarking)	Integrated Community Safety Strategy and Minutes	1

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Public Safety and Security Services	Review of Security Protocols for Facilities of Gert Sibande District Municipality	2,13	N/A- New KPI	1	1	Achieved	The draft review of security protocol has been developed.	The report achieved in the fourth quarterly report	Security protocol report and minutes of mayoral committee	3
Library and Information Services	Number of Library awareness programs implemented	2,14	9	8	10	Achieved	2	None	Feedback reports and attendance registers	3
Disaster Management	Monitoring and evaluation conducted on disaster management in 7 local municipalities by 30 June 2024	2,15	7	7	7	Achieved	None	None	Approved monitoring and reporting tool	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Disaster Management	Review of the District Disaster Management Framework and Plan	2,16	N/A – New KPI	1	0	Not Achieved	The reviewed framework was submitted to Portfolio Committee and Mayoral committee.	The reviewed document will be submitted to Council for approval on the 5 <sup>th</sup> December 2024.	Reviewed District Disaster Management Framework and Plan and minutes	1
Environmental Management Services (Waste Management)	Number of environmental awareness programmes implemented (to increase re-use, recycling, recovery)	2,17	5	7	8	Achieved	1	None	Feedback reports and attendance registers	3
Environmental Management Services (Air Quality)	Number of Air Quality Management Plans developed for GSDM and LMs	2,20	N/A- New KPI	2	2	Achieved	None	None	GSDM plan- Minutes, agenda and attendance registers of meeting with stakeholders Minutes of Bylaws Committee, Draft AQM plan. AQMP for LM - Agenda and Attendance register of meeting with LM Draft AQM plan	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Environmental Management Services (Air Quality)	% of atmospheric emission license applications received and processed within 90 days	2,21	100%	100%	100%	Achieved	None	None	Database and status quo list of atmospheric emission licenses, Application letter and Notice of Acknowledgement of Receipt	3
Environmental Management Services (EMS)	% of Environmental Impact Assessment applications received and commented on within 90 days	2,22	100%	100%	100%	Achieved	None	None	EIA application register with signed off final letter with GSDM comments on the EIA application received	3
Environmental Management Services (EMS)	Number of Environmental management bylaws developed for the GSDM and LMs	2,23	N/A -New KPI	2	3	Achieved	None	None	Gsdm bylaws - Minutes of Waste Forum. Minutes of Portfolio Committee, Minutes of Bylaws Committee. Draft Environmental management bylaw. LM bylaws-Agenda and attendance registers for the meetings and draft bylaws	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Environmental Management Services (EMS)	Number of Climate Change Vulnerability Assessment, Adaptation and response strategies developed for the 7 LMs	2,24	N/A -New KPI	2	0	Not Achieved	The draft "GSDM Climate Change Mitigation and Adaptation Response Policy" as well as the "GSDM Climate Change Mitigation Strategy and Implementation Plan" which are documents that will inform the adaptation and response strategies developed for the 7LMs are still in the process of finalisation.	Upon finalisation of the 2 above named documents, the vulnerability assessments for the 7 LMs shall be completed by the end of first quarter of the 2024/25 financial year, while the adaptation and responses strategies for the 7 LMs shall be completed by the second quarter of the 2024/25 financial year.	Climate Change Vulnerability Assessment, Adaptation and response strategies and minutes	1
KPA 3: Local Economic Development – To stimulate economic growth										



Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Sector Development	Number of LED identified strategic projects implemented by 30 June 2024	3,1	2	2	3	Achieved	1	None	Report attendance register and certificate of completion	4
Enterprise Development	Number of support initiatives to GSDM Enterprise Development Programme beneficiaries 30 June 2024	3,2	2	3	3	Achieved	None	None	Delivery note	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Special initiatives	Number of job opportunities created through municipality's Local Economic Development initiatives including capital projects (GKPI)	3,3	543	150	388	Achieved	238	None	Department of Public Works published report	5
<b>KPA 4: Municipal Financial Viability and Management - Improved audit outcome and improved revenue regeneration</b>										
Financial Management	Unqualified audit outcome	4,1	0	1	0	Not Achieved	The District municipality incurred fruitless and wasteful expenditure of R25.62 million due to penalties paid to the South African revenue service (SARS), Irregular expenditure of R62.86 million due to non-compliance with supply chain management laws and regulations	The following corrective measures are taken; 1- Audit Action Plan was developed and will be approved by Audit Committee on the 19th January 2024. 2- The approved Audit Action Plan will be submitted to the next Council meeting. 3 - Audit Action Plan will be monitored on the monthly basis by top management. 4 - Internal Audit audited implementation of the audit action plan	2022/23 Audit report	1

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Financial Management	Cost Coverage ratio by the 30 June 2024 (GKPI)	4,2	235%	100%	270%	Achieved	170%	None	Cash and Cash Equivalents- Report on Financial Performance for the period quarter ending, Statement of Financial Position as at end of quarter. Investments held as at end of quarter - Report on Financial Performance for the quarter ending, Statement of Financial Position for the quarter ending. Expenditure for the 3 month period subsequent to quarter ending - Approved 2023/24 SDBIP, schedule SA25.	5

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Asset Management	GRAP compliant asset register (measured in terms of AG Report)	4,3	100%	100%	100%	Achieved	None	None	2022/2023 Audit Report	3
Supply Chain Management	% of awards above R200 000 made to service providers with BBBEE status of 4 and less	4,4	100%	70%	100%	Achieved	30%	None	List of tender awards and CSD report	4
Budget Management and Reporting	Final MTREF Budget tabled and approved by Council by 31 May 2024	4,5	1	1	1	Achieved	None	None	Final MTREF budget and Council resolution	3
Budget Management and Reporting	% of the capital budget actually spent on capital projects identified in terms of the IDP by 30 June 2024 (GKPI)	4,6	100%	90%	96.6%	Achieved	6.6%	None	Quarterly SDBIP report	3
Municipal Support	Number of Local Municipalities supported by GSDM through Municipal Support Programme	4,7	2	3	2	Not Achieved	Two Senior Manager positions were vacant after resignations.	The two Senior Managers were appointed and started work on the 01 <sup>st</sup> of August 2024	FSPC report on Municipal Support Programme.	2
KPA 5: Good Governance and Public Participation – Improved governance and administration										

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Internal Audit	Reviewed and approved Risk Based Internal Audit Coverage Plan by 30 June 2024	5,1	1	1	1	Achieved	None	None	Internal Audit coverage plan and Audit Committee minutes	3
Internal Audit	% of Audit Committee resolutions implemented per quarter	5,2	100%	100%	100%	Achieved	None	None	Audit Committee resolution register	3
Risk Management	Reviewed and approved Strategic Risk Register by 30 June 2024	5,3	1	1	1	Achieved	None	None	Strategic risk report, Risk register and minutes	3
Risk Management	Number of Risk management, ethics, anti fraud & anti corruption workshops held by 30 June (GSDM & LMs)	5,4	1	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Performance Management	Final SDBIP approved by Executive Mayor within 28 days after approval of budget	5,5	1	1	1	Achieved	None	None	Approved SDBIP	3
ICT	% of ICT Steering Committee resolutions implemented per quarter	5,6	100%	100%	100%	Achieved	None	None	ICT Steering Committee resolution register	3
Public Participation	Number of IDP/Budget consultation meetings held by 30 June 2024	5,7	16	14	15	Achieved	1	None	Attendance registers	3
Communication	Adopted Annual Report by end of January 2024	5,8	1	1	1	Achieved	None	None	Annual Report and Council resolution	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Governance and Administration	Final IDP tabled and approved by Council by 31 May 2024	5,9	1	1	1	Achieved	None	None	Final IDP and Council resolution	3
Governance and Administration	% of Auditor General findings resolved as per the approved Audit Action plan by 30 June 2024	5,10	100%	100%	100%	Achieved	None	None	Internal audit on the implementation of the Action Plan	3
Governance and Administration	% of Council resolutions implemented per quarter	5,11	100%	100%	100%	Achieved	None	None	Quarterly progress reports	3
<b>KPA 6: Spatial Development Analysis and Rationale – Spatial transformation facilitation</b>										
Strengthening forward planning	Number of Land suitability studies conducted by 30 June 2024	6,1	3	1	1	Achieved	None	None	Land suitability study reports	3
Development Control and facilitation	% of compliant Land Development applications concluded by 30 June 2024	6,2	86%	65%	83.3%	Achieved	18.3%	None	Application pre assessment register and minutes of JMPT	3



Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Intelligence gathering and Monitoring	Number of Spatial Data systems developed by 30 June 2024	6,3	4	3	3	Achieved	None	None	1. System architecture document 2. User manual 3. Link for access to the solution developed	3
Smart settlements	Number of industrial township development projects implemented	6,4	N/A-New KPI	2	2	Achieved	None	None	Feasibility study and airport procedure manuals	3

## 6. Annexure B: SDBIP Components – Annual service delivery targets and performance indicators

### 6.1 Office of the Municipal Manager – Key Performance Indicators

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 4: Municipal Financial Viability and Management – Improved Audit Outcome and improved revenue regeneration										
Financial Management	Unqualified audit outcome	4.1	0	1	0	Not Achieved	The District municipality incurred fruitless and wasteful expenditure of R25.62 million due to penalties paid to the South African revenue service (SARS), Irregular expenditure of R62.86 million due to non-compliance with supply chain management laws and regulations	The following corrective measures are taken; 1- Audit Action Plan was developed and was approved by Audit Committee on the 19th January 2024. 2- The approved Audit Action Plan was submitted to the next Council meeting. 3 - Audit Action Plan was monitored on the monthly basis by top management. 4 - Internal Audit audited the implementation of the audit action plan	2022/23 Audit report	1
KPA 5: Good governance and Public Participation – Improved governance and administration										
Internal Audit	Reviewed and approved Risk Based Internal Audit Coverage Plan by 30 June 2024	5.1	1	1	1	Achieved	None	None	Internal Audit coverage plan and Audit Committee minutes	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Internal Audit	% execution of Risk based Audit Plan in line with detailed time schedule by 30 June 2024 (Total organisation)	5.1.1	100%	100%	100%	Achieved	None	None	Progress report and IA reports	3
Internal Audit	% of Internal Audit findings resolved (annual)	5.1.2	100%	100%	93%	Not Achieved	Contractual disputes between GSDM and Service provider over fees. differences on starting kilometres stated on the requisition form compared to the starting kilometres stated on the logbook for selected trips	Management does not have control over the contract management only legal section can do that. Fleet Management shall conduct a workshop for all GSDM drivers and train them on how to complete a logbook and requisition form, only Corporate Service Head of Department shall authorise the trip.	Management action plan	2
Internal Audit	% of Audit Committee resolutions implemented per quarter	5.2	100%	100%	100%	Achieved	None	None	Audit Committee resolution register	3
Internal Audit	Number of Audit Committee meetings held by 30 June 2024	5.2.1	8	4	7	Achieved	3	None	Minutes and attendance registers	5

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Internal Audit	Number of Audit Committee Chairperson's reports submitted to Council by 30 June 2024	5.2.2	4	4	4	Achieved	None	None	Audit Committee Chairperson's reports and Council resolutions	3
Risk Management	Reviewed and approved Strategic Risk Register by 30 June 2024	5.3	1	1	1	Achieved	None	none	Strategic risk report, Risk register and minutes	3
Risk Management	% execution of Risk management plan by the 30 June 2024(Total organization)	5.3.1	100%	100%	100%	Achieved	None	None	Progress report	3
Risk Management	% of action plans implemented to address Strategic risks by 30 June 2024	5.3.2	100%	100%	100%	Achieved	None	None	Proof of action plans implemented by management	3
Risk Management	Number of Risk Management, anti fraud & anti corruption Committee meetings held by 30 June 2024	5.3.3	4	4	6	Achieved	2	None	Minutes and attendance registers	4
Risk Management	Number of Risk management, ethics, anti fraud & anti corruption workshops held by	5.4	1	4	4	Achieved	None	None	Feedback reports and attendance registers	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
	30 June (GSDM & LMs)									
Performance Management	Final SDBIP approved by Executive Mayor within 28 days after approval of budget	5.5	1	1	1	Achieved	None	None	Approved SDBIP	3
Performance Management	Revised SDBIP approved by Council after approval of adjustment budget	5.5.1	1	1	1	Achieved	None	None	Revised SDBIP and Council resolution	3
Performance Management	Annual Performance Report submitted to AG on or before 31st August (annual)	5.5.2	1	1	1	Achieved	None	None	Acknowledgement of receipt by Office of AG	3
Performance Management	Number of meetings of the Performance Audit Committee held by 30 June 2024	5.5.3	7	4	6	Achieved	2	None	Minutes and attendance registers	4
Performance Management	% of section 54A and section 56 managers Performance Agreements signed on time (at least within one month after commencement of financial year or appointment)	5.5.4	100%	100%	100%	Achieved	None	None	Signed Performance Agreements	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Performance Management	Number of performance reviews conducted with section 54A and Section 56 managers by 30 June 2024	5.5.5	2	2	2	Achieved	None	None	Mid year and Annual performance reviews	3
Performance Management	Section 72 (midyear) MFMA report submitted to Executive Mayor by 25 January 2024	5.5.6	1	1	1	Achieved	None	None	Section 72 (midyear) MFMA report and signed letter	3
Communication	Adopted Annual Report by end of January 2024	5.8	1	1	1	Achieved	None	None	Annual Report and Council resolution	3
Communication	Adopted Oversight report on the Annual Report by 31 March 2024	5.8.1	1	1	1	Achieved	None	None	Oversight Report and Council resolution	3
Communication	Number of External Newsletters (Insight) developed and distributed by 30 June 2024	5.8.2	4	4	4	Achieved	None	None	Insight newsletter and proof of distribution	3
Communication	% of communication programs implemented by 30 June 2024	5.8.3	100%	100%	100%	Achieved	None	None	Progress report	3



Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Governance and Administration	Final IDP tabled and approved by Council by 31 May 2024	5.9	1	1	1	Achieved	None	None	Final IDP and Council resolution	3
Governance and Administration	Draft Municipal IDP submitted for approval by Council by end of March 2024	5.9.1	1	1	1	Achieved	None	None	Draft IDP and Council resolution	3
Governance and Administration	IDP Framework plan submitted for adoption by end of August 2023	5.9.2	1	1	1	Achieved	None	None	IDP Framework and Council resolution	3
Governance and Administration	% of Auditor General findings resolved as per the approved Audit Action plan by 30 June 2024	5.10	100%	100%	100%	Achieved	None	None	Internal audit on the implementation of the Action Plan	3
Governance and Administration	% of Council resolutions implemented per quarter	5.11	100%	100%	100%	Achieved	None	None	Quarterly progress reports	3
Governance and Administration	Reviewed and Approved 2024/25 Intergovernmental Relations (IGR) Calendar on or before 30 June 2024	5.11.1	1	1	1	Achieved	None	None	Approved IGR Calendar and Council resolution	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Governance and Administration	Number of quarterly reports on the implementation of the Intergovernmental Relations (IGR) calendar	5.11.2	4	4	4	Achieved	None	None	Quarterly progress reports	3
Governance and Administration	Number of GSDM One Plan (DDM) progress reports submitted to Council by 30 June 2024	5.11.3	3	4	4	Achieved	None	None	Progress report and Council resolution	3

## 6.2 Financial Services – Key Performance Indicators

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 4: Municipal Financial Viability and Management – Improved audit outcome and improved revenue regeneration										
Financial Management	Cost Coverage ratio by the 30 June 2024 (GKPI)	4,2	235%	100%	270%	Achieved	170%	None	Cash and Cash Equivalents- Report on Financial Performance for the period quarter ending, Statement of Financial Position as at end of quarter. Investments held as at end of quarter - Report on Financial Performance for the quarter ending, Statement of Financial Position for the quarter ending. Expenditure for the 3 month period subsequent to quarter ending - Approved 2023/24 SDBIP, schedule SA25.	5
Financial Management	Annual Financial Statements (AFS) submitted on or before the 31 August 2023	4.2.1	1	1	1	Achieved	None	None	Acknowledgement of receipt by the Office of AG	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 4: Municipal Financial Viability and Management – Improved audit outcome and improved revenue regeneration										
Asset Management	GRAP compliant asset register (measured in terms of AG Report)	4.3	100%	100%	100%	Achieved	None	None	2022/2023 Audit Report	3
Asset Management	Number of asset verifications performed by 30 June 2024	4.3.1	2	2	2	Achieved	None	None	Asset verification reports	3
Supply Chain Management	% of awards above R200 000 made to service providers with BBBEE status of 4 and less	4.4	100%	70%	100%	Achieved	30%	None	List of tender awards and CSD report	4
Supply Chain Management	% of tenders successfully awarded within the validity period	4.4.1	100%	100%	100%	Achieved	None	None	List of tender awards, BAC item and tender register	3
Supply Chain Management	% of deviations not in contravention of the requirement of the MFMA SCM Regulation Sec 36 (measured in terms of the AG report)	4.4.2	100%	100%	100%	Achieved	None	None	2022/23 Audit report	3
Supply Chain Management	% implementation of the procurement plan per quarter	4.4.3	100%	80%	96%	Achieved	16%	None	Quarterly progress reports	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 4: Municipal Financial Viability and Management – Improved audit outcome and improved revenue regeneration										
Budget Management and Reporting	Final MTREF Budget tabled and approved by Council by 31 May 2024	4.5	1	1	1	Achieved	None	None	Final MTREF budget and Council resolution	3
Budget Management and Reporting	Draft MTREF Budget tabled and approved by Council by 31 March 2024	4.5.1	1	1	1	Achieved	None	None	Draft MTREF budget and Council resolution	3
Budget Management and Reporting	Adjustment budget finalised and submitted to Council for approval no later than 28 February 2024	4.5.2	1	1	1	Achieved	None	None	Adjusted budget and Council resolution	3
Budget Management and Reporting	Number of quarterly MFMA section 52(d) reports submitted to Council within 30 days of the end of each quarter	4.5.3	4	4	4	Achieved	None	None	Quarterly MFMA section 52(d) reports and Council resolution	3
Budget Management and Reporting	MFMA Section 72 (financial performance) report submitted to Council by 25 January 2024	4.5.4	1	1	1	Achieved	None	None	MFMA Section 72 and Council resolution	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 4: Municipal Financial Viability and Management – Improved audit outcome and improved revenue regeneration										
Budget Management and Reporting	% expenditure on Financial Management Grant (FMG) by 30 June 2024	4.5.5	100%	100%	100%	Achieved	None	None	Quarterly SDBIP report	3
Municipal Support	Number of Local Municipalities supported by GSDM through Municipal Support Programme	4.7	2	3	2	Not Achieved	Two Senior Manager positions were vacant after resignations	The two Senior Managers were appointed and started work on the 01 <sup>st</sup> of August 2024	FSPC report on Municipal Support Programme.	2



### 6.3 Corporate Services – Key Performance Indicators

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA: 1 Municipal Transformation and Organisational Development – Improved institutional performance										
Institutional Capacity Development	Reviewed GSDM organizational structure submitted to Council	1.1	1	1	1	Achieved	None	None	2024/25 Organogram and Council resolution	3
Institutional Capacity Development	% of employees from employment equity target groups appointed in the highest levels of management as per the approved EE plan by 30 June 2024 (GKPI)	1.2	95,08%	85%	95%	Achieved	10%	None	List of employees as extracted from ESS system as at the end of the reporting period	3
Institutional Capacity Development	Turn-around time for the filling of new and vacated positions	1.2.1	87 days	90days	152days	Not Achieved	No control over SCM processes in terms of advertising	Measurement will be reviewed	Employee list and appointment letter	1

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Institutional Capacity Development	% of employees conducted performance assessments by 30 June 2024 (below sec 56)	1.3	100%	100%	94%	Not Achieved	Other departments did not complete their assessments before the closing date	HODs to ensure that they assess their subordinates timeously before the closing date.	Quarterly Performance report	2
Institutional Capacity Development	% of allocated budget spent on implementing the Workplace Skills Plan (GKPI) by 30 June 2024	1.4	93%	90%	97%	Achieved	7%	None	Financial expenditure report	3
Institutional Capacity Development	% of staff trained against internal training plan by 30 June 2024	1.4.1	111%	90%	103%	Achieved	13%	None	Internal Training Plan and Annual Training Report	3
Institutional Capacity Development	% of employee wellness programs implemented by 30 June 2024	1.4.2	100%	100%	100%	Achieved	None	None	Quarterly progress reports	3
Institutional Capacity Development	% of Occupational Health and Safety (OHS) programs implemented by 30 June 2024	1.4.3	100%	100%	100%	Achieved	None	None	Quarterly progress reports	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Institutional Capacity Development	Number of capacity building programs implemented for Councillors by 30 June 2024	1.4.4	7	4	4	Achieved	None	None	Attendance registers	3
<b>KPA 2: Basic Service Delivery and Infrastructure Development – to accelerate provision of immediate and long term bulk infrastructure development</b>										
Youth Development	Number of Youth Development programs implemented by 30 June 2024	2.11.6	5	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Sports, Culture and Recreation	Number of Sport, Recreation and Culture events held by 30 June 2024	2.11.7	4	4	5	Achieved	1	None	Feedback reports and attendance registers	3
<b>KPA 4: Municipal Financial Viability and Management – Improved audit outcome and improved revenue regeneration</b>										
Budget Management and Reporting	% expenditure on Infrastructure Skills Development Grant (ISDG) by 30 June 2024	4.5.6	100%	100%	100%	Achieved	None	None	Quarterly SDBIP report	3
Budget Management and Reporting	% of Capital Budget Allocation spend – CS (computer equipment)	4.5.7	71%	90%	127%	Achieved	37%	None	Quarterly SDBIP report	4
<b>KPA 5: Good Governance and Public Participation – Improved Governance and Administration</b>										

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
ICT	% of ICT Steering Committee resolutions implemented per quarter	5.6	100%	100%	100%	Achieved	None	None	ICT Steering Committee resolution register	3
ICT	Number of quarterly ICT Steering Committee meetings held by 30 June 2024	5.6.1	4	4	4	Achieved	None	None	Minutes and attendance registers	3
Public Participation	Number of IDP/Budget consultation meetings held by 30 June 2024	5.7	16	14	15	Achieved	1	None	Attendance registers	3
Public Participation	Number of Council meetings held by 30 June 2024	5.7.1	10	4	12	Achieved	7	None	Minutes and attendance registers	5
Public Participation	Number of Chief Whip community outreach programs implemented by 30 June 2024	5.7.2	5	4	5	Achieved	1	None	Feedback reports and attendance registers	3
Public Participation	Number of Mayoral Committee meetings held by 30 June 2024	5.7.3	12	11	12	Achieved	1	None	Minutes and attendance registers	3
Public Participation	Number of Mayoral Imbizos held by 30 June 2024	5.7.4	2	2	2	Achieved	None	None	Feedback reports and attendance registers	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Public Participation	% Donations budget vote spend	5.7.5	99%	90%	91%	Achieved	1%	None	Quarterly SDBIP report	3
Governance and administration	Number of MPAC meetings held by 30 June 2024	5.11.4	5	4	5	Achieved	1	None	Minutes and attendance registers	3
Governance and administration	% of inspection issues attended to from the Provincial Archives Inspection	5.11.5	92%	90%	100%	Achieved	10%	None	Action Plan and report	3

#### 6.4 Community and Social Services – Key Performance Indicators

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Municipal Health Services	% of water samples taken from local municipalities per month compared to scheduled target	2.6	89%	80%	89%	Achieved	9%	None	Monthly sample list broken down per LM cross referenced to actual GSDM lab results	3
Municipal Health Services	Number of food handling and preparation facility inspections conducted in terms of the Foodstuffs, Cosmetics, Disinfectant Act (FCDA)	2.7	3868	3700	3829	Achieved	129	None	Notice of inspections for food premises inspected within specified period	3
Municipal Health Services	Number of child care facility inspections conducted by 30 June 2024	2.7.1	1377	1230	1230	Achieved	None	None	Copies of Child Care Inspection slips	3
Municipal Health Services	% of site inspections performed on funeral undertakers with a Certificate of Compliance by 30 June 2024	2.7.2	100%	100%	100%	Achieved	None	None	Database of Funeral Undertakers with copies of inspection slips	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Municipal Health Services	% of health surveillance inspections performed on hospitals by 30 June 2024	2.7.3	100%	100%	100%	Achieved	None	None	Database of hospitals with copies of Inspection slips	3
Municipal Health Services	% of health surveillance inspections performed on SAPS premises by 30 June 2024	2.7.4	100%	100%	100%	Achieved	None	None	Database of SAPS premises with copies of Inspection slips	3
Municipal Health Services	% of health surveillance inspections performed on prison facilities by 30 June 2024	2.7.5	100%	100%	100%	Achieved	None	None	Database of prison with copies of Inspection slips	3
Municipal Health Services	% of site inspections performed on clinics by 30 June 2024	2.7.6	100%	100%	100%	Achieved	None	None	Database of clinics with copies of Inspection slips	3
Municipal Health Services	Number of Food safety awareness programs implemented by 30 June 2024	2.7.7	7	8	8	Achieved	None	None	Feedback reports and attendance registers	3



Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Municipal Health Services	Number of Water conservation education / awareness campaigns implemented by 30 June 2024	2.7.8	7	7	7	Achieved	None	None	Feedback reports and attendance registers	3
Municipal Health Services	% of inspections performed on water treatment plants by 30 June 2024	2.7.9	N/A- New KPI	100%	100%	Achieved	None	None	Database of water treatment plants with copies of Inspection slips	3
Customer services	% of municipal environmental and health surveillance complaints as documented on complaints register attended to within 21 days	2.8	94%	100%	92%	Not Achieved	The interpretation of 21 days has been set to mean calendar days and therefore rectified for compliance in future.	A workshop was conducted to deal with the Standard Operating Procedure (SOP) deadline.	Complaints register, complaints reports [Form A] and Investigation reports [Form B]	2
Customer services	Customer satisfaction survey conducted on services rendered on Environmental and Health Services and submit report to Mayoral Committee by 30 June 2024	2.8.1	2	2	2	Achieved	None	None	Customer satisfaction survey and Mayoral committee minutes	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Research and Development	Number of Service Delivery Research and development conducted in line with the Municipality’s approved research and development (R&D) programme 2022/2027	2.9	N/A-New KPI	3	3	Achieved	None	None	Research and Development Reports and Minutes	3
Transversal programmes	Number of HIV/AIDS programs implemented by 30 June (Including HCT and MMC)	2.10	6	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Transversal programmes	Number of District AIDS Council (DAC) meetings held 30 June 2024	2.10.1	4	4	4	Achieved	None	None	Minutes and Attendance registers	3
Transversal programmes	Number of Gender Based Violence and femicide programs implemented by 30 June 2024	2.11	6	4	7	Achieved	3	None	Feedback reports and attendance registers	5
Transversal programmes	Number of Women development programs implemented by 30 June 2024	2.11.1	11	2	4	Achieved	2	None	Feedback reports and attendance registers	5

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Transversal programmes	Number of programs implemented for people with disability by 30 June 2024	2.11.2	4	1	1	Achieved	None	None	Feedback reports and attendance registers	3
Transversal programmes	Number of programs implemented for elderly people by 30 June 2024	2.11.3	4	2	3	Achieved	1	None	Feedback reports and attendance registers	4
Transversal programmes	Number of learners supported through donation of school uniforms	2.11.4	N/A - New KPI	20	120	Achieved	100	None	Feedback reports and attendance registers	5
Transversal programmes	Number of moral regeneration programs implemented by 30 June 2024	2.11.5	3	4	4	Achieved	None	None	Feedback reports and attendance registers	3
Public Safety and Security Services	Development of an Integrated Community Safety Strategy for Local Government in the District	2.12	N/A- New KPI	1	0	Not Achieved	Insufficient funding	Use intergovernmental relation for the development of the strategy(benchmarking)	Integrated Community Safety Strategy and Minutes	1
Public Safety and Security Services	Review of Security Protocols for Facilities of Gert Sibande District Municipality	2.13	N/A- New KPI	1	1	Achieved	None	None	Security protocol report and minutes of mayoral committee	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Library and Information Services	Number of Library awareness programs implemented	2.14	9	8	10	Achieved	2	None	Feedback reports and attendance registers	3
Library and Information Services	% procurement of library materials by 30 June 2024	2.14.1	N/A – New KPI	100%	100%	Achieved	None	None	Progress reports	3
Disaster Management	Monitoring and evaluation conducted on disaster management in 7 local municipalities by 30 June 2024	2.15	7	7	7	Achieved	None	None	Approved monitoring and reporting tool	3
Disaster Management	% of disaster management programs implemented according to the business plan by 30 June 2024 (fire services and disaster management)	2.15.1	100%	100%	100%	Achieved	None	None	Progress reports	3
Disaster Management	Number of Disaster Risk reduction awareness campaigns conducted with local municipalities by 30 June 2024	2.15.2	10	7	11	Achieved	4	None	Feedback reports and attendance registers	4

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Disaster Management	Review of the District Disaster Management Framework and Plan	2.16	N/A – New KPI	1	0	Not Achieved	The reviewed framework was submitted to Portfolio Committee and Mayoral committee.	The reviewed document will be submitted to Council for approval on the 5 <sup>th</sup> December 2024.	Reviewed District Disaster Management Framework and Plan and minutes	1
Environmental Management Services (Waste Management)	Number of environmental awareness programmes implemented [to increase re-use, recycling, recovery)	2.17	8	7	8	Achieved	1	None	Feedback reports and attendance registers	3
Environmental Management Services (Air Quality)	Number of Air Quality Management Plans developed for GSDM and LMs	2.20	N/A- New KPI	2	2	Achieved	None	None	GSDM plan- Minutes, agenda and attendance registers of meeting with stakeholders Minutes of Bylaws Committee, Draft AQM plan. AQMP for LM - Agenda and Attendance register of meeting with LM Draft AQM plan	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Environmental Management Services (Air Quality)	% of atmospheric emission license applications received and processed within 90 days	2.21	100%	100%	100%	Achieved	None	None	Database and status quo list of atmospheric emission licenses, Application letter and Notice of Acknowledgement of Receipt	3
Environmental Management Services (Air Quality)	Number of Air Quality awareness programs implemented	2.21.1	11	7	8	Achieved	1	None	Feedback reports and attendance registers	3
Environmental Management Services (Air Quality)	Number of Environmental Pollution Control awareness campaigns held by 30 June 2024	2.21.2	8	7	8	Achieved	1	None	Feedback reports and attendance registers	3
Environmental Management Services (EMS)	% of Environmental Impact Assessment applications received and commented on within 90 days	2.22	1	100%	100%	Achieved	None	None	EIA application register with signed off final letter with GSDM comments on the EIA application received	3
Environmental Management Services (EMS)	% of compliance audits conducted with respect to Sec 21 listed activities as per the NEMAQ Act by 30 June 2024	2.22.1	17%	20%	21%	Achieved	1%	None	Database of section 21 and 23, inspection report and attendance register	3
Environmental Management Services (EMS)	% of compliance audits conducted with respect to Sec 23 listed activities as per the NEMAQA by 30 June 2024	2.22.2	20%	20%	21%	Achieved	1%	None	Database of section 21 and 23, inspection report and attendance register	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
Environmental Management Services (EMS)	Number of Environmental management bylaws developed for the GSDM and LMs	2.23	N/A -New KPI	2	3	Achieved	1	None	Gsdm Plans - Minutes of Waste Forum.Minutes of Portfolio Committee, Minutes of Bylaws Committee. Draft Environmental management bylaw. LM bylaws- Agenda and attendance registers for the meetings and draft bylaws	3
Environmental Management Services (EMS)	Number of Biodiversity and Conservation Management capacity building awareness campaigns implemented	2.23.1	7	7	8	Achieved	1	None	Feedback reports and attendance registers	3
Environmental Management Services (EMS)	Number of Climate Change Vulnerability Assessment, Adaptation and response strategies developed for the 7 LMs	2.24	N/A -New KPI	2	0	Not Achieved	The draft “GSDM Climate Change Mitigation and Adaptation Response Policy” as well as the “GSDM Climate Change Mitigation Strategy and	Upon finalisation of the 2 above named documents, the vulnerability assessments for the 7 LMs shall be completed by the end of first quarter of the 2024/25 financial year, while the	Climate Change Vulnerability Assessment, Adaptation and response strategies and minutes	1

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To improve access and service level to municipal and community social services to 60%										
							Implementation Plan” which are documents that will inform the adaptation and response strategies developed for the 7LMs are still in the process of finalisation.	adaptation and responses strategies for the 7 LMs shall be completed by the second quarter of the 2024/25 financial year.		



### 6.5 Infrastructure and Technical Services – Key Performance Indicators

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 2: Basic Service Delivery and Infrastructure Development – To accelerate provision of immediate and long term bulk infrastructure development										
Water and Sanitation	% of GSDM funded projects completed by 30 June 2024 (excluding RBIG)	2.1	100%	100%	100%	Achieved	None	None	Completion certificate and Status quo report	3
Water and Sanitation -	% of Water and Sanitation projects (external funding) completed by 30 June 2024 (implementation Phase)	2.2	21%	76%	67%	Not Achieved	GSDM 174/2020 - Upgrading of Rooikoppen sewer- Internal Reticulation phase 6 is not completed, progress is at 89% due to increased scope of works.  ▪ Construction of a new reinforced concrete chamber at Rooikoppen Sewer Pump Station. ▪ Adverse physical working conditions near the	GSDM 174/2020 - Extension of time has been approved and the contractor will complete the project by 13 Sep 2024.	Completion certificate and project list	2

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
							<p>stream and rain delays.</p> <ul style="list-style-type: none"> <li>Delay on Delivery of Pumps due to logistics at South African Harbors.</li> </ul> <p>GSDM 60/2022 - The unblocking of Sewer System in Standerton Sakhile, Standerton Ext 6, 7 and TLC Area, progress is at 98 % and the contractor came across hard rock while laying new pipeline and the delays due to the conditions of working next to Transnet oil/gas line which was unforeseen and beyond contractor's control.</p>	<p>GSDM 60/2022 - Contractor adhered to the Transnet wayleave conditions to avoid gas explosions and for the hard rock excavations packers and Jack hammers were utilized to break the rock and practical completion was achieved on the 25<sup>th</sup> of July 2024 while final completion was achieved on the 5<sup>th</sup> of August 2024</p>		

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Water and Sanitation.	% of Water and Sanitation (external funding) projects with contractor appointments finalized (Construction Phase)	2.2.1	100%	100%	100%	Achieved	None	None	Appointment letter	3
Water and Sanitation - (external funding)	% of Water and Sanitation planning projects (external funding) completed and submitted by 30 June 2024 (Planning phase)	2.2.2	33%	40%	40%	Achieved	None	None	Implementation readiness study, Feasibility study and proof of submission	3
Laboratory Services	% of water quality tests conducted against the number of samples received	2.3	N/A – New KPI	100%	100%	Achieved	None	None	GSDM WQL- Monthly Test report summary and Monthly Statistics report	3
Laboratory Services	% Maintain Laboratory accreditation status by SANAS by 30 June 2024	2.4	100%	100%	100%	Achieved	None	None	Review notification	3
Laboratory Services	Number of methods implemented for Microbiology and Chemistry section by 30 June 2024	2.4.1	2	4	4	Achieved	None	None	Methods Verification reports	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Laboratory services	Number of quarterly participation in Proficiency Testing Scheme (PTS) for Microbiology and Chemistry sections by 30 June 2024	2.4.2	6	12	12	Achieved	None	None	Participation reports	3
Laboratory services	Number of Internal audits conducted on the SANS17025 Quality Management System (QMS) by 30 June 2024	2.4.3	36	32	41	Achieved	9	None	Internal Audit reports	3
Road maintenance	Total square meters [m2] of roads repaired	2.5	92658,39m2	135300m2	163826m2	Achieved	28526m2	None	Signed confirmation by the LMs	3
Road maintenance	Total kilometres (km) of roads re-gravelled and bladed	2.5.1	382,07km	460km	507.16km	Achieved	47.16km	None	Signed confirmation by the LMs	3
Road maintenance	Total (cubic meters) m3 of illegal dumping cleaned	2.5.2	2014,2 m3	360m3	692m3	Achieved	332m3	None	Signed confirmation by the LMs	5

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Road maintenance	Procurement of jet patcher truck by 30 June 2024	2.5.3	N/A – New KPI	1	1	Achieved	None	None	Approved BSC, payment certificate, invoice, appointment letter and delivery note	3
Project management (Special Programmes and Maintenance)	Number of preventative maintenance inspections/services concluded on all ELECTRICAL, HVAC and PLUMBING related equipment (nominal assessment by Artisans on Generators, UPS's and sustainable Water provision to GSDM facilities)	2.5.4	4	4	4	Achieved	None	None	Inspection List for each area inspected	3
Project management (Special Programmes and Maintenance)	% of Service requests successfully addressed on all HVAC, ELECTRICAL and PLUMBING services (nominal maintenance by Artisans)	2.5.5	100%	90%	100%	Achieved	10%	None	Quarterly Progress Report on Special Programs and Maintenance	3
<b>KPA 4: Municipal Financial Viability and Management – Improved Audit Outcome and improved revenue regeneration</b>										
Budget Management and Reporting	% of the capital budget actually spent on capital projects identified in terms of the IDP by 30 June 2024 (GKPI)	4.6	100%	90%	96.6%	Achieved	6.6%	None	Quarterly SDBIP report	3

Program	KPI	KPI Ref	2022/23 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Budget Management and Reporting	% of total GSDM (internal) capital Budget spend (ITS only) (lab equipment & yellow fleet)	4.6.1	90%	90%	99.3%	Achieved	9.3%	None	Quarterly SDBIP report	3

## 6.6 Planning, Economic Development & Innovation – Key Performance Indicators

Program	KPI	KPI Ref	2022/2023 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
KPA 3: Local Economic Development – To Stimulate Economic Growth										

Program	KPI	KPI Ref	2022/2023 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Sector Development	Number of LED identified strategic projects implemented by 30 June 2024	3.1	2	2	3	Achieved	1	None	Report attendance register and certificate of completion	4
Sector Development	Social Labour Plans monitored through Mining Forums	3.1.1	2	2	2	Achieved	None	None	Minutes and attendance registers	3
Sector Development	Number of marketing tool developed to promote Tourism in the District by 30 June 2024	3.1.2	1	1	1	Achieved	None	None	Report and proof of website	3
Sector Development	Number of events held to promote tourism in the district	3.1.3	4	2	2	Achieved	None	None	Report and attendance register	3
Enterprise Development	Number of support initiatives to GSDM Enterprise Development Programme beneficiaries 30 June 2024	3.2	2	3	3	Achieved	None	None	Delivery note	3

Program	KPI	KPI Ref	2022/2023 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Enterprise Development	Number of SMMEs (incl. co-operatives) assisted by GSDM through purchasing and distributing of production inputs by 30 June 2024	3.2.1	27	25	28	Achieved	3	None	Signed distribution delivery lists and signed registers	3
Special initiatives	Number of job opportunities created through municipality's Local Economic Development initiatives including capital projects (GKPI)	3.3	543	150	388	Achieved	238	None	Department of Public Works published report	5
Special initiatives	Number of EPWP Full Time Job Equivalents (FTE) created through municipality's Local Economic Development initiatives including capital projects by 30 June 2024	3.3.1	228	75	140	Achieved	65	None	Department of Public Works published report	5



Program	KPI	KPI Ref	2022/2023 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Special initiatives	Number of work opportunities created through municipality's Local Economic Development initiatives excluding capital projects (Siyathuthuka)	3.3.2	162	25	144	Achieved	119	None	Payment list pf Siyathuthuka Project participants broken down per LM.	5
<b>KPA 4: Municipal Financial Viability and Management – Improved Audit Outcome</b>										
Budget Management and Reporting	% expenditure on Expanded Public Works Program (EPWP) Grant by 30 June 2024	4.5.8	100%	100%	100%	Achieved	None	None	Quarterly SDBIP report	3
Budget Management and Reporting	% expenditure on Rural Roads Asset Management Systems (RRAMS) Grant by 30 June 2024	4.5.9	100%	100%	100%	Achieved	None	None	Quarterly SDBIP report	3
<b>KPA 6: Spatial rationale and municipal planning alignment- Spatial transformation facilitation</b>										
Strengthening forward planning	Number of Land suitability studies conducted by 30 June 2024	6.1	3	1	1	Achieved	None	None	Land suitability study reports	3

Program	KPI	KPI Ref	2022/2023 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Development Control and facilitation	% of compliant Land Development applications concluded by 30 June 2024	6.2	86%	65%	83.3%	Achieved	18.3%	None	Application pre assessment register and minutes of JMPT	3
Development Control and facilitation	% of compliant applications considered by Joint Municipal Planning Tribunal with respect to land use applications within 60 days	6.2.1	100%	100%	100%	Achieved	None	None	Application pre assessment register and minutes of JMPT	3
Intelligence gathering and Monitoring	Number of Spatial Data systems developed by 30 June 2024	6.3	4	3	3	Achieved	None	None	1. System architecture document 2. User manual 3. Link for access to the solution developed	3
Intelligence gathering and Monitoring	Maintain Remote Operation Certificate (ROC) accreditation status with SACAA	6.3.1	1	1	0	Not Achieved	We could not pay license renewal fees due to CAA non-tax compliance status.	Will appoint service provider to manage civil aviation compliance matters and be an intermediary between GSDM and SACAA during first quarter of 2024/25.	Drone operating licence	1

Program	KPI	KPI Ref	2022/2023 Baseline	2023/2024						
				Annual Target	Annual Actual Performance	Achievements	Variance	Corrective Measures	Means of Verification	Score
Smart settlements	Number of industrial township development projects implemented	6.4	N/A-New KPI	2	2	Achieved	None	None	Feasibility study and airport procedure manuals	3

## 7. Annexure C: Report on the Performance of External Service Providers

This section serves to evaluate the Service Provider's performance in respect of provisions of the contract and the product that the Service Provider delivered for all aspects of the project scope. The Evaluation criteria are based on a scale of 1-5 and each of aspects measured relate to the successful completion of the project. The evaluation score guide on the performance of the service providers is as follows:

Scale		Criteria
5	Excellent	Completion of the project before the scheduled time and within budget
4	Good	Completion of project within time frame and budget
3	Average	Completion of project within time frame but outside the allocated budget or vice versa
2	Below Average	Failure to complete the project
1	Unacceptable	Failure to commence with the project

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
1	GSDM 85/2020	Mpfumelelo Business Enterprise (Pty) Ltd	APPOINTMENT OF A CONTRACTOR FOR THE MSUKALIGWA REGIONAL BULK WATER SUPPLY SCHEME FOR BREYTEN (CLUSTER 02) IN MSUKALIGWA LOCAL MUNICIPALITY	R 339 770 007,00	2021/02/23	2024/02/23	36		5	5	EXCELLENT	5	EXCELLENT

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
2	GSDM 98/2020	AFI CONSULT (PTY)LTD	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR AMSTERDAM BULK WATER SUPPLY SCHEME PHASE 3 – GABOSCH DAM	R 26 560 311,25	2021/04/26	2024/04/27	36		4	4	GOOD	4	GOOD
3	GSDM 99/2020	VUMESA (PTY) LTD	APPOINTMENT OF PROFESSIONAL SERVICE PROVIDER FOR THE IMPLEMENTATION OF EMPULUZI / METHULA BULK WATER SUPPLY	R 40 577 772,49	2021/04/26	2024/04/27	36		4	4	GOOD	4	GOOD
4	GSDM 75/2021	G P T N TRADING (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING AND REFURBISHMENT OF BALFOUR/SIYATHE MBA BULK WATER SUPPLY SCHEME PHASE 4 CONSTRUCTION OF A PIPELINE IN DIPALESING LOCAL MUNICIPALITY	R 122 351 522,00	2022/02/03	2025/02/01	36		4	4	GOOD	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
5	GSDM 28/2021	NOVOSESE INTELLECTUAL PTY LTD	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR THE DEVELOPMENT OF SPACIAL DATA ANALYSIS ARTIFICIAL INTELLIGENCE SOLUTIONS FOR GERT SIBANDE DISTRICT MUNICIPALITY	AS AND WHEN REQUIRED	2021/11/29	2024/12/01	36		4	4	GOOD	4	GOOD
6	GSDM09/2 021	THAMI'S AND SISTERS CONSTRUCTION AND Projects CC	APPOINTMENT OF A SERVICE PROVIDER FOR THE CONSTRUCTION OF THE STANDERTON EXTENSION 8 BULK OUTFALL SEWER PIPELINE	R 25 304 833,76	2021/10/14	2024/10/01	36		4	4	GOOD	4	EXCELLE
7	GSDM 169/2020	THULATSEPO GENERAL TRADING	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF GENERATOR MAINTENANCE SERVICES FOR A PERIOD OF THREE (03) YEARS	AS PER THE BOQ	2021/08/23	2024/08/22	36		4	4	GOOD	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
8	GSDM 142/2020	RUSHTAIL 4 T/A ELECTRA	MAINTENANCE OF THE BUILDING MANAGEMENT SYSTEM & OTHER RELATED SERVICES AT GSDM MAIN OFFICE, GSDM WATER LAB AND GSDM SUB DISTRICTS FOR A PERIOD OF THIRTY SIX (36) MONTHS	AS PER THE BOQ	2021/07/22	2024/07/21	36		4	4	GOOD	4	GOOD
9	GSDM 170/2020	PHUMLEKHAYA GENERAL TRADING (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF CIVIL, STRUCTURAL AND PLUMBING MAINTENANCE SERVICES FOR A PERIOD OF THREE (03) YEARS	AS PER THE BOQ	2021/09/03	2024/09/02	36		4	4	GOOD	4	GOOD
10	GSDM 171/2020	MUNTUZA CONSULTING GROUP CC	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF ELECTRICAL MAINTENANCE SERVICES FOR A PERIOD OF THREE (03) YEARS	AS PER THE BOQ	2021/09/02	2024/09/01	36		4	4	GOOD	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
11	GSDM 168/2020	THULATSEPO GENERAL TRADING (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF HEATING, VENTILATION AND AIR-CONDITIONING MAINTENANCE SERVICES FOR A PERIOD OF THREE (03) YEARS	AS PER THE BOQ	2021/10/07	2024/10/06	36		4	4	GOOD	4	GOOD
12	GSDM 57/2020	BONGINKOSI TECHNOLOGIES T/A NASHUA HIGHVELD (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF VEHICLE TRACKING SYSTEM FOR THE PERIOD OF THIRTY SIX (36) MONTHS(RE- ADVERT)	AS PER THE BOQ	2021/10/08	2024/10/07	36		3	1	POOR SERVICE. NO SITE VISIT. THE MATTER IS SUBJUDICA RE.	1	POOR SERVICE. NO SITE VISIT. THE MATTER SUBJUDICA RE.
13	GSDM 148/2020	FIRSTRAND BANK LIMITED	PROVISION OF A COMMERCIAL BANKING SERVICES FOR A PERIOD OF FIVE (05) YEARS	AS PER THE BOQ	2021/09/02	2026/09/01	60		4	4	GOOD	4	Expectations Met
14	GSDM 174/2020	IBUTHO PROJECTS (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING OF THE ROOIKOPPEN SEWER-INTERNAL RETICULATION PHASE 6	R 129 047 431,21	2021/11/11	2024/11/10	36		4	4	GOOD	4	GOOD



No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
15	GSDM 126/2021	QONDOBEZELA ENTERPRISE AND LOGISTICS (PTY) LTD	AUDIT OF GSDM RRAMS DATA FOR COMPLIANCE WITH TMH STANDARDS FOR A PERIOD OF THIRTY SIX (36) MONTHS	R 296 900,00	2021/11/15	2024/11/13	36		4	4	GOOD	4	GOOD
16	GSDM 59/2021	G P T N TRADING (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING AND REFURBISHMENT OF BALFOUR/SIYATHE MBA BULK WATER SUPPLY SCHEME PHASE 4 CONSTRUCTION OF A PIPELINE IN DIPALESENG LOCAL MUNICIPALITY	R 122 351 522,00	2022/02/03	2025/02/03	36		4	4	GOOD	4	GOOD
17	GSDM 186/2020	TMS CONSULTING ENGINEERS CC	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR LEKWA WATER SERVICES IN STANDERTON, MORGENZON AND THUTHUKANI AREA (BULK WATER SERVICES)	R 5 404 782,61	2021/10/04	2024/10/03	36		4	4	GOOD	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
18	GSDM 85/2021	BLUELINK INVESTMENTS CC	APPOINTMENT OF A TRAVEL AGENT FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF THIRTY SIX (36) MONTHS	AS PER THE BOQ	2022/03/07	2025/03/03	36		4	4	GOOD	4	GOOD
19	GSDM 79/2021	G P T N TRADING (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING AND REFURBISHMENT OF BALFOUR/SIYATHE MBA BULK WATER SUPPLY SCHEME PHASE 4 CONSTRUCTION OF A PIPELINE IN DIPALESENG LOCAL MUNICIPALITY	R 140 704 250,30	2022/02/03	2025/02/03	36		4	4	GOOD	4	GOOD
20	GSDM 186/2020	TMS CONSULTING ENGINEERS CC	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR LEKWA WATER SERVICES IN STANDERTON, MORGENZON AND THUTHUKANI AREA (BULK WATER SERVICES)	R 5 411 652,17	2021/10/04	2024/10/03	36		4	4	GOOD	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
21	GSDM 13/2020	LUBISI CONSULTING ENGINEERS CC	APPOINTMENT OF A PROFESSIONAL SERVICE PROVIDER FOR LEKWA WASTE WATER SERVICES IN STANDERTON, MORGENZON AND THUTHUKANI AREA (BULK WASTE WATER SERVICES)	R 5 404 782,61	2021/10/04	2024/10/03	36		4	4	GOOD	4	GOOD
22	GSDM 95/2021	ANGINA VALO ENGINEERING	SUPPLY AND DELIVERY OF OFFICE FURNITURE TO GERT SIBANDE DISTRICT MUNICIPALITY FOR THE PERIOD OF THIRTY SIX (36) MONTHS	AS AND WHEN REQUIRED	2022/07/29	2025/08/03	36		4	4	GOOD	4	GOOD
23	GSDM 08/2022	AQUATICO SCIENTIFIC (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE FOR REFERRAL SERVICES ON TESTING OF POTABLE WATER, RAW WATER, WASTEWATER AND SLUDGE SAMPLES FOR THE GSDM WATER QUALITY LABORATORY FOR A PERIOD OF THREE YEARS	AS PER THE BOQ LIMITED TO R850 000.00	2022/10/19	2025/10/03	36		4	4	GOOD	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
24	GSDM 94/2021	T M & S CONSTRUCTION CC	2021 APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING OF THE ROOIKOPPEN SEWER –INTERNAL RETICULATION PHASE 1 AND 4 AND THE RE CONSTRUCTION OF BOOSTER PUMP STATION NUMBER 2 IN LEKWA LOCAL MUNICIPALITY.	R 124 802 600.83 (Excl. VAT)	2022/10/31	2024/03/24	17		4	4	GOOD	4	GOOD
25	GSDM 105/2022	KONE ELEVATORS SOUTH AFRICA (PTY) LTD	SECTION 116(3) OF MUNICIPAL FINANCE ACT APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF MAINTENANCE SERVICES OF KONE LIFTS FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF THIRTY SIX (36) MONTHS	AS PER THE UNIT PRICE INDICATED IN THE BILL OF QUANTITIES	2023/02/15	2026/02/03	36		4	4	GOOD	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
26	GSDM 130/2021	PGMR PROJECTS AND LABOARTORY (PTY) LTD	: APPOINTMENT OF A SERVICE FOR THE REVERSE OSMOSIS (RO) WATER PURIFICATION SYSTEM MAINTENANCE SERVICES AT GSDM WATER QUALITY LABORATORY FOR A PERIOD OF THREE (3) YEARS	AS PER THE UNIT PRICE INDICATED IN THE BILL OF QUANTITIES	2022/10/01	2025/10/03	36		4	4	GOOD	4	GOOD
27	GSDM 131/2021	BIDVEST SERVICES (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF HYGIENE SERVICES AND PEST CONTROL AT GERT SIBANDE DISTRICT MUNICIPALITY MAIN OFFICES, WATER LABORATORY, MKHONDO, CHIEF ALBERT LUTHULI, DIPALESENG AND DR PIXLEY KA ISAKA SEME DISASTER MANAGEMENT CENTRE FOR A PERIOD OF THIRTY SIX(36) MONTHS	AS PER THE UNIT PRICE INDICATED IN THE BILL OF QUANTITIES	2023/03/24	2026/04/03	36		4	4	GOOD	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
28	GSDM 113/2022	GTNT JV	PROVISION OF VARIOUS CYLINDERS INCLUDING GAS CYLINDER RENTALS TO THE GSDM WATER QUALITY LABORATORY AS AND WHEN REQUIRED FOR A PERIOD OF 36 MONTHS	AS PER THE UNIT PRICE INDICATED IN THE BILL OF QUANTITIES	24-Mar-23	2026/04/03	36		4	4	GOOD	1	COMPLAINT CIO01 HAS BEEN RAISED LINE WITH POOR PERFORMANCE IN ORDER TO REMEDY THE SITUATION
29	GSDM 18/2022	ANGNAVALO ENGINEERING (PTY)LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE SUPPLY AND DELIVERY STATIONERY AS AND WHEN REQUIRED	AS PER THE UNIT PRICE INDICATED IN THE BILL OF QUANTITIES	2023/05/01	2026/05/03	36		4	4	GOOD	4	GOOD
30	GSDM 102/2022	WOMEN IN SECURITY-WISE (PTY)LTD	PROVISION OF EXECUTIVE SECURITY SERVICES FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF TWELVE(12 )MONTHS	AS PER THE UNIT PRICE INDICATED IN THE BILL OF QUANTITIES	16-May-23	2024/05/03	12		4	4	GOOD	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
31	GSDM 76/2022	KUFANIKIWA CONSULTING (PTY)LTD T/A VUMESA	APPOINTMENT OF A SERVICE PROVIDER TO RENDER PROFESSIONAL SERVICES FOR THE UPGRADING AND REFURBISHMENT OF EMBALENHLE BULK SEWER LINES AND WASTEWATER TREATMENT WORKS IN GOVAN MBEKI LOCAL MUNICIPALITY FOR A PERIOD OF 36 MONTHS	R 63 210 526.48	2023/04/11	2026/04/03	36		4	4	GOOD	4	GOOD
32	GSDM 34/2022	ACMERT TRADING ENTERPRISE (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE INSTALLATION OF BOREHOLES (WINDMILL/ SOLAR/ ELECTRICAL) WITH STORAGE TANKS IN GERT SIBANDE DISTRICT MUNICIPALITY	AS PER BILL OF QUANTITY AS AND WHEN REQUIRED	2023/04/11	2024/04/03	12		4	4	GOOD	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
33	GSDM 56/2022	ANATECH INSTRUMENTS	SUPPLY AND DELIVERY OF VARIOUS LABORATORY CHEMICALS INCLUDING SALTS AND ACIDS TO THE GERT SIBANDE WATER QUALITY LABORATORY AS AND WHEN REQUIRED FOR THE PERIOD OF THIRTY SIX(36) MONTHS	AS PER BILL OF QUANTITY AS AND WHEN REQUIRED	2023/04/11	2026/04/03	36		4	4	GOOD	4	GOOD
34	GSDM 57/2022	PROMOLAB T/A SEPARATIONS	SUPPLY AND DELIVERY OF REAGENTS AND CONSUMABLES COMPATIBLE WITH MACHEREY-NAGEL EQUIPMENTS TO THE GERT SIBANDE WATER QUALITY LABORATORY AS AND WHEN REQUIRED FOR THE PERIOD OF THIRTY SIX (36) MONTHS	R129 480.00 AS AND WHEN REQUIRED.	2023/04/11	2026/04/03	36		4	4	GOOD	4	GOOD
35	GSDM 101/2022	KUNENE MAKOPO RISK SOLUTIONS (PTY) LTD	APPOINTMENT OF AN INSURANCE BROKER FOR THE INSURANCE PORTFOLIO OF GSDM FOR THE PERIOD 1 JULY 2023 TO 30 JUNE 2026	R 2 024 782,00	2022/11/17	2025/11/03	36		4	4	GOOD	4	SERVICE STANDARDS EXPECTATIONS MET TIMEOUT Y



No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
36	GSDM 108/2021	INNOVATION GOVERNMENT SOFTWARE SOLUTIONS	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF THE AUTOMATED PERFORMANCE MANAGEMENT SYSTEM AND SUPPORT FOR THE PERIOD OF 36 MONTHS	AS PER BILL OF QUANTITY	2023/03/02	2025/11/03	32		4	4	GOOD	4	GOOD
37	GSDM 60/2022	RIENDZO RINENE (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE UNBLOCKING OF SEWER SYSTEM IN STANDERTON SAKHILE, STANDERTON EXT 6, 7 AND TLC AREA	R 8 093 102.00	2023/03/02	2024/03/03	12		4	4	GOOD	4	GOOD
38	GSDM17/2 022	UNIK CIVIL- DIPHATSE TRADING JV	APPOINTMENT OF A CONTRACTOR FOR THE CONSTRUCTION OF THE AMSTERDAM BULK WATER SUPPLY SCHEME: PHASE 4 GABOSCH DAM	AS PER BILL OF QUANTITY R 416 746 816.96 (Excl. Vat),	2023/03/07	2026/03/03	36		4	4	GOOD	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
39	GSDM 34/2021	VUMESA (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDER TO RENDER PROFESSIONAL SERVICES FOR THE UPGRADING AND REFURBISHMENT OF BALFOUR/SIYATHE MBA BULK WATER SUPPLY SCHEME PHASE 4 IN DIPALISENG LOCAL MUNICIPALITY	R 7 243 180,00	2021/11/11	2024/11/03	36		4	4	GOOD	4	GOOD
40	GSDM 121/2022	GILJA TACTICAL RESPONSE T/A INTEL GUARD (PTY) LTD	PROVISION OF EXECUTIVE SECURITY SERVICES FOR GERT DISTRICT MUNICIPALITY FOR A PERIOD OF TWELVE (12) MONTHS, SUBJECT TO SIX (6) MONTHS CONTRACT REVIEW	AS PER BILL OF QUANTITY AS AND WHEN REQUIRED LIMITED TO R60 900 P/MONTH	2023/07/28	2024/08/01	12		4	4	GOOD	4	GOOD
41	GSDM 119/2022	MNB CHARTERED ACCOUNTANT INC	HIGH LEVEL REVIEW OF THE STATUTORY FINANCIAL STATEMENTS OF GERT SIBANDE DISTRICT MUNICIPALITY AND THE LOCAL	AS PER BILL OF QUANTITY AS AND WHEN REQUIRED LIMITED TO R2269.00 P/HR AND R3000 P/HOUR RESPECTIVELY	2023/07/28	2026/08/01	36		3	3	AVERAGE	3	AVERAGE

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
42		ALTIMAX (PTY) LTD	MUNICIPALITIES IN THE GERT SIBANDE DISTRICT FOR A PERIOD OF THREE (03) YEARS TO COVER FINANCIAL STATEMENTS FOR JUNE 2023,2024 AND 2025						5	5	EXCELLENT	5	EXCELLENT
43	GSDM 116/2022	DEM – SAME TECHNOLOGIES AND SUPPLY SERVICES	SUPPLY AND DELIVERY OF HOT MIX ASPHALT AND OTHER ROAD MAINTENANCE MATERIAL AS AND WHEN REQUIRED FOR A PERIOD OF THIRTY SIX MONTHS	AS PER BILL OF QUANTITY	2023/09/28	2026/10/01	36		NEW	NEW	NEW	4	GOOD
44	GSDM 84/2022	ZEDEK TRADING 580 (PTY)LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING OF THE TALIJAAARD SEWER PUMPSTATIONS	R 7 373 162.50	2023/10/26	2024/01/31	3		NEW	NEW	NEW	5	EXCELLENT
45	GSDM 85/2022	RIENDZORINENE CONSTRUCTION (PTY)LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING OF THE VAAL AND MULLER SEWER PUMPSTATIONS	R 10 930 539.40	2023/10/26	2024/05/01	6		NEW	NEW	NEW	3	AVERAGE

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/P ROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITM ENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUA RY SCORE (1-5)	COMMENT S	2024 JUNE SCORE (1-5)	COMME
46	GSDM 83/2022	ZEDEK TRADING 580 (PTY)LTD	APPOINTMENT OF A SERVICE PROVIDER FOR THE UPGRADING OF THE JOHAN AND STEYN SEWER PUMPSTATION	R 13 658 664,80	2023/11/14	2024/05/01	6		NEW	NEW	NEW	5	EXCELLE
47	GDSM 01/2022	PHDS DIRECT AND POWER HOUSE DICTATION (PTY)LTD JV	REPLACEMENT AND MAINTENANCE OF THE AUDIO-VISUAL SYSTEMS OF COUNCIL CHAMBER AND TWO BOARDROOMS FOR THE PERIOD OF 36 MONTHS	AS PER BILL OF QUANTITY	2023/11/16	2026/11/03	36		NEW	NEW	NEW	4	GOOD
48	GSDM 26/2023	INYATHI ENVIRONMENTAL TECHNOLOGIES (PTY)LTD	APPOINTMENT OF A SERVICE PROVIDER TO PURCHASE A NEW TRUCK MOUNTED ROAD MAINTENANCE JETTING MACHINE/UNIT	AS PER THE BILL OF QUANTITIES	2023/11/16	2026/11/03	36		NEW	NEW	NEW	5	EXCELLE
49	GSDM 08/2023	VUXENI INFORMATION TECHNOLOGIES	PROVISION OF A MULTIFUNCTION COPIER RENTAL, MAINTENANCE AND CONSUMABLES FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR	AS PER THE BILL OF QUANTITIES	2023/12/14	2026/12/03	36		NEW	NEW	NEW	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
			A PERIOD OF 36 MONTHS										
50	GSDM 96/2023	JIREH TECHNOLOGIES	APPOINTMENT OF THE SERVICE PROVIDER FOR THE PROVISION OF A FULL END TO END MANAGED INFORMATION AND COMMUNICATION TECHNOLOGY NETWORK SERVICE FOR THE PERIOD OF 36 MONTHS	AS PER THE BILL OF QUANTITIES	2023/11/11	2026/11/03	36		NEW	NEW	NEW	4	GOOD
51	GSDM 18/2023	MZANDAS TRADING AND PROJECT	APPOINTMENT OF A SERVICE PROVIDER FOR THE CONSTRUCTION OF 5ML CLEARWATER TANK AT THE STANDERTON WATER TREATMENT WORKS	AS PER THE BOQ R 38 882 203 .32	2024/02/01	2025/01/31	12		NEW	NEW	NEW	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
52	GSDM 71/2023	UMSHIYA SECURITY SERVICES (PTY)LTD	RENTAL OF A GUARD MONITORING AND TWO-WAY RADIO COMMUNICATION SYSTEM FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF THIRTY SIX MONTHS (RE- ADVERT)	R 235 900.00	2024/02/08	2025/01/31	12		NEW	NEW	NEW	4	GOOD
53	GSDM 52/2023	ACTOPHAMBILI (PTY) LTD	APPOINTMENT OF A SERVICE PROVIDERS FOR HIRING OF ROAD REHABILITATION MACHINES/EQUIPMENTS WITHIN GERT SIBANDE FOR A PERIOD OF 12 MONTHS	R 307 946.00	2024/04/30	2025/04/30	12		NEW	NEW	NEW	4	GOOD
54	GSDM 55/2023	LITETEQ SOLUTIONS (PTY)LTD	DEVELOPMENT, DESIGNING AND PROVISION OF HOSTING, MAINTENANCE AND SUPPORT OF THE WEBSITE SERVICES FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF THIRTY-SIX (36) MONTHS	AS PER BOQ R2 999 996.00	2024/06/09	2027/05/30	36		NEW	NEW	NEW	4	GOOD

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
55	GSDM 54/2023	BANTUBANYE INVESTMENTS	THE APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO CONDUCT ACCREDITED TRAINING ON MUNICIPAL FINANCE MANAGEMENT: MINIMUM COMPETENCY LEVELS	AS PER BOQ	2024/05/30	2025/05/30	12		NEW	NEW	NEW	4	GOOD
	SLA	VOC FM, MKHONDO FM, LIGWA FM, RADIO ALPHA	SLA	R60 000 X 4	2023/09/01	2024/09/01	12			5	EXCELLENT	5	EXCELLENT
	SLA	MUNSOFT	FINANCIAL SYSTEM, DRP AND ENVIRONMENT SUPPORT	SUBMIT AND INVOICE AS WHEN AS REQUIRED	2021/07/01	2024/07/03	36		5	5	EXCELLENT	5	EXCELLENT
	SLA	MUNCOMP	MUNADMIN SYSTEM	SUBMIT AND INVOICE AS WHEN AS REQUIRED	2021/07/01	2024/07/03	36		4	4	GOOD	4	GOOD
62	Sla	IGAGU COMMUNICATIONS (PTY) LTD	PROVISION OF HOSTING AND MAINTENANCE OF THE WEBSITE AND SOCIAL MEDIA SERVICES FOR GERT SIBANDE DISTRICT MUNICIPALITY FOR A PERIOD OF	As Per The Quoted Amount In The Tender Document Referred To The Attached List Of Prices For The Next 36 Months.	2021/07/01	2024/06/03	35		4	4	GOOD		

No.	BID/ QUOTATION NUMBER	SUPPLIER NAME	DESCRIPTION OF GOODS/SERVICES/ PROJECTS	TENDER AMOUNT	CONTRACT START DATE	CONTRACT END DATE	CONTRACT DURATION IN MONTHS	LINE No. COMMITMENTS/ VARIATION ORDER	JUNE 2023 SCORE (1-5)	2024 JANUARY SCORE (1-5)	COMMENTS	2024 JUNE SCORE (1-5)	COMMENTS
			THIRTY SIX (36) MONTHS.										
	SLA	GOVAN MBEKI	LEASE AGREEMENT	R8970,00 PM	2021/07/01	2024/07/01	36		4	4	GOOD	4	GOOD
	SLA	SAGE 300	PAYROLL SERVICES	SUBMIT AND INVOICE AS WHEN AS REQUIRED	2023/07/01	2024/07/01	12		3	3	AVERAGE	3	AVERAGE



# CHAPTER 4

[ORGANISATIONAL DEVELOPMENT PERFORMANCE]  
Performance Report Part II

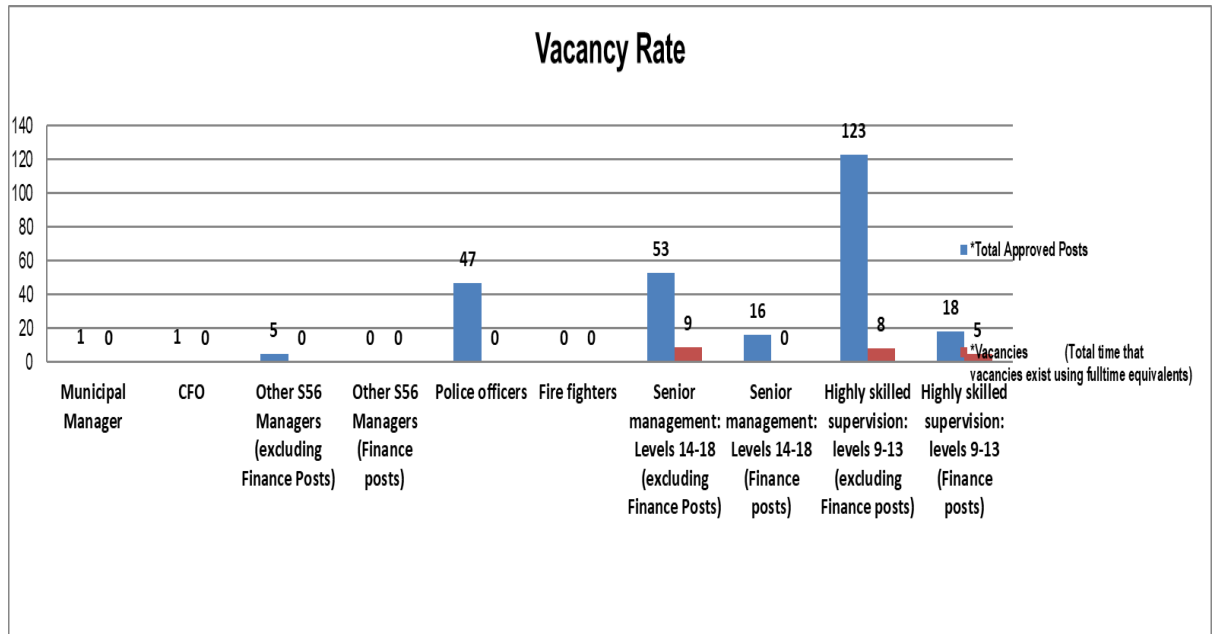
## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees				
Description	2020/2021			
	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	%
Water	0	0	0	0%
Waste Water (Sanitation)	0	0	0	0%
Electricity	0	0	0	0%
Waste Management	0	0	0	0%
Housing	0	0	0	0%
Waste Water (Stormwater Drainage)	0	0	0	0%
Roads	0	0	0	0%
Transport	0	0	0	0%
Planning	18	15	3	17%
Local Economic Development	12	12	0	0%
Financial Services	31	30	1	3%
Planning (Strategic & Regulatory)	3	3	0	0%
Community & Social Services	72	58	14	19%
Environmental Protection	0	0	0	0%
Security and Safety	50	50	0	0%
Sport and Recreation	2	1	1	50%
Corporate Policy Offices and Other	204	169	13	6%
<b>Totals</b>	<b>392</b>	<b>338</b>	<b>32</b>	<b>9,17%</b>

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.

Vacancy Rate: 2020/21			
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 S56 Managers (excluding Finance Posts)	5	0	0%
Other S56 Managers (Finance posts)	0	0	0%
Police officers	47	0	0%
Fire fighters	0	0	0%
Senior management: Levels 14-18 (excluding Finance Posts)	53	9	75%
Senior management: Levels 14-18 (Finance posts)	16	0	0%
Highly skilled supervision: levels 9-13 (excluding Finance posts)	123	8	69%
Highly skilled supervision: levels 9-13 (Finance posts)	18	5	16%
Skilled : Levels 4-8 (excluding Finance Posts)	41	5	12%
Skilled : Levels 4-8 (Finance Posts)	9	0	0%
Non-skilled: Levels 0-3	78	5	51%
<b>Total</b>	<b>392</b>	<b>32</b>	<b>9,17%</b>
Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision are reflected in the approved budget)			



#### COMMENT ON VACANCIES AND TURNOVER:

During the year under review changes in business processes and changing environment necessitated that Gert Sibande District Municipality review its organisational structure and this resulted in some of the designations renamed, realignment of functions in line with the Municipal Staff Regulations. The review of the organisational structure was approved by Council on the 26 May 2023.

Gert Sibande District Municipality prides itself in appointing the most suitable, qualified and skilled workforce to ensure that efficiency and effectiveness within the Municipality is attained. The positions of the Accounting Officer and Senior Managers reporting to Municipal Manager were filled timeously upon posts becoming vacant having to follow the recruitment acceleration plan submitted to SALGA for monitoring. Vacancies arise due to expiry of contracts, retirements, resignations and deaths to which the institution advertise the vacant posts internally and externally in accordance with the Council's Recruitment and Selection policy and in terms of Regulations on appointment and conditions of employment of Senior Managers. The target to fill any vacancy is within a period of three (3) months.

Depending on the scarcity of skills in the labour market, the timeframes for filling of positions varies depending on what qualifications and experience required.

*T 4.1.4*

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

In terms of the Employment Equity Act, 1998 and the reports that are submitted to the Department of Labour annually before the 15 January each year Gert Sibande District Municipality is complying.

The Municipality from time-to-time review some of the Human Resources policy with the objective of keeping abreast of changes in the sector of Local Government in general such as recent promulgated Municipal Staff Regulations requires Municipalities to align Human Resources policies accordingly. These policies are aimed at ensuring Human Resource processes and procedures are done fairly, consistently and transparently.

Organizational development entails harnessing the human capital of the municipality through skills development, occupational health and safety, sound labour relations and employee wellness. Skills development is a compliance matter in terms of Skills Development Act which requires employers to budget, plan, capacitate workforce and report to LGSETA annually by 30 April. The Municipality has implemented training in line with the Workplace Skills Plan, discretionary grant funding and own skills development budget for skills programmes, Learnerships and short courses in the year under review.

The Municipality has aligned its Training and Development policy to be in line with the Municipal Staff Regulations.

*T 4.2.0*

#### 4.2 POLICIES

#### HR POLICIES AND PLANS

#### COMMENT ON WORKFORCE POLICY DEVELOPMENT:

**Delete Directive note once comment is completed** – Comment on progress made during the year and plans for completing this work.

*T 4.2.1.1*

HR Policies and Plans							
Date	Policy Name	Policy Number	Status	Council Resolution	Date of Approval	Comments	Policy Owner
9-Jan-00	Donation Policy	C108/12/2012	Approved	C43/05/2020	27/05/2021	Approved	HR/CS
16-Jan-00	ICT Change Control Policy	C47/06/2017	Approved	C47/06/2017	12-Jun-17	To be reviewed in 2019/20	ICT/CS
17-Jan-00	ICT Steering Committee Charter Policy	C47/06/2017	Approved	C112/12/2020	12-Mar-20	Approved	ICT/CS
18-Jan-00	ICT Strategy Policy 2017-2030	C47/06/2017	Approved	C47/06/2017	29/06/2017	To be reviewed in 2019/20	ICT/CS
19-Jan-00	Operating System Security Policy	C47/06/2017	Approved	C47/06/2017	29/06/2017	To be reviewed in 2019/20	ICT/CS
20-Jan-00	ICT request Procedure	C47/06/2017	Approved	C47/06/2017	29/06/2017	To be reviewed in 2019/20	ICT/CS
21-Jan-00	ICT Policy	C47/06/2017	Approved	C47/06/2017	29/06/2017	To be reviewed in 2019/20	ICT/CS
22-Jan-00	HR Strategy	C64/10/2014	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS
23-Jan-00	Attendance and Punctuality policy	C36/07/2013	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS
24-Jan-00	Alcohol and Drugs Abuse Policy	C36/07/2013	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS

HR Policies and Plans							
Date	Policy Name	Policy Number	Status	Council Resolution	Date of Approval	Comments	Policy Owner
25-Jan-00	Training and Development Policy	C36/07/2013	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS
26-Jan-00	Bereavement Policy	C36/07/2013	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR
27-Jan-00	Children Development and Empowerment	C36/07/2013	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	Special Programmes/Office of the Executive Mayor
28-Jan-00	Bursary Scheme for Community Policy	C108/12/2012	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS
29-Jan-00	Code of Conduct Policy	C115/11/2015	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS
30-Jan-00	Compensation for Occupational injuries and disease policy	C108/12/2012	Approved	C56/07/2019	25/07/2019	<b>Approved</b>	HR/CS
31-Jan-00	Performance Management for staff below section 56	C64/10/2014	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS
1-Feb-00	Determination of Commencing Salary appointment Policy	C64/10/2014	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS

HR Policies and Plans							
Date	Policy Name	Policy Number	Status	Council Resolution	Date of Approval	Comments	Policy Owner
2-Feb-00	Recruitment and selection of appointment policy	C64/10/2014	Approved	C112/12/2020	12-Mar-20	Approved	HR/CS
3-Feb-00	Overtime Policy	C36/07/2013	Approved	C112/12/2020	12-Mar-20	Approved	HR/CS
4-Feb-00	Induction of New Employees Policy	C108/12/2012	Approved	C36/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS
5-Feb-00	Leave Policy	C64/10/2014	Approved	C112/12/2020	12-Mar-20	Approved	HR/CS
7-Feb-00	Bereavement Policy	C37/04/2018	Approved	C37/04/2018	17/04/2018	To be reviewed in 2020/21	HR/CS
8-Feb-00	Letting and Hiring of GSDM Premises and other Facilities	C115/11/2015	Approved	C77/08/2017	30/08/2017	To be reviewed in 2019/20	HR/CS
9-Feb-00	Acting Allowance	C108/12/2012	Approved	C112/12/2020	12-Mar-20	Approved	HR/CS
10-Feb-00	Subsistence and Travelling Allowance	C108/12/2012	Approved	C108/12/2017	12-Jul-17	To be reviewed in 2019/20	HR/CS
11-Feb-00	Delegation of powers		Approved	C99/12/2017	12-Jul-17	To be reviewed in 2019/20	HR/CS
13-Feb-00	Practical Training Volunteerin g	C108/12/2012	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	HR/CS
14-Feb-00	Task Job Evaluation	C64/10/2014	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	HR/CS

HR Policies and Plans							
Date	Policy Name	Policy Number	Status	Council Resolution	Date of Approval	Comments	Policy Owner
15-Feb-00	Smoking Policy	C108/12/2012	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	HR/CS
16-Feb-00	Employees Assistance Programme Policy	C64/10/2014	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	HR/CS
17-Feb-00	EAP Plan	C52/06/2018	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	HR/CS
18-Feb-00	Relocation Policy	C36/07/2013	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	HR/CS
19-Feb-00	Placement Policy	C108/12/2012	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	HR/CS
20-Feb-00	HIV, TB and STI's Policy	C108/12/2012	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	Special Programmes/Office of the Executive Mayor
21-Feb-00	Youth Development Empowerment Strategy	C52/06/2018	Approved	C56/06/2018	28/06/2018	To be reviewed in 2023/24	Youth Development/OEM
22-Feb-00	Social Media Policy	C52/06/2018	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	ICT/CS
23-Feb-00	Succession Policy	C52/06/2018	Approved	C56/06/2018	28/06/2018	To be reviewed in 2020/21	HR/CS
24-Feb-00	Library Policy	C64/10/2014	Approved	C56/06/2018	20/02/2020	To be reviewed in 2020/21	Social Development/CS S



HR Policies and Plans							
Date	Policy Name	Policy Number	Status	Council Resolution	Date of Approval	Comments	Policy Owner
25-Feb-00	Record Management Policy	C61/12/2013	Approved	C093/10/2018	25/10/2018	To be reviewed in 2020/21	Records Management/CS
26-Feb-00	Procedure Manual for Record Management	C77/08/2017	Approved	C093/10/2018	25/10/2018	To be reviewed in 2020/21	Records Management/CS
27-Feb-00	Sexual Harassment Policy	C36/07/2013	Approved	C116/12/2018	12-Jun-18	To be reviewed in 2020/21	HR/CS
28-Feb-00	ICT Backup Strategy	C115/11/2015	Approved	C116/12/2018	12-Jun-18	To be reviewed in 2020/21	ICT/CS
29-Feb-00	Employment Equity Policy	C116/12/2018	Approved	C116/12/2018	12-Jun-18	To be reviewed in 2020/21	HR/CS
1-Mar-00	ICT Continuity Plan	C64/10/2014	Approved	C116/12/2018	12-Jun-18	To be reviewed in 2020/21	ICT/CS
2-Mar-00	Tools of Trade Policy	C48/12/2016	Approved	C116/12/2018	12-Jun-18	To be reviewed in 2020/21	ICT/CS
3-Mar-00	Digital Office Policy	C48/12/2016	Approved	C116/12/2018	12-Jun-18	To be reviewed in 2020/21	ICT/CS
4-Mar-00	Employee Conditional Study	C36/07/2013	Approved	C112/12/2020	12-Mar-20	<b>Approved</b>	HR/CS
5-Mar-00	Policy on Standing Rules and Orders By-Laws	C25/03/2017	Approved	C80/08/2020	27/08/2020	<b>Approved</b>	Legal/CS
6-Mar-00	Cell phone and Data allowance Policy	C65/06/2015	Approved	C116/12/2018	30/08/2017	To be reviewed in 2020/21	ICT/CS

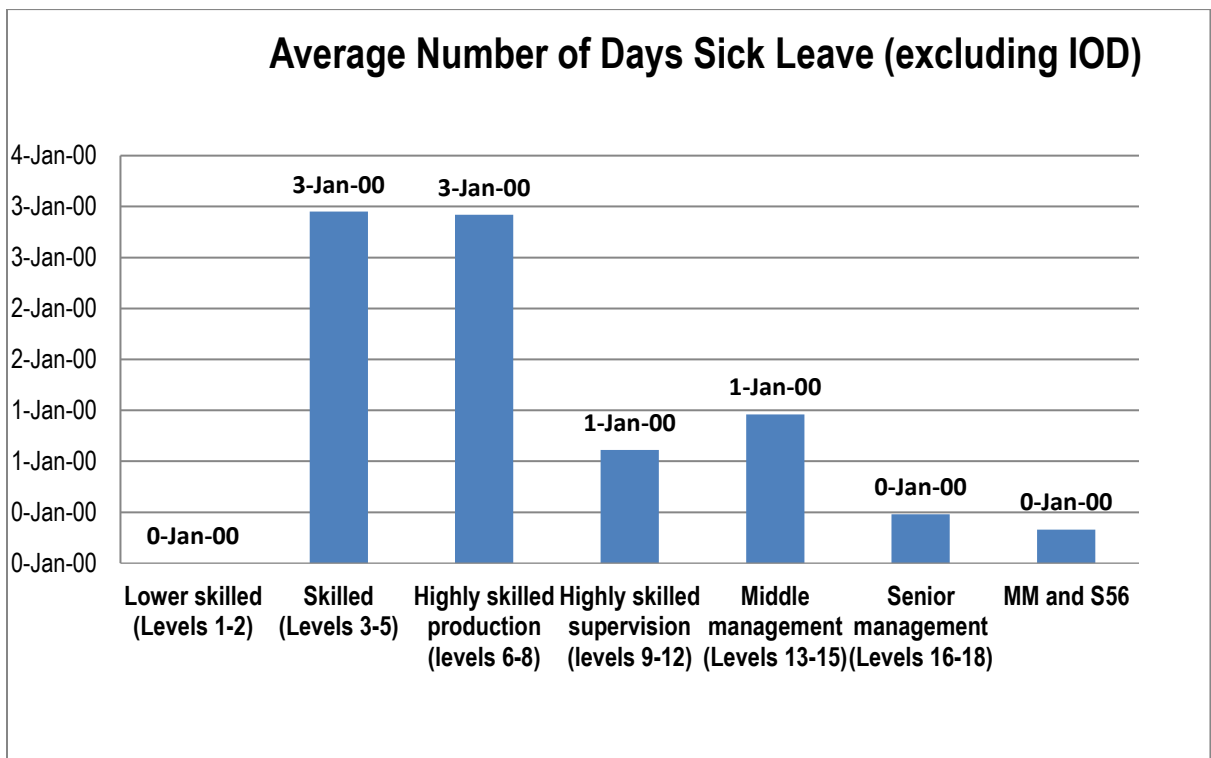
HR Policies and Plans							
Date	Policy Name	Policy Number	Status	Council Resolution	Date of Approval	Comments	Policy Owner
12-Mar-00	ICT Security Policy	C88/12/2019	Approved	C88/12/2019	03/12/2020	Approved	ICT/CS
13-Mar-00	ICT Network Access and Monitoring Policy	C88/12/2019	Approved	C88/12/2019	05/12/2019	Approved	ICT/CS
14-Mar-00	User Access Management Policy	C88/12/2019	Approved	C88/12/2019	12-May-19	Approved	ICT/CS
15-Mar-00	Corporate Governance of ICT Framework	C108/12/2012	Approved	C112/12/2020	12-Mar-20	Approved	ICT/CS

#### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty 2020/2021					
	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
Type of injury	Days	No.	%	Days	R
Required basic medical attention only	39	7	18,00%	3	180 000.00
Temporary total disablement	0	0	0	0	R 0.00
Permanent disablement	0	0	0	0	R 0.00
Fatal	0	0	0,00%	0	R 0.00
<b>Total</b>	<b>39</b>	<b>7</b>	<b>18,00%</b>	<b>3</b>	<b>R180 000.00</b>

T 4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
	Total sick leave	leave without pay	employees using sick	employees in	sick leave per Em	Estimated cost
Salary band	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	0	0	0	0	0,00	
Skilled (Levels 3-5)	410	71	65	95	3,45	
Highly skilled production (levels 6-8)	116	10	30	31	3,42	
Highly skilled supervision (levels 9-12)	135	9	93	112	1,11	
Middle management (Levels 13-15)	63	8	28	133	1,46	
Senior management (Levels 16-18)	13	7	16	25	0,48	
MM and S56	3	3	3	6	0,33	
Total	740	108	235	402	10,25	
* - Number of employees in post at the beginning of the year						T 4.3.2
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						



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 finalized	Date Finalised
Senior Fleet officer	Gross Dishonesty, fraud and corruption and negligence	21 September 2022.	Formal charges against the employee were preferred and the disciplinary hearing is in progress.	The matter is not finalised .
Jetpatcher Driver	Gross Dishonesty and fraud and corruption	24 March 2023.	Formal charges against the employee were preferred the disciplinary hearing is in progress.	The matter is not finalised.
EHP	Gross Dishonesty and fraud and corruption	26 October 2022.	Formal charges were preferred against the employee and disciplinary hearing is in progress.	The matter is not finalised
Regional Town Planner	Gross dishonesty, bringing the employer's name into disrepute ,fraud and corruption	15 March 2023.	Formal charges were preferred against the employee and disciplinary hearing is in progress	The matter is not finalised.
				4.3.5 T

Disciplinary Action on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the Municipality	Disciplinary Action taken	Date Finalised
None	None	None	None
			<i>T 4.3.6</i>

#### COMMENT ON PERFORMANCE REWARDS:

The district has cascaded the Performance Management System successfully to all level. All officials were required to sign Performance Plans against set objectives per occupational category. The performance reviews are conducted on quarterly basis and employees who have achieved the required target are rewarded based on a notch increment of 2.4%. Chapter 4 of the Municipal Staff Regulations requires that Municipalities have to have implemented the Performance Management Development System by 01 July 2022 which was further extended to 01 July 2023. The District is currently in the process of reviewing its Performance Management Policy to be aligned to the Municipal Staff Regulations Chapter 4.

*T 4.4.1.1*



**Photo: Contract Management Training (2024)**



Photo: Contract management training (2024)

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a))	B. Total number of officials employed by municipal entities	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>						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	0
Senior managers	4	0	4	4	4	4
Any other financial officials	23	0	23	23	0	23
<b>Supply Chain Management Officials</b>		0				
Heads of supply chain management units	0	0	0	0	0	1
Supply chain management senior managers	1	0	1	1	0	1
<b>TOTAL</b>	<b>30</b>	<b>0</b>	<b>30</b>	<b>30</b>	<b>6</b>	<b>30</b>
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

#### COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

In order to ensure that the organisation's effectiveness is realised, through the performance management the supervisory posts are required to conduct a personnel needs analysis and make the necessary provision in the Municipal budget. The analysis is conducted through the submission of Skills Audit Questionnaires after performance assessments have been performed.

The Annual Training Report (ATR) and the Workplace Skills Plan (WSP) for the year under review was compiled and submitted to LGSETA and implemented successfully.

The Accounting Officer, Senior Managers of the District as guided by the Municipal Systems Act and Financial officials including Finance interns have met the minimum competency levels as required by the MFMA Competency regulation. This training has been further extended to non-financial managers with funding support from National Treasury.

*T 4.5.4*

#### COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

##### INTRODUCTION TO WORKFORCE EXPENDITURE

The employee-related cost are the biggest expenditure items which has been influenced by various factors including the insourcing of Security Personnel, Environmental Health Practitioners and Performance rewards. However, all the expenditure incurred were in line with the approved salary budget. When the staff establishment is approved, provision is made in the budget for all posts which can be filled and ensure that it recruits employees that are capable of effectively render the service towards achieving the strategic goals of the District.

Furthermore it is crucial important to highlight that the District has implemented the TASK job evaluation and currently in the process of maintenance phase as implementation was done in July 2011. The process of job evaluation is implemented by SALGA Mpumalanga and is moving at a snail pace as some of new positions have to be evaluated.

*T 4.6.0*

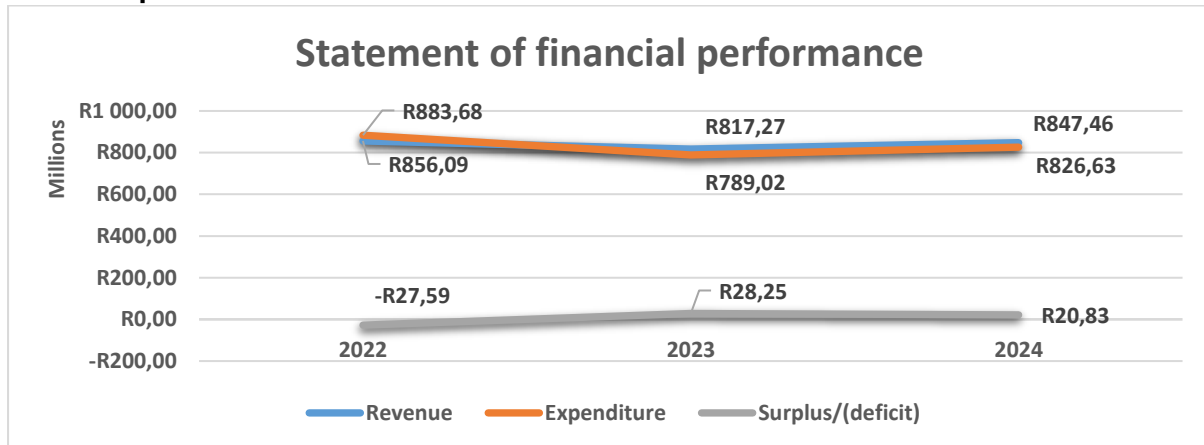
# CHAPTER 5

[FINANCIAL PERFORMANCE]



## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

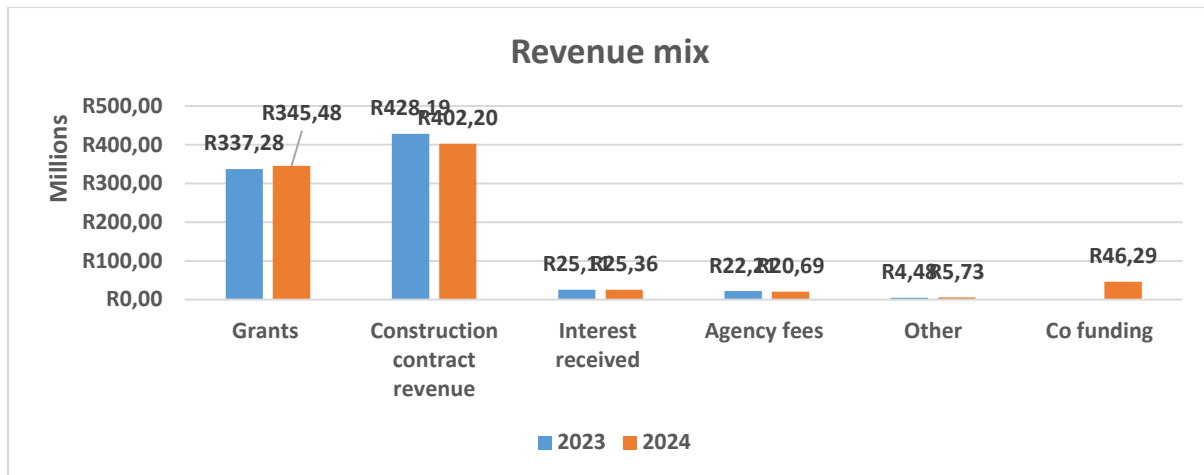
### Revenue performance:



The statement of financial performance of the district appears to be stable as compared to prior years as in the current year it is on surplus of R22.69 million. The revenue of the district was above R800 million for both 2023 and 2024 financial period. This was mainly due to the fact that the district is implementing RBIG project on behalf of some of the local municipalities and Department of Water and Sanitation (DWS), which is currently accounted for as construction revenue. The construction revenue received in the 2023 and 2024 financial period was R428, 2 million and R402, 2 million respectively. Taking out this revenue the district is still more grants dependant which is currently 87% and 88% respectively.

There are cost involved in project managing those projects therefore an agreement was entered into with DWS and the local municipalities where 5% of the projects would be paid to district to compensate for the cost incurred. The administration fees raised in relations to the RBIG has decreased by R1, 5 million in the current year to R20, 69 million.

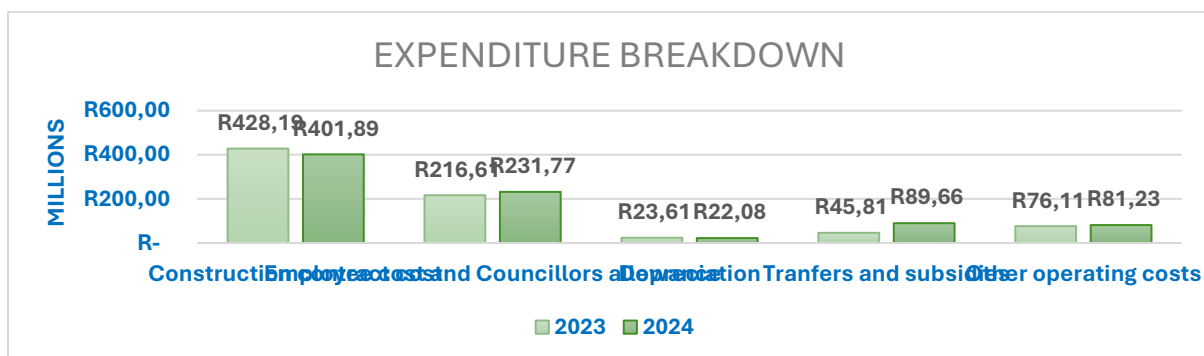
The district is still not generating enough revenue from the laboratory because at the moment it mainly used to test water for the local municipalities within the district which are now charged at cost recovery basis for such service. The revenue received in that regard is R3, 5 million in the current financial period. The total revenue of the district was R847, 5 million which was R11, 2 million less than projected. This was mainly unspent revenue on the construction contract due to some of the projects were completed this year and the other ones were in the planning stage.



### Expenditure of the municipality:

About 49% of the total expenditure was on construction contract costs which has decreased compared to the previous financial year. The employee costs still constitute the second largest portion of the total expenditure at 28%. Even though this appears to be within the norm of 35% to 40% as per the National Treasury guide. If you take out the construction contract revenue the employee costs constitute 55%. This is concerning since the construction contract cost is not permanent in nature and depends on the arrangement with DWS and local municipalities. The municipality is still pursuing some measures to cab this expenditure.

The operating expenditure in the current period has increased by R2, 1 million compared to the previous financial period. The district continue to support local municipality through road gravelling, pothole patching and water testing. The direct cost of the road rehabilitation programme was R55, 8 million relating to that is reflected under transfers and subsidies, however R46, 3 million of that was recovered by the district in the form of co-funding from the local municipalities. They are also indirect operational cost which is attributable to some of these service are not included in transfers and subsidies below as it has been classified under operating expenditure.



## 5.2 GRANTS

### Grants performance:

The district has only received R18 million of the conditional grants in the current financial period, this represent about 5% of the total grants received. The district continue to do well on the grant spent as in the current financial period it was 100%. The grants that have been received in current financial period are Infrastructure skills development grant, rural road asset management grant, EPWP grant as well as financial management grants.

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

The district has asset management policy which is the guiding document for the assets management. There are no issues raised when it comes to asset management within the institution. Auditor General has not raised any major issues with regards to assets in the past 3 financial years. The practice is that on a quarterly basis there are physical verifications that are conducted by the asset team. Each individual is assigned to a responsibility to safe guard assets that they are assigned to.

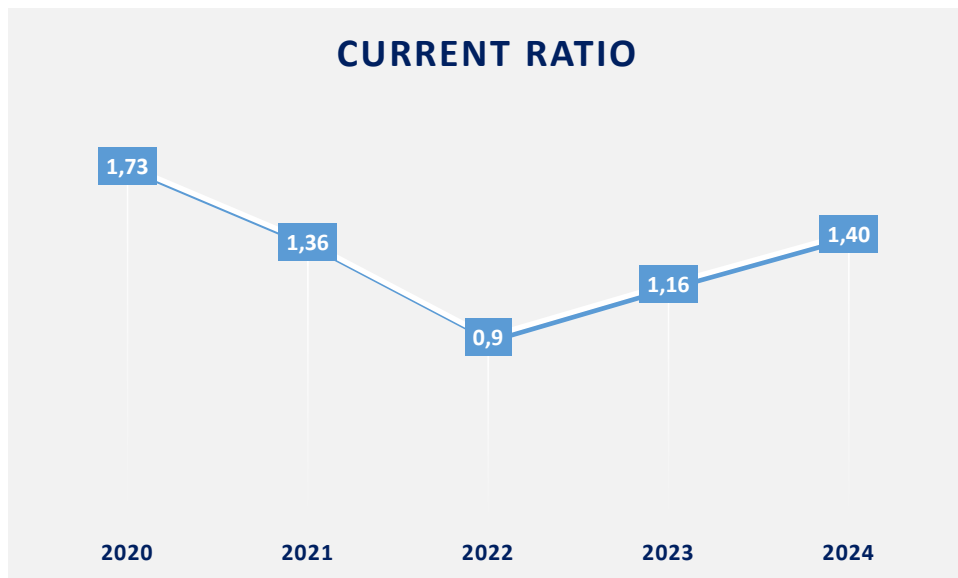
### COMMENT ON ASSET MANAGEMENT:

Bulk of the assets are buildings which consist of main offices, Laboratory and four disaster management centres with a total cost of R373, 9 million. The district has also invested in yellow fleet which is used for road gravelling and pothole patching. The yellow fleet consist of among others graders, water tanker, and tipper truck, lowbed, and TLB, roller, and Jet patcher and honey sucker. The total cost of these yellow fleet is R23, 6 million. These assets are operated by GSDM staff. During the current period the Ermelo airport has been formally transferred by Msukaligwa to Gert Sibande District municipality. The district is currently working on a plan to fully take advantage of the airport and generate the income which is much needed by the district.

### REPAIRS AND MAITENANCE EXPENDITURE:

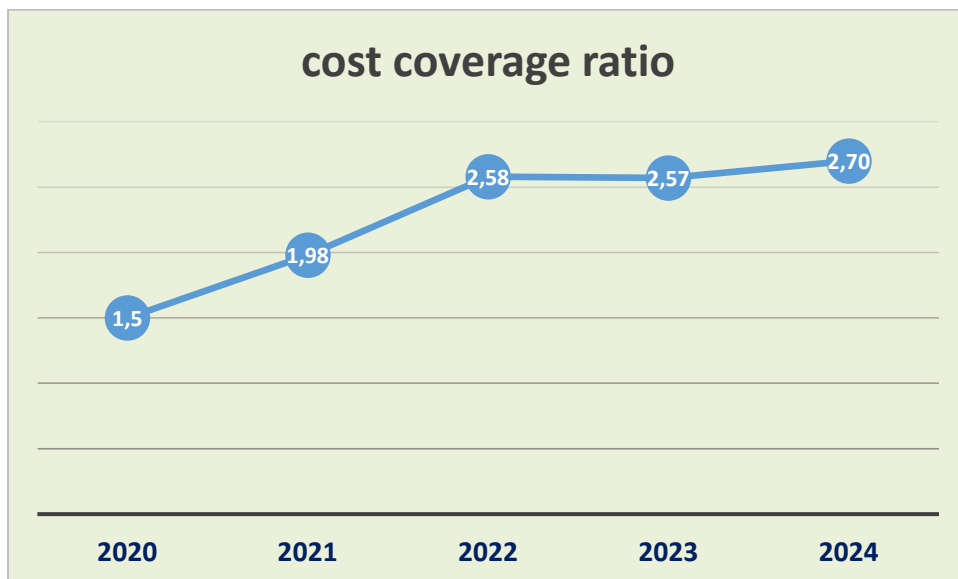
The district has spent R8, 31 million on repairs and maintenance in current financial period. This amount to 3,3% of the total cost of the assets. These are has decreased compared to the previous financial period which was around R8, 67 million. These maintenance on building is reasonable as most of the buildings of the district are fairly new which do not require substantial maintenance.

#### 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



**Liquidity**

**ratio**



**Cost coverage ratio**

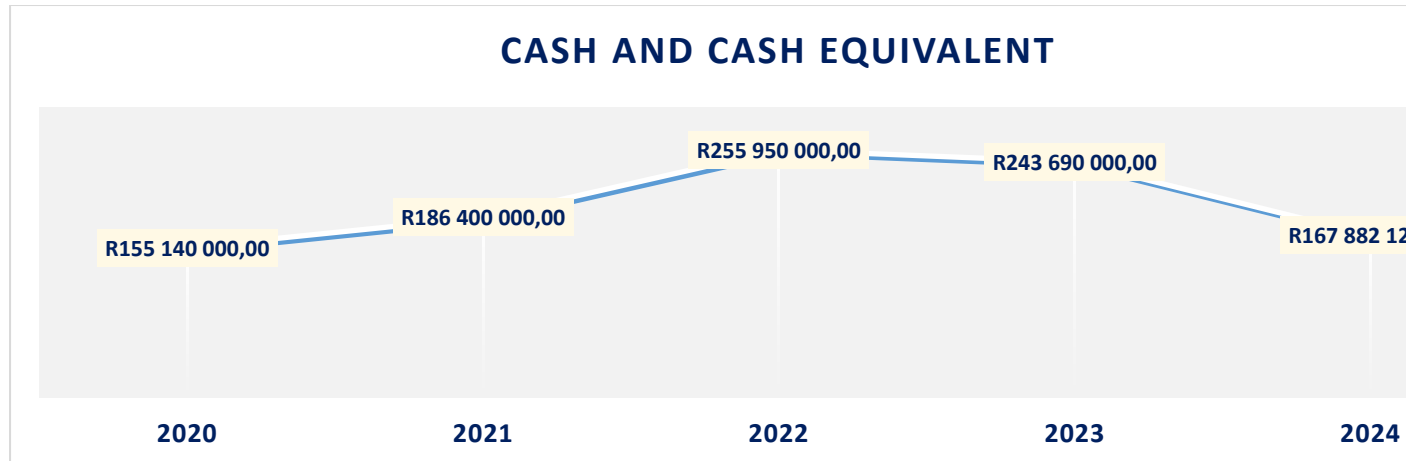
#### COMMENT ON FINANCIAL RATIOS:

The liquidity and cost coverage ratio of the district indicate that it is still in a good financial health. This is indication that with the current cash and cash equivalent the district can be able to pay all its current liability when they become due and could be able to cover its operational expenditure for three months. The cost coverage ratio has improved from 1.5:1 in 2019/2020

financial period to almost 2.70:1 in 2023/2024 financial period. The liquidity ratio has decreased from just 1.73:1 to just below 1.40:1 compared to the same reporting period.

## COMPONENT B: CASH FLOW MANAGEMENT

### 5.5 CASH FLOW



#### COMMENT ON CASH FLOW:

The table above indicate that the cash flow status of the municipality has decreased by R75, 8 million when compared to 2022/2023 financial period due to the fact that the district had to settle the VAT payable which was coming from SARS assessment. When compared to 2019/2020 the increase is around R12, 74 million. The cash and cash equivalent is also able to cover the current liabilities as and when the all fall due.

## COMPONENT C: OTHER FINANCIAL MATTERS

### 5.6 SUPPLY CHAIN MANAGEMENT

The district has fully implemented the SCM policies and practices as developed in the SCM regulations of 2005. In the current financial year there was no non-compliance with SCM prescripts reported by the Auditor General. Furthermore the district did not have any deviations in terms SCM regulation 36. The irregular expenditure as well as the fruitless and wasteful expenditure that was incurred including the current period payments were written off by Council in July 2024 this is after an investigation by the independent law firm and MPAC.

Since the year 2000 there has been various reforms that government has introduced to ensure that previously disadvantaged are included in the mainstream economy through transformed SCM processes. These reforms include amongst others the introduction of Preferential Procurement Policy Framework Act (PPPFA) and Broad Based Black Economic Empowerment Act (BBBEE). In the current financial period awards were made to the value of R145, 7 millions of which 100% was made to level 1 contributor suppliers in terms of their BBBEE status.

## **5.7. GRAP COMPLIANCE**

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

There are no instances of non-compliance with GRAP standards that was reported by the district in the current financial period.

# CHAPTER 6

## AUDITOR GENERAL AUDIT FINDINGS

## INTRODUCTION

In term of the Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General. The annual financial statement and annual performance reports were submitted on the 31<sup>st</sup> of August 2021 Auditor-General. The AG in terms of MFMA will report by 30 November therefore their report is not included in the current draft report.

*T 6.0.1*

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR -2021/2022

### 6.1 AUDITOR GENERAL REPORTS YEAR -2022/2023

There was one non-compliance identified by the Auditor General in 2022/2023 financial period which relates to the Non-compliance with PPR 2017. The institution has developed an audit action plan to address these findings. By 31 August 2023 these the action plan was fully implemented. Please see the following action relating to the non-compliance identified:

Non-compliance issues	Remedial action taken
Non-compliance with PPR 2017: Non-disqualification of tenders that failed to achieve the minimum qualifying score for functionality led to the material noncompliance.	<ol style="list-style-type: none"> <li>1. Member of the bid committee and SCM officials were trained by National and Provincial treasury in May 2024</li> <li>2. All the tenders issued in 2022/2023 financial period were reviewed to identified if they are no similar non compliances</li> <li>3. Irregular and Fruitless and wasteful expenditure was refer to MPAC and independent law firm for investigation and subsequent was written off by Council.</li> </ol>

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

### 6.2 AUDITOR GENERAL REPORT YEAR 2023/2024

Audit report not yet out

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 2022/23
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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.
<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 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 “ <i>what we use to do the work</i> ”. 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 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 EPMDS 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

PARTY MEMBERS	NUMBER OF CLLRS	PART TIME CLLRS	FULL TIME CLLRS	NO. OF FEMALE CLLRS
African National Congress	28	17	11	14
Economic Freedom Fighters	10	10	-	4
Democratic Alliance	7	7	-	1
Freedom Front Plus	2	2	-	0
ARP	1	1	-	0
Traditional Leaders	8	8	-	1
TOTAL	56	45	11	20

### APPENDIX B – COUNCIL COMMITTEES

SECTION 80 COMMITTEES		
<b><u>PLANNING AND ECONOMIC DEVELOPMENT</u></b>  <b>1. Cllr. BM Buthelezi</b> <b>(Chairperson) (ANC)</b> 2. Cllr. A Mahlalela (ANC) 3. Cllr. MR Yende (EFF) 4. Cllr. SJ Mahlangu (DA) 5. Cllr. SA Mabuza (DA)	<b><u>CORPORATE SERVICES</u></b>  <b>1. Cllr. NF Maboja-Boltman</b> <b>(Chairperson) (ANC)</b> 2. Cllr. M Mncina (ANC) 3. N Cllr. T Seimela (EFF) 4. Cllr. TE Mazibuko (ANC) 5. Cllr. ML Molaba (ANC) 6. Cllr. N Gwebu (ANC) 7. Cllr. B A Dlamini (DA)	<b><u>FINANCE</u></b>  <b>1. Cllr. JB Zunguza</b> <b>(Chairperson) (ANC)</b> 2. Cllr. SA Maboja (ANC) 3. Cllr. KA Matshaba (ANC) 4. Cllr. NC van Hyssteen (DA) 5. Cllr. GL Khumalo (EFF) 6. Cllr. DM Thwala (ANC)
<b><u>COMMUNITY AND SOCIAL SERVICES</u></b>  <b>1. Cllr NN Zulu</b> <b>(Chairperson)</b>	<b><u>INFRASTRUCTURE AND TECHNIC SERVICES</u></b>  <b>1. Cllr PV Malatsi</b>	<b><u>SPECIAL PROGRAMMES AND AGRICULTURE</u></b>  <b>1. Cllr. CB Mkhwanazi</b>

(ANC) 2. Cllr. BJ Mhlanga (ANC) 3. Cllr. MR Yende (EFF) 4. Cllr. S Mkhonto (EFF) 5. Cllr. BA Dlamini (DA) 6. Cllr. M Molaba (ANC)	<b>(Chairperson) (ANC)</b> 2. Cllr. NB Sikhakhane (ANC) 3. Cllr. VD Duddley (DA) 4. Cllr. MR Yende (EFF) 5. Cllr. K Webber (FF-Plus) 6. Cllr. TE Mazibuko (ANC)	<b>(Chairperson) (ANC)</b> 2. Cllr. NB Sikhakhane (ANC) 3. Cllr. SA Silosini (DA) 4. Cllr. TH Kgwedi (EFF) 5. Cllr. MP Nkosi (ANC)
<b><u>MONITORING AND EVALUATION</u></b>  <b>1. Cllr. BP Mollo</b> <b>(Chairperson) (ANC)</b> 2. Cllr. SJ Masango (DA) 3. Cllr. TG Mbuli (ANC) 4. Cllr. GR de Vries (FF-Plus) 5. Cllr. MV Nkosi (EFF) 6. Cllr. VS Mahlangu (ANC) 7. Cllr. SA Maboea (ANC)		

<b>SECTION 79 COMMITTEES (OVERSIGHT COMMITTEES)</b>		
<b><u>INFRASTRUCTURE AND MONITORING</u></b>  <b>1. Cllr. S A Maboea</b> <b>(Chairperson) (ANC)</b> 2. Cllr. JH Ndebele (EFF) 3. Cllr. DM Nkambule (DA)	<b><u>RULES AND ETHICS</u></b>  <b>1. Cllr. LS Karim (Chairperson) (EFF)</b> 2. Cllr. NB Sikhakhane (ANC) 3. Cllr. SA Silosini (DA) 4. Cllr. TG Mbuli (ANC)	<b><u>BY-LAWS AND POLICY</u></b>  <b>1. Chairperson – Vacant</b> 2. Cllr. S Mkhonto (EFF) 3. Cllr. ML Molaba (ANC) 4. Cllr. VS Mahlangu (ANC) 5. Cllr. M Mncina (ANC)

<b>SECTION 79 COMMITTEES (OVERSIGHT COMMITTEES)</b>		
4. Cllr. GL Khumalo (EFF) 5. Cllr. DM Thwala (ANC)	5. Cllr. NC Hyssteen (DA) 6. Cllr. DM Nkambule (DA) 7. Cllr. A Mahlalela (ANC)	6. Cllr. JS Mahlangu (DA) 7. Cllr. SV Hlophe (EFF)
<b>MUNICIPAL PUBLIC ACCOUNT COMMITTEE</b>  1. <b>Cllr. NS Nhlapho (Chairperson) (ANC)</b> 2. Cllr. MV Nkosi (EFF) 3. Cllr. V Duddley (DA) 4. Cllr. DP Nkosi (ANC) 5. Cllr. GR de Vries (FF-Plus) 6. Cllr. TG Mbuli (ANC) 7. Cllr. KA Matshaba (ANC)	<b>GEOGRAPHICAL NAME CHANGE</b>  1. <b>Cllr. N Gwebu (Chairperson)</b> 2. Cllr. T. Seimela 3. Cllr. ME Mazibuko 4. Cllr. ML Molaba 5. Cllr. EV Hlophe 6. Cllr. MA Kubheka	<b>LOCAL LABOUR FORUM</b>  1. <b>Cllr. Maboja-Boltman</b> 2. Cllr. DM Thwala 3. Cllr. Gwebu 4. Cllr. MA Kubheka 5. Cllr. BA Dlamini  <i>T 2.1.2</i>

## APPENDIX C – THIRD TIER ADMINISTRATIVE STRUCTURE

<i>Accounting Officer</i>	<b>TOP ADMINISTRATIVE STRUCTURE</b> <b>TIER 1</b> <b>MUNICIPAL MANAGER</b> Mr Absenia Habile
<i>Heads of Department</i>	<b>TIERS 2 AND 3</b> Ms. Makhazasi Radebe (Corporate Services) Mr. Melato Michele (Community & Social Services) Mr Zakhele Buthelezi (Finance) Mr. Bongile Mdutyulwa (Infrastructure & Technical Services) Ms. Pretty Chiloane (Planning, Economic Development & Innovation)

*Deputy* Mr. Francois Gates (Deputy Chief Financial Officer, Department of Finance)

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosure of Financial Interests		
Period 1 July to 2023 to 30 June of 2024		
Position	Name	Description of Financial Interests
<b>Executive Mayor</b>	Mngomezulu MW	Details
<b>Whip of Council</b>	Sekhonde BG	Details
<b>Speaker</b>	Mtshali BH	Details
<b>Member of Mayco/ Exco</b>	Maboa-Boltman NF	Details
	Zunguza JB	Details
	Buthelezi BM	Details
	Malatsi PV	Details
	Zulu NN	Details
	Mollo BP	Details
	Mkhwanazi CB	Details
<b>Councillors</b>	Nhlapho NS	Details
	Bekker D	Details
	Dudley VD	Details
	Nkambule DM	Details
	Kgwedi TH	Details
	Dlamini M	Details
	Karim LS	Details
	Mkhonto S	Details
	Weber KH	Details
	Nkosi DP	Details
	Sikhakhane NB	Details
	Mncina M	Details
	Mbuli TG	Details
	Matshaba KA	Details
	Ndebele JH	Details
	Moeketsi BK	Details
	Zuma NG	Details
	Mazibuko TE	Details
	Mahlangu VS	Details
	Chauke EW	Details
	Seimela T	Details
	De Vries GR	Details
	Masango J	Details
	Van Huyssteen NC	Details
	Kubheka MA	Details
	Maboea SA	Details

Disclosure of Financial Interests		
Period 1 July to 2023 to 30 June of 2024		
Position	Name	Description of Financial Interests
	Molaba ML	Details
	Silosini SA	Details
	Thwala DM	Details
	Gwebu N	Details
	Hlophe VS	Details
	Nkosi MP	Details
	Yende MR	Details
	Thwala TM	Details
	Khumalo GL	Details

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

Date of Committee	Committee recommendation during the year	Recommendation adopted (Enter Yes) if not adopted (provide explanation)
20 July 2023	Internal Audit should add CPD hours in their report.	Yes
20 July 2023	Management should include the comparison and any variance above 5% should be explained.	Yes
20 July 2023	The Committee resolved that Management should share the investment strategy before they make any investment decisions.	Yes
20 July 2023	Management must send AFS year end plan to the Committee before the next Audit Committee meeting.	Yes
20 July 2023	Management should include a detailed report on employee wellness.	Yes
30 August 2023	Make sure VAT payable is correctly disclosed as it is material.	Yes
03 November 2023	The matters which is stated as “PC” which translates to partially conforms should be addressed in an action plan	Yes



<b>Date of Committee</b>	<b>Committee recommendation during the year</b>	<b>Recommendation adopted (Enter Yes) if not adopted (provide explanation)</b>
03 November 2023	The Investment Policy and applicable legislation be presented to the Committee at the next meeting	Yes
03 November 2023	The ICT Security Policy be presented to the next sitting of the Audit Committee.	Yes
03 November 2023	The ICT Strategy be recommended to Council for approval	Yes
19 January 2024	On the functionality issue from procurement, Management must come to a conclusion in terms of acceptance of the finding and develop remedial action for this finding.	Yes
19 January 2024	Management to schedule a meeting between the Audit Committee and Management on how to work together in the next audit and set a target for a clean audit opinion.	Yes
19 January 2024	The Municipal Manager to share the AG action plan with the Audit Committee monthly.	Yes
09 February 2024	Management should ensure that the Internal Audit unit is capacitated as it was raised in the Quality Assurance Report that Internal Audit has limited resources.	Yes
09 February 2024	Management to make a proposal to the Executive Mayor to engage Mayors and Management from the local municipalities on issues of non-compliance with the water standards.	Yes
09 February 2024	If there are trainings that the Audit Committee can attend, please extend the invitation for us to enhance our skills.	Yes
09 February 2024	The Committee requested a summarised report with comparisons of estimated exposure from quarter to quarter.	Yes
09 February 2024	They requested an evaluation report of the panel of attorneys with the number of cases allocated per attorney, number of cases won/ lost and cost to date.	Yes

Date of Committee	Committee recommendation during the year	Recommendation adopted (Enter Yes) if not adopted (provide explanation)
17 May 2024	Management must adhere to the deadlines for the implementation of remedial actions for the audit findings.	Yes
17 May 2024	The Operational Plan for 2024/25 be approved.	Yes
17 May 2024	The valuation of the investment property should be addressed adequately	Yes
17 May 2024	The risks regarding fleet management need to be addressed	Yes
28 June 2024	The Audit and Performance Audit Committee Charter be approved.	Yes
28 June 2024	The Internal Audit Charter be approved	Yes
28 June 2024	The combined assurance framework be approved	Yes

#### APPENDIX I – DISCLOSURE OF INTERESTS BY COUNCILLORS

Disclosure of Financial Interests		
Period 1 July 2023 to 30 June 2024		
Position	Name	
<b>Executive Mayor</b>	Mngomezulu MW	Submitted
<b>Whip of Council</b>	Sekhonde BG	Submitted
<b>Speaker</b>	Mtshali BH	Submitted
<b>Member of Mayco/ Exco</b>	Maboa-Boltman NF	Submitted
	Zunguza JB	Submitted
	Buthlezi BM	Submitted
	Malatsi PV	Submitted
	Zulu NN	Submitted
	Mollo BP	Submitted
	Mkhwanazi CB	Submitted
<b>Councillors</b>	Nhlapho NS	Submitted
	Bekker D	Submitted
	Dudley VD	Submitted
	Nkambule DM	Submitted
	Kgwedi TH	Submitted
	Dlamini M	Submitted

Disclosure of Financial Interests		
Period 1 July 2023 to 30 June 2024		
Position	Name	
	Karim LS	Submitted
	Mkhonto S	Submitted
	Weber KH	Submitted
	Nkosi DP	Submitted
	Sikhakhane NB	Submitted
	Mncina M	Submitted
	Mbuli TG	Submitted
	Matshaba KA	Submitted
	Ndebele JH	Submitted
	Moeketsi BK	Submitted
	Zuma NG	Submitted
	Mazibuko TE	Submitted
	Mahlangu VS	Submitted
	Chauke EW	Submitted
	Seimela T	Submitted
	De Vries GR	Submitted
	Masango J	Submitted
	Van Huyssteen NC	Submitted
	Kubheka MA	Submitted
	Maboea SA	Submitted
	Molaba ML	Submitted
	Silosini SA	Submitted
	Thwala DM	Submitted
	Gwebu N	Submitted
	Hlophe VS	Submitted
	Nkosi MP	Submitted
	Yende MR	Submitted
	Thwala TM	Submitted
	Khumalo GL	Submitted

#### APPENDIX I – DISCLOSURE OF INTERESTS BY TOP TIER PERIOD ENDING 30 JUNE 2024

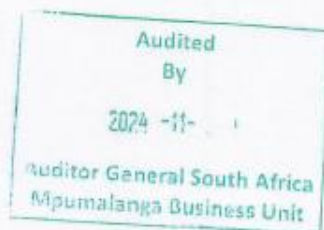
Position	Name	Status
<b>Accounting Officer</b>		
Municipal Manager	Absenia Habile	Submitted
<b>General Managers</b>		
Corporate Services	Makhazasi Radebe	Submitted
Planning, Economic Development and Innovation.	Pretty Chiloane	Submitted
Finance	Zakhele Buthelezi	Submitted
Community and Social Services	Melato Michele	Submitted
Infrastructure Technical Service	Bongile Mdutyulwa	Submitted
<b>Deputy Senior Officers</b>		
Deputy Chief Financial Officer	Francois Gates	Submitted

**VOLUME II – ANNUAL FINANCIAL STATEMENTS FOR 2022/ 2023.**

Attached is the Annual Financial Statements for Financial Year ending 30 June 2024.



GERT SIBANDE DISTRICT MUNICIPALITY  
Annual Financial Statements  
for the year ended 30 June 2024



## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### General Information

Legal form of entity	District Municipality
Nature of business and principal activities	A Category C Municipality established in terms of the Structures Act 117 of 1998 which execute some of the functions of Local Government (DC30) and Section 155(c) of the Constitution of the Republic of South Africa, 1996.
Speaker	Sekhonde BG
Executive Mayor	Mngomezulu MW
Chief Whip	Mtshali BH
Grading of local authority	3
Accounting Officer	Habile CA
Chief Finance Officer (CFO)	Buthelezi ZR
Registered office	Cnr Joubert & Oosthuise Street Ermelo Mpumalanga 2351
Business address	Cnr Joubert & Oosthuise Street Ermelo Mpumalanga 2351
Postal address	PO Box 1748 Ermelo Mpumalanga 2350
Bankers	First National Bank
Auditor	Auditor General of South Africa (AGSA)
Attorneys	Panel attorneys
Contact Details	Telephone: +27 (17) 8 01 7000 Fax: +27 (17) 811 1207 E-mail: <a href="mailto:Records@gsibande.gov.za">Records@gsibande.gov.za</a> Web site: <a href="http://www.gsibande.gov.za">www.gsibande.gov.za</a>
Income Tax status	Lankalebalele L (Chairperson audit committee) Rasalanavho T Thenga O Simelane S  Exempt for Income Tax in terms of section 10(1)(a) as part of the Local Government sphere of government of the Republic of South Africa

Audited  
By  
2024 -11- | J  
Auditor General South Africa  
Mpumalanga Business Unit

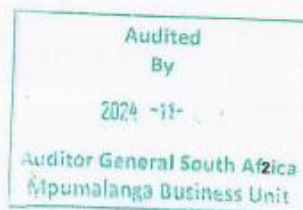
# **GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

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<b>Abbreviation</b>	<b>Description</b>
DORA	Division of Revenue Act
DWS	Department of Water and Sanitation
EPWP	Expanded Public Works Programme
FMG	Finance Management Grant
GRAP	Generally Recognised Accounting Practice
GSDM	Gert Sibande District Municipality
ISDG	Infrastructure Skills Development Grant
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
PAYE	Pay As You Earn
RRAMS	Rural Road Asset Management Grant
RBIG	Regional Bulk Infrastructure Grant
SALGA	South African Local Government Association
SARS	South African Revenue Services
VAT	Value Added Tax
UIF	Unemployment Insurance Fund





## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

As much as the statement of financial performance indicate that the revenue of the municipality is almost 50% split between grants and own revenue, this because of the revenue from construction contract RBIG projects implemented on behalf of the LMs and DWS. Should we not take that into account it is clear that the municipality largely depends on grants revenue.

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

Although the accounting officer is primarily responsible for the financial affairs of the municipality, they are supported the Audit Committee and the Executive Mayor.

The unaudited annual financial statements have been prepared on the going concern basis, in terms of Section 126(1) of the MFMA and which I have signed on behalf of GSDM 31 August 2024 ;

Habile CA  
Municipal Manager





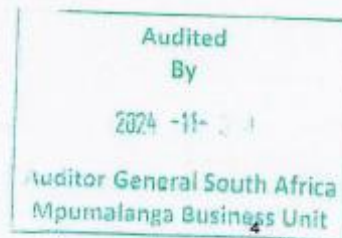
**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Statement of Financial Position as at 30 June 2024**

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	167 882 125	243 687 362
Inventories	4	1 277 440	1 247 000
Prepayments	5	2 898 812	2 210 982
Receivables from exchange transactions	6	68 387 123	8 456 603
Receivables from non-exchange transactions	11	64 625	64 644
		<b>240 510 125</b>	<b>255 666 591</b>
<b>Non-Current Assets</b>			
Heritage assets	7	159 250	159 250
Intangible assets	8	1 775 310	2 321 847
Investment property	9	22 300 689	22 300 689
Property, plant and equipment	10	245 529 203	257 294 152
Receivables from non-exchange transactions	11	1 108 319	997 540
		<b>270 872 771</b>	<b>283 073 478</b>
<b>Total Assets</b>		<b>511 382 896</b>	<b>538 740 069</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Consumer deposits	12	140 518	99 275
Employee benefit- bonus	13	5 156 928	4 715 311
Finance lease obligation	14	216 863	702 025
Long service provision	15	1 143 000	2 519 000
Payables from exchange transactions	16	162 000 295	98 890 063
Payables from non-exchange transactions	17	620 632	9 341 439
Post retirement benefit obligations	18	85 000	78 000
VAT payable	19	1 853 217	105 836 784
		<b>171 216 453</b>	<b>222 181 917</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	14	399 636	-
Long service provision	15	13 453 000	11 482 000
Post retirement benefit obligations	18	644 000	623 000
		<b>14 496 636</b>	<b>12 105 000</b>
<b>Total Liabilities</b>		<b>185 713 089</b>	<b>234 286 917</b>
<b>Net Assets</b>		<b>325 669 807</b>	<b>304 453 152</b>
Accumulated surplus		325 669 807	304 453 152
<b>Total Net Assets</b>		<b>325 669 807</b>	<b>304 453 152</b>

\* See Note 46



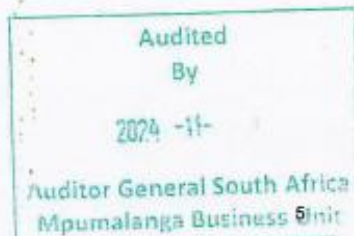
**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Statement of Financial Performance**

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Co Funding received from Local Municipalities	20	46 293 668	-
Interest received	21	25 358 613	25 112 217
Other income	22	23 787 510	22 883 944
Rendering of services		798 311	804 986
Revenue from construction contracts	23	401 886 860	426 502 932
Service charges	24	3 474 553	3 001 362
<b>Total revenue from exchange transactions</b>		<b>501 599 615</b>	<b>480 305 441</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants and subsidies	25	345 475 000	337 276 000
Proceeds from Insurance		73 496	-
<b>Total revenue from non-exchange transactions</b>		<b>345 548 496</b>	<b>337 276 000</b>
<b>Total revenue</b>		<b>847 148 011</b>	<b>817 581 441</b>
<b>Expenditure</b>			
Construction contract cost	26	(401 886 833)	(426 502 932)
Depreciation and amortisation	27	(22 079 885)	(23 605 199)
Employee related costs	28	(215 524 916)	(202 148 126)
Finance costs	29	(1 579 203)	(4 620 313)
Lease	30	(123 237)	(115 175)
Loss on disposal of assets and liabilities		(112 978)	(217 357)
Operating costs	31	(79 924 025)	(71 156 108)
Remuneration of councillors	32	(14 954 095)	(14 401 113)
Transfers and Subsidies	33	(89 680 213)	(45 495 971)
PPE Impairment Loss		(85 973)	-
<b>Total expenditure</b>		<b>(825 931 356)</b>	<b>(790 322 294)</b>
<b>Surplus for the year</b>		<b>21 216 655</b>	<b>27 259 147</b>

\* See Note 45



**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Statement of Changes in Net Assets**

Figures in Rand	Accumulated surplus / deficit	Total net assets
Balance at 01 July 2022		
Changes in net assets	277 194 005	277 194 005
Surplus for the year	27 259 147	27 259 147
Total changes	27 259 147	27 259 147
Restated* Balance at 01 July 2023	304 453 152	304 453 152
Changes in net assets	21 216 655	21 216 655
Surplus for the year	21 216 655	21 216 655
Total changes	21 216 655	21 216 655
Balance at 30 June 2024	325 669 807	325 669 807

\* See Note 46

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**Cash Flow Statement**

Figures in Rand	Note(s)	2024	2023 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services			9 300 046
Grants		(58 586 727)	337 276 000
Interest income		345 475 000	25 112 217
Other receipts		25 358 613	452 230 387
		472 807 592	787 074 478
			823 918 650
<b>Payments</b>			
Employee costs			(218 296 465)
Suppliers		(232 602 235)	(561 839 986)
Finance costs		(530 585 686)	(3 011 817)
Grants paid		-	(45 807 337)
		(89 660 213)	(852 848 134)
			(828 955 607)
<b>Net cash flows from operating activities</b>	<b>35</b>	<b>(65 773 656)</b>	<b>(5 083 487)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(9 344 144)	(6 423 286)
Proceeds from sale of property, plant and equipment	10	246 112	425 068
Purchase of other intangible assets	8	(100 086)	-
<b>Net cash flows from investing activities</b>		<b>(9 198 120)</b>	<b>(5 998 218)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(833 461)	(1 179 888)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(75 805 237)</b>	<b>(12 261 593)</b>
Cash and cash equivalents at the beginning of the year		243 687 362	255 950 957
<b>Cash and cash equivalents at the end of the year</b>	<b>3</b>	<b>167 882 125</b>	<b>243 689 364</b>

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**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Statement of Comparison of Budget and Actual Amounts**

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges	1 000 000	2 000 000	3 000 000	3 474 553	474 553	42 (1)
Rendering of services	700 000	200 000	900 000	798 311	(101 689)	42 (2)
Revenue from construction contract	-	410 000 000	410 000 000	401 886 860	(8 113 140)	42 (3)
Other income	25 481 560	451 000	25 912 560	23 787 510	(2 125 050)	
Co Funding received from Local Municipalities	-	48 250 188	48 250 188	46 293 668	(1 956 520)	
Interest received - investment	21 069 670	4 000 000	25 069 670	25 358 613	288 943	
<b>Total revenue from exchange transactions</b>	<b>48 231 230</b>	<b>464 901 188</b>	<b>513 132 418</b>	<b>501 599 515</b>	<b>(11 532 903)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	345 975 000	(500 000)	345 475 000	345 475 000	-	
Other transfer revenue 1	-	-	-	73 498	73 496	
<b>Total revenue from non-exchange transactions</b>	<b>345 975 000</b>	<b>(500 000)</b>	<b>345 475 000</b>	<b>345 548 498</b>	<b>73 496</b>	
<b>Total revenue</b>	<b>394 206 230</b>	<b>464 401 188</b>	<b>858 607 418</b>	<b>847 148 011</b>	<b>(11 459 407)</b>	
<b>Expenditure</b>						
Employee related costs	(231 914 410)	9 388 495	(222 525 915)	(215 524 916)	7 000 999	42 (4)
Remuneration of councillors	(15 943 070)	-	(15 943 070)	(14 954 095)	988 975	
Depreciation and amortisation	(26 821 250)	-	(26 821 250)	(22 079 885)	4 741 365	42 (5)
Finance costs	(1 480 000)	-	(1 480 000)	(1 579 203)	(99 203)	
Lease rentals on operating lease	(303 620)	-	(303 620)	(123 237)	180 383	
Debt Impairment	-	-	-	(85 973)	(85 973)	
Construction contract costs	-	(410 000 000)	(410 000 000)	(401 888 833)	8 113 167	42 (3)
Transfers and Subsidies	(35 997 070)	(57 089 657)	(93 086 727)	(89 660 213)	3 426 514	42 (6)
General Expenses	(88 923 810)	831 510	(88 092 300)	(79 924 025)	8 168 275	42 (7)
<b>Total expenditure</b>	<b>(401 383 230)</b>	<b>(456 869 652)</b>	<b>(858 252 882)</b>	<b>(825 818 380)</b>	<b>32 434 502</b>	
<b>Operating surplus</b>	<b>(7 177 000)</b>	<b>7 531 536</b>	<b>354 536</b>	<b>21 329 631</b>	<b>20 975 095</b>	
Loss on disposal of assets and liabilities	-	-	-	(112 976)	(112 976)	
<b>Surplus before taxation</b>	<b>(7 177 000)</b>	<b>7 531 536</b>	<b>354 536</b>	<b>21 216 655</b>	<b>20 862 119</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>(7 177 000)</b>	<b>7 531 536</b>	<b>354 536</b>	<b>21 216 655</b>	<b>20 862 119</b>	

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**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Accounting Policies**

Figures in Rand	Note(s)	2024	2023
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**1. Significant accounting policies**

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

**1.1 Presentation of Annual Financial Statements**

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand

The amounts are rounded to the nearest Rand

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below

These accounting policies are consistent with the previous period.

**1.2 Going concern assumption**

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

**1.3 Significant judgements and sources of estimation uncertainty**

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

**Impairment of property, plant and equipment**

Majority of the assets of the municipality are not used for commercial purposes or gain, however they are either used for administrative purposes or for service delivery purposes. The impairment of property, plant and equipment (PPE) is based on an assessment of the extent to which the recoverable amount of the asset has declined below the carrying amount and they are no longer usable in its current form and management has no intention to use these assets any further. This was performed across all classes of property, plant and equipment

**Useful lives of property, plant and equipment, investment property and intangible assets**

The useful lives of assets are based on management's estimates. Management considers the impact of technology, service requirements and required return on assets to determine the optimum useful-life expectation, where appropriate. The estimated residual values of assets are also based on management's judgement on whether the assets will be sold, held indefinitely or used to the end of their useful lives, and what their condition will be at that time

**Post-retirement benefits and long service awards**

The cost of defined-benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty

Other key assumptions for post retirement benefit obligations are based on current market conditions. Additional information is disclosed in Note 18.

**Provisions, contingent liabilities and contingent assets**

Management's judgemental is required when recognising and measuring provisions, as well as when measuring contingent liabilities and assets. Provisions are discounted, where the effect of discounting is material, using cost of capital

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## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.4 Cash and cash equivalents

Cash and cash equivalents are measured at their amortised cost.

#### 1.5 Investment property

Investment property is property (land or buildings and infrastructure) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

#### Derecognition

Investment property is derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

#### 1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

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## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.6 Property, plant and equipment (continued)

Item	Depreciation method	Average useful life
<b>Land</b>		
- Land	Straight-line	Indefinite
<b>Buildings</b>		
- Office buildings	Straight-line	30
- Laboratories	Straight-line	30
- Disaster centres	Straight-line	30
- Elevator system	Straight-line	20
- Transformer	Straight-line	60
- Solar panels	Straight-line	7
- Carports / garages / shelters	Straight-line	15
<b>Furniture and fixtures</b>		
- Furniture and fixtures	Straight-line	7
- Office furniture	Straight-line	7
- Office equipment	Straight-line	5
<b>IT Equipment</b>		
- IT Equipment	Straight-line	5
- Communication equipment	Straight-line	2
- Leased copiers	Straight-line	3
<b>Motor vehicles</b>		
- Motor vehicles	Straight-line	7
- Construction vehicles	Straight-line	10
<b>Plant and machinery</b>		
- Plant and machinery	Straight-line	5
- Laboratory equipment	Straight-line	5

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 31).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 10).

#### 1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Accounting Policies****1.7 Intangible assets (continued)**

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

All other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	5

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 8).

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

**1.8 Heritage assets**

An inalienable item is an asset that an municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

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

**Recognition**

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

**Initial measurement**

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

**Subsequent measurement**

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

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## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.8 Heritage assets (continued)

##### Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

##### Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

##### Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

#### 1.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

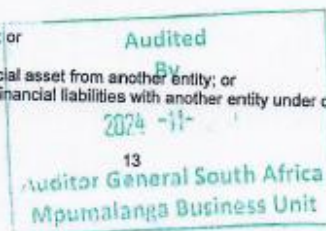
Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.





## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.9 Financial instruments (continued)

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of utilised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

#### Initial recognition

The entity recognises a financial asset or financial liability in its statement of financial position when the entity becomes party to the contractual provisions of the instrument.

#### Initial measurement of financial assets and liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value (if subsequently measured at fair value).

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

#### Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost

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## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.9 Financial Instruments (continued)

The following are the financial assets and liabilities measured at amortised cost:

Type of financial assets	Measurement
• Trade and other receivable from exchange transactions	Amortised cost
• Cash and cash equivalents	Amortised cost
Type of financial liabilities	Measurement
• Trade and other payables from exchange transactions	Amortised cost
• Payables from non-exchange transactions	Amortised cost
• Consumer deposits	Amortised cost
• Financial lease obligation - current liability	Amortised cost

#### Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

#### Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

#### Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

#### Financial assets measured at cost.

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

#### Derecognition

##### Financial Assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

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## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.9 Financial instruments (continued)

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

#### Financial liability

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

#### Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

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## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

##### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

##### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

#### 1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

The weighted average method is the basis of allocating cost to inventories

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

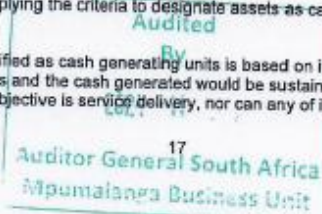
#### 1.12 Impairment of non-cash-generating assets

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Judgments made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

The criteria is that for assets to be classified as cash generating units is based on its ability to generate cash flow for commercial independent from other units and the cash generated would be sustainable. The municipality does not have any cash generating assets, as its primary objective is service delivery, nor can any of its assets be associated with the purpose of making a commercial return.





## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.12 Impairment of non-cash-generating assets (continued)

##### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

##### Value in use

Value in use of a non-cash-generating asset is the present value of the non-cash-generating remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach

##### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the current reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

##### Recognition and measurement

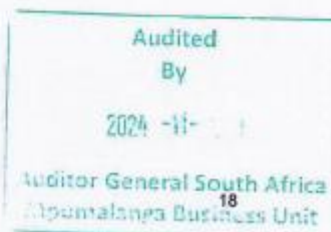
If the recoverable amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.



## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.12 Impairment of non-cash-generating assets (continued)

##### Reversal of impairment loss:

The municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### 1.13 Study bursary assets

The municipality awards some bursaries to its staff member to further their education. The conditions of these bursaries are that the employees must pass their subjects and upon completion of the further qualification they are expected work back the period spent to complete these studies. These are classified as receivable from non-exchange transaction as the employees are expected to repay back the bursary if the conditions are not met.

##### Initial recognition and measurement

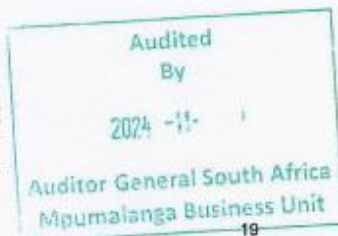
The study bursary are initially recognised in books of the municipality at the cost paid to the academic institution that the employee enrolled with as receivable from non-exchange transaction.

##### Subsequent measurement

After initial recognition the study bursary related receivables are carried at amortised cost. These study bursaries are a subject to an impairment review.

##### Derecognition

The receivable from non-exchange transaction relating to study bursary is derecognised should an employee meet the conditions as per the contract that they worked back the period of study and achieved the academic achievement. In this case therefore this transaction is then expensed in the statement of financial performance.





**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Accounting Policies****1.14 Employee benefits****Identification****Employee benefits**

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

**Short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employee

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset

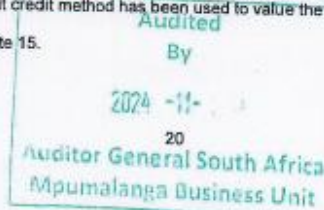
The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognises the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

**Long services awards**

The municipality provides long-service leave to eligible employees, payable on completion of years of employment. The Entity's liability is based on an actuarial valuation. Any unwinding of discount is charged to the statement of financial performance as an employee-related cost. Actuarial gains and losses on the long-term incentives are fully accounted for in the statement of financial performance. The projected unit credit method has been used to value the obligation.

Additional information is disclosed in Note 15.

**Post-employment benefits**

## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.14 Employee benefits (continued)

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

The municipality provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff.

#### Post-employment benefits: Defined benefit plans

##### Recognition and measurement

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly
- plus any liability that may arise as a result of a minimum funding requirement

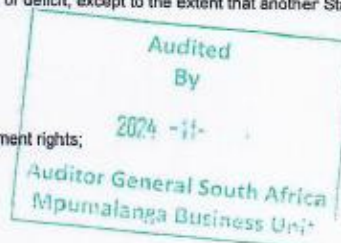
The amount determined as a defined benefit liability may be negative (an asset). The entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money

Any adjustments arising from the limit above is recognised in surplus or deficit

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset

- current service cost;
- interest cost
- the expected return on any plan assets and on any reimbursement rights;





## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.14 Employee benefits (continued)

- actuarial gains and losses
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability)

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations

Post-employment benefit obligations are measured on a basis that reflects:

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## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.14 Employee benefits (continued)

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

#### Termination benefits

##### Recognition and measurement

The entity recognises a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of GRAP 19 and involves the payment of termination benefits

The entity recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The entity is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes:

- the location, function, and approximate number of employees whose services are to be terminated
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the benefit.

#### 1.15 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision is used only for expenditures for which the provision was originally recognised.

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## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.15 Provisions and contingencies (continued)

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 37.

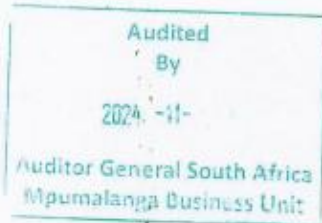
#### 1.16 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancelable or only cancelable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.





## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

##### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

##### Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised in surplus or deficit, using the effective interest rate method.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

#### 1.18 Revenue from non-exchange transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

##### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

##### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

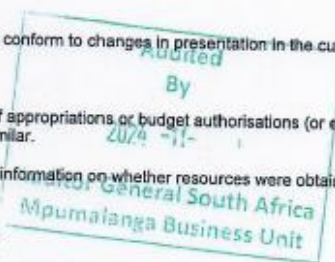
#### 1.19 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

#### 1.20 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.



## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.20 Budget information (continued)

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2023/07/01 to 2024/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

#### 1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

#### 1.22 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

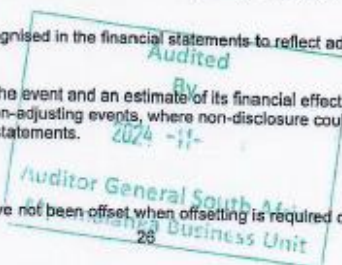
- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

#### 1.23 Offsetting

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





## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Accounting Policies

#### 1.24 Value added tax

The municipality is registered with the South African Revenue Services as a VAT vendor in accordance with section 15(2) of the Value Added Tax Act (Act no 89 of 1991).

The Municipality accounts for Value Added Tax on the payment basis as per the Value Added Tax Act.

#### 1.25 Construction contracts and receivables

Construction contract is a contract, or a similar binding arrangement, specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Contractor is an entity that performs construction work pursuant to a construction contract.

Cost plus or cost based contract is a construction contract in which the contractor is reimbursed for allowable or otherwise defined costs and, in the case of a commercially-based contract, an additional percentage of these costs or a fixed fee, if any.

Fixed price contract is a construction contract in which the contractor agrees to a fixed contract price, or a fixed rate per unit of output, which in some cases is subject to cost escalation clauses.

A contractor is an entity that enters into a contract to build structures, construct facilities, produce goods, or render services to the specifications of another entity either itself or through the use of sub-contractors. The term "contractor" thus includes a general or prime contractor, a subcontractor to a general contractor, or a construction manager.

The entity assesses the terms and conditions of each contract concluded with customers to establish whether the contract is a construction contract or not. In assessing whether the contract is a construction contract, an entity considers whether it is a contractor.

Where the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, as measured by completion of a physical proportion of the contract work.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent that contract costs incurred are recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected deficit is recognised as an expense immediately.

#### 1.26 Fruitless and wasteful expenditure

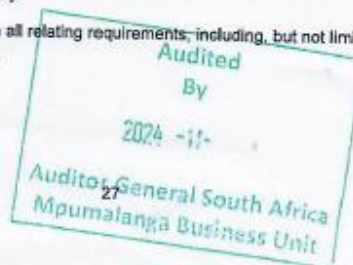
Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Guidelines.

#### 1.27 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Guidelines.





**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand

2024 2023

**2. New standards and interpretations****2.1 Standards and interpretations effective and adopted in the current year**

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IGRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	The impact of the standard is not material.
• GRAP 25 (as revised): Employee Benefits	01 April 2023	The impact of the standard is not material.
• GRAP 2020: Improvements to the Standards of GRAP 2020	01 April 2023	The impact of the standard is not material.
• GRAP 1 (amended): Presentation of Financial Statements (Materiality)	01 April 2023	The impact of the standard is not material.

**2.2 Standards and interpretations issued, but not yet effective**

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 103 (as revised): Heritage Assets	01 April 2025	Unlikely there will be a material impact.
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact.

**3. Cash and cash equivalents**

Cash and cash equivalents consist of:

Cash on hand	8 100	8 100
Bank balances	167 874 025	243 679 262
	<b>167 882 125</b>	<b>243 687 362</b>

The municipality has a positive bank balance with FNB under current and call Accounts. There is no cash amount held as security and the bank has a good credit rating.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
FNB BANK - Current Account - 626-3839-6334	6 895 092	6 387 702	8 225 017	167 874 025	243 679 264	255 942 857
FNB BANK - Call Account - 626-1377-7848	160 985 719	237 303 161	247 719 523	-	-	-
<b>Total</b>	<b>167 880 811</b>	<b>243 690 863</b>	<b>255 944 540</b>	<b>167 874 025</b>	<b>243 679 264</b>	<b>255 942 857</b>

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**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>4. Inventories</b>		
Inventory stores	1 277 440	1 247 000
<b>Inventory pledged as security</b>		
No inventory was pledged as security.		
No inventory was written down during the financial period.		
Inventory relates to consumables utilised for operational purposes.		
<b>5. Prepayments</b>		
SALGA	2 358 775	2 210 982
Other prepayments expenses	540 036	-
	<b>2 898 811</b>	<b>2 210 982</b>

Prepayments consists of SALGA and other expenses which were prepaid as at June 2024 such as licence fees. In terms of the SALGA prepayment the municipality made use of incentives provided from SALGA for early payments of fees. This incentives could only be utilised if payment was made before 30 June 2024.

**6. Receivables from exchange transactions**

Trade debtors	3 566 681	3 136 705
Deposits	28 200	28 200
Agency Fees from DWS	2 482 238	-
RBIG Receivables from DWS	47 853 321	-
Insurance debtor	-	48 220
Receivables from Govan Mbeki local municipality	14 456 683	4 885 408
	<b>68 387 123</b>	<b>8 098 533</b>

**Credit quality of receivables from exchange transactions**

The credit quality of trade and other receivables that are past due not impaired can be assessed by reference to historical information about counterparty default rates. Majority of these receivables are off good quality and has subsequently paid of some of their debts.

**Trade and other receivables past due but not impaired**

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2024, the amount of R 3 566 681 (2023: R 3 136 705) were past due but not impaired.

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**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

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**7. Heritage assets**

	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiques and exhibits	159 250	-	159 250	159 250	-	159 250

**Reconciliation of heritage assets 2024**

Art Collections, antiques and exhibits	Opening balance 159 250	Total 159 250
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**Reconciliation of heritage assets 2023**

Art Collections, antiques and exhibits	Opening balance 159 250	Total 159 250
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**Pledged as security**

There is no heritage assets pledged as security.

No repairs and maintenance was required for the heritage assets

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**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

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**8. Intangible assets**

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	3 696 302	(2 111 072)	1 775 310	3 786 292	(1 464 446)	2 321 847

**Reconciliation of intangible assets - 2024**

	Opening balance	Additions	Amortisation	Total
Computer software, other	2 321 847	99 600	(846 625)	1 775 310

**Reconciliation of intangible assets - 2023**

	Opening balance	Amortisation	Total
Computer software, other	2 905 915	(633 167)	2 321 847

**Pledged as security**

There are no intangible assets pledged as security.



**GERT SIBANDE DISTRICT MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand

**8. Investment property**

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	22 300 689	-	22 300 689	22 300 689	-	22 300 689

**Reconciliation of investment property - 2024**

	Opening balance	Total
Investment property	22 300 689	22 300 689

**Reconciliation of investment property - 2023**

	Opening balance	Total
Investment property	22 300 689	22 300 689

Fair value of investment properties

Details of property

The property is situated in Emelo.





**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

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2024

2023

**9. Investment property (continued)****Details of valuation**

The assessment of the valuation dated 30 June 2022 and the validity of such values for the period ending 30 June 2024 were performed by Ockert Brits, a registered Professional Valuer with registration number 6876, who is not connected to the municipality.

The assessment of valuations were based on fair market value using the income, comparable sales and the depreciated replacement cost methods. At the reporting period the Investment Property is measured at fair value reflecting market conditions. There were no changes to market value of properties in 2023/2024 financial year in around the area and no significant changes in rental income from the asset therefore management concluded that there is no change in its fair value.

**Reconciliation of valuation obtained and the valuation included in the financial statements**

There is no amounts recognised in surplus and deficit for the 2023/2024.

**Maintenance of investment property**

No repairs and maintenance was spend on the investment property as it was received in the 2023/2024 financial year and there are no changes in tenants.

**Amounts recognised in surplus or deficit**

Rental income of R337,360 (2024) and R175,420 (2023) Excluding VAT was charged.



**GERT SIBANDE DISTRICT MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand

**10. Property, plant and equipment**

	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	360 000	-	360 000	360 000	-	360 000
Buildings	373 893 260	(160 225 065)	213 668 195	373 893 260	(147 186 032)	226 707 228
Plant and machinery	30 872 873	(24 280 941)	6 592 032	30 692 366	(22 099 697)	8 592 669
Furniture and fixtures	12 947 470	(10 868 560)	2 078 910	13 037 795	(10 310 425)	2 727 369
Motor vehicles	39 868 751	(24 854 048)	15 014 703	36 107 202	(23 012 559)	13 094 643
IT equipment	22 254 442	(14 938 879)	7 315 563	20 878 349	(15 096 163)	5 782 186
<b>Total</b>	<b>492 196 896</b>	<b>(234 867 693)</b>	<b>245 529 203</b>	<b>474 958 672</b>	<b>(217 674 829)</b>	<b>257 284 152</b>

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**GERT SIBANDE DISTRICT MUNICIPALITY**

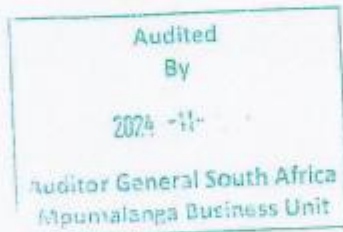
Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand

**10. Property, plant and equipment (continued)****Reconciliation of property, plant and equipment - 2024**

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Land	350 000	-	-	-	-	350 000
Buildings	220 707 258	-	-	(13 039 054)	-	213 668 195
Plant and machinery	8 622 699	184 610	(1 080)	(2 226 383)	-	6 599 832
Furniture and fixtures	2 727 395	15 527	(11 495)	(652 325)	-	2 078 510
Motor vehicles	13 034 643	5 350 005	(238 236)	(2 905 731)	(85 873)	15 214 703
IT equipment	5 782 188	4 646 357	(106 273)	(2 900 637)	-	7 615 763
	<b>257 294 182</b>	<b>10 293 494</b>	<b>(355 083)</b>	<b>(21 433 280)</b>	<b>(85 873)</b>	<b>245 529 293</b>



**GERT SIBANDE DISTRICT MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand

**10. Property, plant and equipment (continued)**

**Reconciliation of property, plant and equipment - 2023**

	Opening balance	Additions	Disposals	Depreciation	Impairment reversal	Total
Land	360 000	-	-	-	-	360 000
Buildings	230 770 471	836 170	-	(13 005 383)	-	228 707 258
Plant and machinery	10 912 377	419 752	(4 815)	(2 404 612)	-	8 622 699
Furniture and fixtures	2 884 654	833 417	(6 775)	(863 930)	-	2 727 366
Motor vehicles	14 832 755	2 384 315	(600 243)	(3 322 184)	-	13 094 643
IT equipment	7 246 295	1 749 632	(104 325)	(3 155 914)	46 529	5 782 188
	<b>274 612 633</b>	<b>4 423 286</b>	<b>(716 164)</b>	<b>(22 972 032)</b>	<b>46 529</b>	<b>257 294 152</b>

**Pledged as security**

There are no assets pledged as security.

**Repairs and Maintenance**

Repairs and maintenance cost of R6,307,741 for 2023/2024 financial year (R18,869,460 for 2022/2023) relates to Property, Plant and Equipment refer to note 31.

**Estimate useful life**

The estimated useful life of assets in certain classes of Property, Plant and Equipment were assessed only in the 2024 financial year: refer to note 30.

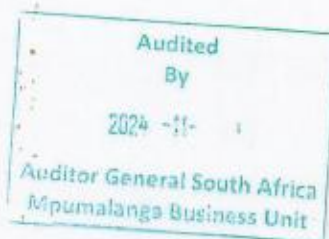
**Assets subject to finance lease (Net carrying amount)**

IT equipment	611 507	408 592
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**Assets fully depreciated**

Included in Property, Plant and Equipment are assets which have fully depreciated but still in use. These assets are held at R1 each.

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**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>11. Receivables from non-exchange transactions</b>		
Other debtors	64 625	64 644
Sundry bursaries	1 108 319	997 540
	<b>1 172 944</b>	<b>1 062 184</b>
Non-current assets	1 108 319	997 540
Current assets	64 625	64 644
	<b>1 172 944</b>	<b>1 062 184</b>

Non current assets relates to study bursaries awarded to employees on condition that the employees render services to the employer to offset against the outstanding amount and if the courses are not passed the amount are recouped from the officials.

The amount for current assets, relates to overpayments of employees and the legal process to recouped the amount are in process

**Credit quality of receivables from non-exchange transactions**

The credit quality of other receivables from non-exchange transactions that are past due and not impaired can be assessed by reference to historical information about counterparty default rates. Majority of these receivables are of good quality.

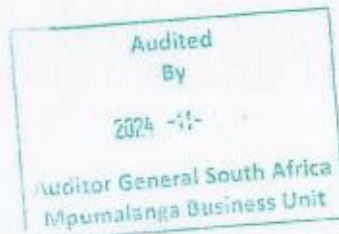
Study bursaries are managed through contract arrangement

**Receivables from non-exchange transactions past due but not impaired**

Other receivables from non-exchange transactions which are less than 3 months past due are not considered to be impaired. At 30 June 2024, 1 172 944 (2023: 1 062 184) were past due but not impaired

**12. Consumer deposits**

Consumers deposits	140 518	99 276
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**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand

2024

2023

**13. Employee benefit - bonus****Reconciliation of employee benefit- bonus - 2024**

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for staff bonus	3 976 573	4 235 202	(3 976 573)	-	4 235 202
Provision for performance bonuses	738 738	786 737	-	(603 749)	921 726
	<b>4 715 311</b>	<b>5 021 939</b>	<b>(3 976 573)</b>	<b>(603 749)</b>	<b>5 156 928</b>

**Reconciliation of provision for bonus - 2023**

	Opening Balance	Additions	Utilised during the year	Total
Provision for staff bonus	3 794 727	3 976 573	(3 794 727)	3 976 573
Provision for performance bonuses	1 477 810	134 988	(874 059)	738 739
	<b>5 272 537</b>	<b>4 111 561</b>	<b>(4 668 786)</b>	<b>4 715 312</b>

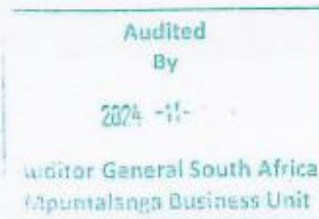
**Provision for staff bonus**

Staff bonus to employees is in accordance with the collective bargaining agreement. Provision is made for the full cost of accrued bonuses at reporting date. The provision will be realised as employees bonuses are paid out.

The staff bonuses relates to the annual bonuses due to the staff, which is payable on their anniversary of their employment period. However, staff members forfeit this annual bonus should they resign before this date. The amounts included in the provision for bonuses is based on the estimates based on the months already worked. All these factors contribute to the uncertainty on the amount of annual bonus that will be paid out.

**Provision for performance bonus**

Performance bonuses are paid out to senior management after performance appraisal has been conducted which is then subjected to councils approval. There is uncertainty regarding the amount that will be paid out as the exact percentage is unknown and the payment is also subjected to council's approval.



**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand	2024	2023
<b>14. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	271 356	726 810
- in second to fifth year inclusive	436 060	-
	707 416	726 810
less: future finance charges	(90 917)	(24 785)
<b>Present value of minimum lease payments</b>	<b>616 499</b>	<b>702 025</b>
<b>Present value of minimum lease payments due</b>		
- within one year	216 863	702 025
- in second to fifth year inclusive	399 636	-
	616 499	702 025
<b>Non-current liabilities</b>	<b>399 636</b>	<b>-</b>
<b>Current liabilities</b>	<b>216 863</b>	<b>702 025</b>
	<b>616 499</b>	<b>702 025</b>

Gert Sibande District Municipality leases certain computer equipment under finance leases.

The average lease term was 2-3 years and the average effective borrowing rate was 10.5% (2024: 10.5%).

Interest rates are fixed at the contract date. All leases escalate at 10% p.a and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets.

No defaults or breaches in 2022/2023 and 2023/2024 financial years

**15. Long service provision**

<b>Carrying value</b>		
Balance at 1 July		
Current service cost	14 001 000	13 499 000
Interest	1 509 000	1 605 000
Benefits vesting	1 454 000	1 386 000
Actuarial loss/(gain)	(2 327 183)	(2 083 330)
	(40 817)	(405 670)
	<b>14 596 000</b>	<b>14 001 000</b>
<b>Non-current liabilities</b>		
At amortised cost	13 453 000	11 482 000
<b>Current liabilities</b>		
At amortised cost	1 143 000	2 519 000

Audited  
By  
2024 -11-  
Auditor General South Africa  
Mpumalanga Business Unit



**GERT SIBANDE DISTRICT MUNICIPALITY**

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**15. Long service provision (continued)****Long service provision**

The Municipality offers employees long service awards for every five years of service completed, from 5 years of service to 45 years of service. The employee is granted long service award in the month that each completed milestone is reached. Working days awarded are valued at 1/250th of annual earnings per day.

In estimating the unfunded liability for the long service award of the municipality, a number of actuarial assumptions are required. In calculating the unfunded liability a number of 303 eligible employees as at 30th June 2024 were used.

The following key financial assumptions are used:

**Key financial assumption**

	Value p.a 2024	Value p.a 2023
Discount rate	11.29%	11.38%
CPI inflation rate	5.42%	5.82%
General earnings inflation rate (long-term)	6.42%	6.62%
Net effective discount rate	4.58%	4.47%

The liability at the valuation date was recalculated to show the effect of:

- i) a one percentage point increase and decrease in the assumed general earnings inflation rate;
- ii) a one percentage point increase and decrease in the discount rate;
- iii) a two-year increase and decrease in the assumed average retirement age of eligible employees; and
- iv) a two-fold increase and a 50% decrease in the assumed rates of withdrawal from service.

**Sensitivity Analysis on the unfunded accrued liability for 2024:**

Assumptions	Charge	Liability	% Change
Central assumptions		14 596 000	
General earnings inflation rate	+1%	15 499 000	6%
	-1%	13 772 000	-6%
Discount rate	+1%	13 758 000	-6%
	-1%	15 529 000	6%
Average retirement age	+2yrs	15 706 000	8%
	-2yrs	13 132 000	-10%
Withdrawal rate	x2	11 611 000	-20%
	x.05	16 613 000	14%

**Sensitivity Analysis on the unfunded accrued liabilities for 2023:**

Assumptions	Charge	Liability	% Change
Central assumptions		14 001 000	
General earnings inflation rate	+1%	14 843 000	6%
	-1%	13 234 000	-5%
Discount rate	+1%	13 219 000	-6%
	-1%	14 873 000	6%
Average retirement age	+2yrs	14 938 000	7%
	-2yrs	12 731 000	-9%
Withdrawal rate	x2	11 193 000	-20%
	x.05	15 927 000	14%

Audited  
By  
2024 -11-  
Auditor General South Africa  
Mpumalanga Business Unit

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**15. Long service provision (continued)**

Sensitivity analysis on current service and interest costs for the year ending 30 June 2024:

Assumptions	Change	Current service cost	Interest Costs	Total	% Change
Central assumptions		1 509 000	1 454 000	2 963 000	
General earnings inflation rate	+1%	1 621 000	1 550 000	3 171 000	7%
	-1%	1 408 000	1 367 000	2 775 000	-8%
Discount rate	+1%	1 419 000	1 485 000	2 904 000	-2%
	-1%	1 610 000	1 417 000	3 027 000	2%
Average retirement age	+2yrs	1 606 000	1 561 000	3 167 000	7%
	-2yrs	1 395 000	1 314 000	2 709 000	-9%
Rates of termination of services	x2	1 114 000	1 134 000	2 248 000	-24%
	x0.5	1 792 000	1 673 000	3 465 000	17%

Sensitivity analysis on current service and interest costs for the year ending 30 June 2023:

Assumptions	Change	Current service cost	Interest Costs	Total	% Change
Central assumptions		1 605 000	1 386 000	2 991 000	
General earnings inflation rate	+1%	1 726 000	1 477 000	3 203 000	7%
	-1%	1 497 000	1 304 000	2 801 000	-6%
Discount rate	+1%	1 507 000	1 418 000	2 925 000	-2%
	-1%	1 716 000	1 348 000	3 064 000	2%
Average retirement age	+2yrs	1 705 000	1 484 000	3 189 000	7%
	-2yrs	1 490 000	1 261 000	2 751 000	-6%
Rates of termination of services	x2	1 177 000	1 080 000	2 257 000	-25%
	x0.5	1 919 000	1 600 000	3 519 000	18%

**16. Payables from exchange transactions**

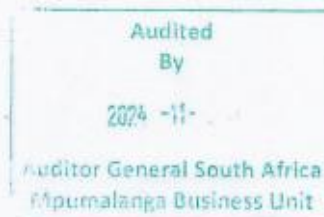
Payables		
Health inspection payments received in advance	79 000 858	7 178 824
Retention's	278 266	160 349
Staff leave payments	54 333 503	64 863 907
Benefit payable to deceased employees	27 749 579	26 088 738
Environmental Health Practitioners payments received in advance	-	398 791
	638 089	199 474
	<b>162 000 295</b>	<b>98 890 083</b>

The payables increased compared to the previous financial period due to year end RBIG receivables for invoices issued before year end which were accrued for.

**17. Payables from non-exchange**

Transfers payable	620 632	9 341 439
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The decrease in transfer payables from non exchange was due to unspent RBIG receipts from Msukaligwa local municipality





**GERT SIBANDE DISTRICT MUNICIPALITY**

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**18. Post retirement benefit obligations****Defined benefit plans****Post retirement medical aid plan**

The Project Unit Credit method was used as prescribed by GRAP 25. The method is based on the approximation that the post-retirement benefit is normally built up over the employee's working life

The municipality provides post-retirement benefits by subsidising the medical aid contributions of certain retired staff. According to the rules of the medical aid funds, with which the municipality is associated, a member (subject to the applicable conditions of service) on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for the 40% portion of the medical aid membership fee, and the Municipality for the remaining portion. The number of employees who are eligible for post-retirement benefits as at 30 June 2024 are 2 (2023:2) pensioners. The actuarial valuation was performed by Arch Actuarial consulting by applying the Projected Unit Funding method

The actuarial valuation of PEMA liability involves the following

The projection of future post retirement medical contributions subsidy cashflow, taking into account probabilities of survival withdrawal, ill-health retirement and death in service. The medical contribution subsidies in respect of the audited dependants of employees, increasing the projected subsidy cashflows in line with expected long term contribution escalation. Discounting these cashflows in order to express the post employment medical aid plan liability in the current Rand term.

The amount represents the municipalities liability for post-employment medical aid benefit for the two remaining pensioners under the new dysfunctional plan. Current employees do not enjoy post-retirement medical aid benefits

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Balance at 1 July		
Contributions paid	701 000	860 000
Interest cost	(81 371)	(90 324)
Actuarial (gain) / loss	73 000	87 000
	36 371	(155 676)
	<b>729 000</b>	<b>701 000</b>
Non-current liabilities		
Current liabilities	(644 000)	(623 000)
	(85 000)	(78 000)
	<b>(729 000)</b>	<b>(701 000)</b>

For the liability above the municipality do not have separate reserves to cover them, however there is enough cash to cover this liability in future

**Key assumptions used**

Assumptions used at the reporting date:

**Assumptions****Discount rates used**

Medical aid contribution inflation rate  
Net-of-health-care-cost-inflation discount rate  
Maximum subsidy inflation rate  
Net-of-maximum-subsidy-inflation discount rate

	Percentage % 30 June 2024	Percentage % 30 June 2023
Medical aid contribution inflation rate	10.83 %	11.08 %
Net-of-health-care-cost-inflation discount rate	6.48 %	6.97 %
Maximum subsidy inflation rate	4.09 %	3.84 %
Net-of-maximum-subsidy-inflation discount rate	4.49 %	4.85 %
	6.07 %	5.94 %

The liability at the valuation date was recalculated to show the effect of:

- a one percentage point increase and decrease in the assumed rate of medical aid contribution inflation rate;
- a one percentage increase and decrease in the discount rate; and
- a one-year age increase and decrease in the assumed rates of post - employment mortality.

**GERT SIBANDE DISTRICT MUNICIPALITY**

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**18. Post retirement benefit obligations (continued)****Sensitivity analysis****Sensitivity analysis on the accrued liability (R Millions)**

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

Assumptions	Change	Total	% Change
Central assumptions		729 000	
Medical aid contribution inflation rate	+1%	752 000	3%
	-1%	692 000	-5%
Discount rate	+1%	683 000	-6%
	-1%	782 000	7%
Post- employment mortality	+1yr	702 000	-4%
	-1yr	756 000	4%

**Sensitivity Analysis on interest cost for year ending 30 June 2024:**

Assumptions	Change	Interest cost	% Change
Central assumptions		73 000	
Medical aid contribution Inflation rate	+1%	76 000	4%
	-1%	69 000	-5%
Discount rate	+1%	75 000	3%
	-1%	72 000	-1%
Post- employment mortality	+1yr	71 000	-3%
	-1yr	76 000	4%

**19. VAT payable**

Tax refunds payables	1 853 217	105 836 784
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**20. Co Funding received from Local Municipalities**

Co funding received from local municipalities for roads rehabilitation	46 293 668	-
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**21. Interest received**

<b>Interest revenue</b>		
Investments - from banks	23 494 052	25 112 217
Interest received from SARS, VAT	1 864 561	-
	<b>25 358 613</b>	<b>25 112 217</b>

**22. Other income**

Construction Project Management fees		
LG Seta	20 687 949	22 209 261
Sundry	881 070	472 355
Transfer from Retention	392 239	190 909
Telephone Refunds	1 649 416	-
Breakages and losses recovered	6 581	11 419
	70 255	-
	<b>23 787 510</b>	<b>22 883 944</b>

Construction project management fees of R 20 687 949 for 2024, (R 22,209,261 for 2023) were received from DWS and local municipalities for construction work done on their behalf. Please refer to note 23 construction revenue and 26 for construction costs.

# **GERT SIBANDE DISTRICT MUNICIPALITY** Annual Financial Statements for the year ended 30 June 2024

## **Notes to the Annual Financial Statements**

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### **23. Revenue from construction contracts**

Total amount received for construction contracts	401 886 860	428 502 932
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Gert Sibande District Municipality (GSDM) entered into a tri-partite agreement with department of water and sanitation and various local municipalities individually (Chief Albert Luthuli, Dipaleseng, Msukaligwa, Mkhondo, Lekwa and Govan Mbeki), where GSDM was appointed to be the implementation agent on their behalf in terms of water and sanitation remained projects which were funded through RBIG, WSIG and Ministerial interventions.

Please refer to note 26 for more detail for expenditure on construction contracts

#### **Reconciliation of amounts received:**

##### **Direct allocations to municipalities (Schedule 5(B) of DORA)**

Msukaligwa Local Municipality	35 508 213	113 052 197
Chief Albert Luthuli Local Municipality	26 754 097	57 826 086
	-	-
	<b>62 262 310</b>	<b>170 878 283</b>

##### **Allocations-in-kind to municipalities (Schedule 6 (B) of DORA)**

Dipaleseng Local Municipality	64 351 897	99 714 402
Mkhondo Local Municipality	81 411 556	1 517 085
Govan Mbeki Local municipality	9 837 065	-
Lekwa Local municipality	184 024 004	156 393 163
	<b>339 624 522</b>	<b>257 624 650</b>

##### **Construction contracts in progress**

Aggregate of revenue received	360 275 276	428 502 932
Gross amounts due from customers for contract work	41 611 584	-

### **24. Service charges**

Water quality testing	3 474 553	3 001 362
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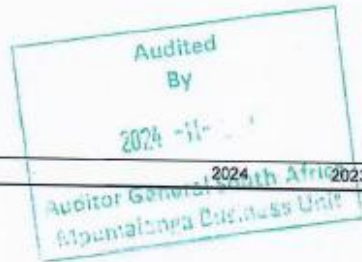
The service charge relates to water quality testing for the local municipalities and some private clients.



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**25. Government Grants and Subsidies**

<b>Operating grants</b>		
Equitable share	16 931 000	15 989 000
Revenue replacement	310 505 000	301 666 000
Rural roads management systems	2 485 000	2 476 000
Infrastructure skills development	12 607 000	13 550 000
Financial management grant	1 000 000	1 000 000
Expanded public works program	1 947 000	2 595 000
	<b>345 475 000</b>	<b>337 276 000</b>

**Equitable Share**

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

The amount allocated for Equitable Share in the 2023/2024 financial year as per the Division of Revenue Act (DORA) amount to R16,931,000.

**Revenue replacement grant**

The purpose of the Revenue replacement grant is to fund basic infrastructure within the areas and funding business administration cost.

The amount allocated for Revenue replacement grant in the 2023/2024 financial year as per the Division of Revenue Act (DORA) amount to R310,505,000.

**Road asset management grant (RAMS)**

Current-year receipts	2 485 000	2 476 000
Conditions met - transferred to revenue	(2 485 000)	(2 476 000)
	-	-

The purpose of the grant is to assist rural district municipalities to set up rural roads asset management systems. This grant can be utilised towards gathering the information of the road register in the municipalities within the district.

**Infrastructure skills development grant (ISDG)**

Current-year receipts	12 607 000	13 550 000
Conditions met - transferred to revenue	(12 607 000)	(13 550 000)
	-	-

The purpose of the grant is to strengthen capacity of local government, to effectively and efficiently deliver quality infrastructure by creating the pool of skill available. Therefore this grant can only be utilised towards paying the stipends to students and any other administration cost relevant to them obtaining the professional qualifications.

**Finance management grant (FMG)**

Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)
	-	-

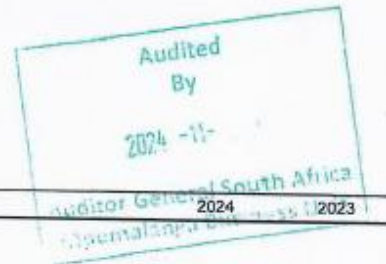
The purpose of the grant is to promote and support reforms in the financial management by building capacity in municipalities to implement the MFMP. The grant can only be utilised towards capacity building programmes within the finance section of the municipality.

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**25. Government Grants and Subsidies (continued)****Expanded public works programme (EPWP)**

Current-year receipts	1 947 000	2 595 000
Conditions met - transferred to revenue	(1 947 000)	(2 595 000)
	-	-

The purpose of the grant is to incentivise local government to expand work creation efforts through the use of labour intensive delivery methods in the identified focus area. This grant can only be used towards paying the stipend for the EPWP workers and other programmes aimed at ensuring that there is creation of intensive jobs.

**26. Contracted contract cost****Consultants and Professional Services**

Total amount paid for construction contracts	401 886 833	428 502 932
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Gert Sibande District Municipality (GSDM) entered into tri-partite agreement with Department of water and Sanitation and various local municipalities individually Chief Albert Luthuli, Dipaliseng, Msukaligwa, Mkhondo, Lekwa and Govan Mbeki), where GSDM was appointed to be implementation agents on their behalf in terms of water and sanitation related projects which are funded through RBIG, WSIG and Ministerial interventions.

Please refer to note 23 for more detail for revenue received from construction contracts

**Reconciliation of amounts paid on construction contract****Direct allocations to municipalities (Schedule 5(B) of DORA)**

Msukaligwa Local Municipality	35 508 213	113 052 197
Chief Albert Luthuli Local Municipality	26 754 097	57 826 086
	62 262 310	170 878 283

**Allocations-in-kind to municipalities (Schedule 6 (B) of DORA)**

Dipaleseng Local Municipality	64 351 897	99 714 401
Mkhondo Local Municipality	81 411 557	1 517 085
Govan Mbeki Local municipality	9 837 085	-
Lekwa Local municipality	184 024 004	156 393 163
	339 624 523	257 624 649

**Construction contracts in progress**

Aggregate of costs incurred	342 507 644	422 803 695
Amounts of retention's	6 051 796	4 905 355
Gross amounts due to contractors	53 317 193	793 882

**27. Depreciation and amortisation**

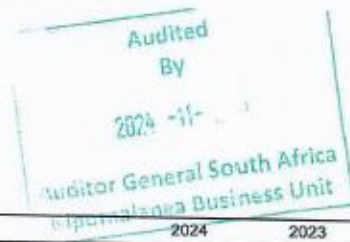
Property, plant and equipment	20 941 305	22 004 880
Intangible assets	646 625	633 167
Financial lease	491 955	967 152
	22 079 885	23 605 199

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**28. Employee related costs**

	2024	2023
Basic	136 119 859	128 161 886
Bonus	13 568 032	11 840 050
Medical aid - company contributions	7 792 399	7 422 415
UIF	680 824	676 300
Leave pay provision charge	2 084 425	3 308 334
Overtime payments	4 123 791	2 931 647
Actuarial (gains) / losses	(4 446)	(561 346)
Car allowance	20 676 701	19 454 463
Housing benefits and allowances	1 504 521	1 587 893
Telephone allowance	1 356 943	1 406 998
Pension fund	27 621 867	25 919 486
	<b>215 524 916</b>	<b>202 148 126</b>

**Remuneration of municipal manager CA Habile**

Annual Remuneration	1 228 542	999 344
Car Allowance	240 000	193 333
Performance Bonuses	-	107 716
Contributions to UIF, Medical and Pension Funds	221 704	161 372
Leave Payment	-	374 852
	<b>1 690 246</b>	<b>1 836 617</b>

Mr. Habile's contract ended on 20 October 2022 and was re-appointed on 3 January 2023.

In 2023: Mr. ME Radebe acted as Municipal Manager from 21 October 2022 to 31 December 2022 See below amounts paid.

**Remuneration of chief finance officer ZR Buthelezi**

Annual Remuneration	1 044 342	811 647
Car Allowance	80 000	76 667
Performance Bonuses	-	163 210
Contributions to UIF, Medical and Pension Funds	199 282	65 185
Leave Payment	-	245 138
Annual Bonus	50 000	-
Acting Allowance	3 037	-
	<b>1 376 661</b>	<b>1 361 847</b>

Mr. Buthelezi's contract ended on 3 December 2022 and was re-appointed on 1 March 2023.

In 2023: Mr. SJF Gates acted as Chief Finance Office from 5 December 2022 to 31 January 2023. See below for amounts paid.

**Remuneration of general manager planning, economic development and innovation MJ Mkhonza**

Annual Remuneration	324 523	757 692
Car Allowance	32 000	88 000
Performance Bonuses	-	126 497
Contributions to UIF, Medical and Pension Funds	65 041	167 450
Leave Payment	23 173	215 980
	<b>444 737</b>	<b>1 355 619</b>

Mr. Mkhonza's contract ended 31 January 2023 and was re-appointed on 1 March 2023 and Mr Mkhonza's resigned in October 2023.



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**28. Employee related costs (continued)**

Miss. PC Chiloane acted from November 2023 to January 2024. (See below for more information).

Mr. P Nkosi acted from February 2024 to March 2024. (See below for more information).

Miss. PC Chiloane was appointed on 2 April 2024 as Head of Department. (See below for more information).

In 2023 : Miss PO Chiloane acted as General Manager Planning, Economic Development and Innovation from February 2023 to March 2023.

**Remuneration of general manager community and social services ME Michele**

Annual Remuneration	882 918	763 956
Car Allowance	100 000	91 667
Performance Bonuses	-	-
Contributions to UIF, Medical and Pension Funds	-	147 579
Leave Payment	172 792	139 589
Acting Allowance	-	202 482
Annual Bonus	2 201	-
	70 235	-
	<b>1 228 146</b>	<b>1 345 273</b>

Mr. Michele's contract ended on 31 January 2023 and was reappointed March 2023.

**Remuneration of general manager corporate service ME Radebe**

Annual Remuneration	838 116	806 103
Car Allowance	133 081	111 717
Contributions to UIF, Medical and Pension Funds	209 536	171 234
Acting Allowance	-	50 000
Annual Bonus	50 000	57 345
	<b>1 230 733</b>	<b>1 196 399</b>

Miss. ME Radebe was appointed as General Manager Corporate Services from June 2022.

In 2023: Miss ME Radebe acted as Municipal Manager from October 2022 to December 2022 and an acting allowance was paid.

**Remuneration of general manager planning, economic development and innovation PO Chiloane**

Annual Remuneration	232 244	-
Car Allowance	27 392	-
Contributions to UIF, Medical and Pension Funds	61 184	-
Acting Allowance	22 490	10 856
	<b>343 290</b>	<b>10 856</b>

Miss PO Chiloane acted as General Manager Planning, Economic Development and Innovation from November 2023 to January 2024. In April 2024 she was appointed as the Head of Department (PED).

In 2023: Miss PO Chiloane acted as General Manager Planning, Economic Development and Innovation for February 2023.

**Remuneration of acting general manager planning, economic development and innovation P Nkosi**

Acting Allowance	19 055	-
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Mr. P Nkosi acted from February 2024 to March 2024 as General Manager Planning, Economic Development and Innovation.



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**28. Employee related costs (continued)****Remuneration of general manager technical services BC Mduyulwa**

Annual Remuneration	981 027	820 243
Car Allowance	240 000	220 000
Contributions to UIF, Medical and Pension Funds	185 794	146 622
Acting allowance	3 014	-
	<b>1 389 835</b>	<b>1 186 865</b>

Mr. BC Mduyulwa was appointed as General Manager Technical Services from August 2022.

**Remuneration of acting general manager community and social services TA Ndlovu**

Acting allowance	-	11 599
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In 2023: Mr. TA Ndlovu acted as General Manager Community and Social Services for February 2023.

**29. Finance costs**

Post retirement medical benefit	73 000	87 000
Interest and penalties	-	3 011 817
Finance leases	52 203	135 496
Long service awards	1 454 000	1 386 000
	<b>1 579 203</b>	<b>4 620 313</b>

**30. Lease****Lease rentals on operating lease - Other**

Paid during the year	123 237	115 175
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The committed expenditure relates to the rental of offices in Evander from Govan Mbeki LM and will be financed by funds internally generated. Contract started on the 1st of July 2021 and ended 30 June 2024.

**Govan Mbeki Local Municipality**

Significant leasing arrangements include:

- that there is no contingent rent payment.
- there is no purchase option in the rental contract and there is provision for 7% escalation per year.
- there is no restrictions imposed by lease arrangements, such as return of net surplus, return of capital contributions, dividends or similar distributions, additional debt and further leasing.

<b>Operating lease commitments - as lessee (expense)</b>	<b>2024</b>	<b>2023</b>
within one year	-	123 237
within two to three years	-	-
	<b>-</b>	<b>123 237</b>

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**31. Operating cost**

Advertising	901 801	711 286
Auditors remuneration – current year fees	6 798 775	5 814 439
Bank charges	24 526	26 987
Cleaning	1 437 516	1 264 530
Consulting and professional fees	8 474 019	5 024 694
Donations	1 249 935	994 033
Entertainment	678 077	744 489
Insurance	2 042 269	2 042 109
IT expenses	10 164 659	7 437 884
Motor vehicle expenses	3 213 961	5 211 692
Postage and courier	217	104
Printing and stationery	938 941	795 393
Promotions	685 743	1 152 872
Protective clothing	387 148	235 060
Repairs and maintenance	8 307 741	8 689 460
Royalties and license fees	3 738 802	3 010 802
Security (Guarding of municipal property)	1 933 850	1 595 340
Staff welfare	186 422	148 351
Subscriptions and membership fees	2 616 554	2 559 238
Telephone and fax	3 698 643	4 525 723
Training	5 440 556	3 607 097
Travel - local	6 676 604	6 768 936
Recruitment costs	44 877	-
Technical support	2 607 095	2 608 650
Public participation	778 254	711 862
Municipal and other services	6 067 938	4 861 923
Audit committee	659 822	598 590
Workmen's compensation	169 280	136 565
	<b>79 924 025</b>	<b>71 156 108</b>

Repairs and maintenance costs of R 8 307 741 for 2023/24 financial year (R8,689,460 for 2022/2023) relates to property, plant and equipment . Refer to note 10.

No repairs and maintenance was required for the heritage assets . Refer to note 7.

No repairs and maintenance was required for the investment property. Refer to note 9.

In determining this amount, the municipality has exclusively disclosed amounts charged by service providers

**32. Remuneration of councillors**

Councillors	14 954 095	14 461 113
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**In-kind benefits**

The Executive Mayor, Speaker and Mayoral Committee Members as well as MPAC chairperson are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has use of a Council owned vehicle for official duties.

The Mayor and the Speaker each have the use of separate Council owned vehicles for official duties.

The Executive Mayor and Speaker has full-time bodyguards / drivers.

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**32. Remuneration of councillors (continued)****Additional information**

The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa for 2024.

Troika and MPAC Chairperson	Basic	Backpay	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Executive Mayor (Mngomezulu MW)	656 368	33 407	290 091	45 600	180 499	1 205 965
Speaker (Sekhonde BG)	554 687	28 726	232 083	45 600	114 810	973 906
Chief Whip (Mtshali BH)	517 075	25 055	217 568	45 600	110 575	915 873
MPAC Chairperson (Nhlapho N)	493 857	24 321	211 187	45 600	115 382	890 347
	<b>2 221 987</b>	<b>109 509</b>	<b>950 929</b>	<b>182 400</b>	<b>521 266</b>	<b>3 986 091</b>

Mayoral Committee	Basic	Backpay	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Buthlezi BM	518 519	25 055	217 569	45 600	109 131	915 874
Mkhwanazi CB	542 514	25 055	217 569	45 600	85 136	915 874
Maboa-Boltman NF	542 514	25 055	217 569	45 600	85 136	915 874
Zulu NN	525 871	25 055	217 569	45 600	101 779	915 874
Malatsi PV	542 514	25 055	181 569	45 600	121 136	915 874
Mollo BP	542 514	25 055	217 569	45 600	85 136	915 874
Zunguza JB	516 032	25 055	217 569	45 600	111 367	915 623
	<b>3 730 478</b>	<b>175 385</b>	<b>1 486 983</b>	<b>319 200</b>	<b>698 821</b>	<b>6 410 867</b>

Other councillors	Basic	Backpay	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Nkosi MV	228 914	8 522	91 017	45 018	35 615	409 086
Dlamini BA	38 506	1 675	13 404	-	-	53 585
Nkosi MP	3 497	-	-	-	-	3 497
Nkosi BJ	38 507	8 166	15 702	-	-	62 375
Tlhakudi NS	190 107	18 181	80 510	39 273	31 757	359 828
Ndlazi BL	29 147	17 526	15 558	-	-	62 231
Mazibuko TE	28 650	-	2 080	-	-	30 730
Selmela T	13 317	-	2 080	-	-	15 397
Khumalo GL	46 801	2 162	16 321	-	-	65 284
Nkambule DM	228 914	10 573	91 803	45 600	35 923	412 813
Lukhele ST	228 914	10 573	91 803	45 600	35 923	412 813
Karim LS	239 425	13 368	96 903	45 600	37 919	433 215
Masango SJ	6 240	12 974	2 080	-	-	21 294
Weber KH	228 914	10 573	91 803	45 600	35 923	412 813
Kgwedi TH	228 914	10 573	91 803	45 600	35 923	412 813
Nkosi DP	4 676	-	-	-	-	4 676
Yende MR	38 506	1 779	13 428	-	-	53 713
Silosini SA	38 506	1 779	13 428	-	-	53 713
Mbuli TG	38 507	1 778	13 428	-	-	53 713
Moeketsi BK	1 180	-	-	-	-	1 180
Sikhakhane NB	38 507	1 778	13 428	-	-	53 713
Molaba ML	38 507	1 778	13 428	-	-	53 713
Chauke EW	19 214	-	2 080	-	-	21 294
Matshaba KA	38 507	1 778	13 428	-	-	53 713
Mncina LM	38 507	1 778	13 428	-	-	53 713
Dudley V	228 914	10 573	83 803	45 600	43 922	412 812
Mahlangu SV	12 137	-	2 080	-	-	14 217
Kubheka MA	8 599	-	2 080	-	-	10 679
Hlophe VS	38 506	1 778	13 429	-	-	53 713
Gwebu NG	113 094	5 223	39 439	-	-	157 756

**GERT SIBANDE DISTRICT MUNICIPALITY**  
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**32. Remuneration of councillors (continued)**

Zuma NG	3 539	-	-	-	-	3 539
Ndebele JCH	38 506	1 778	13 429	-	-	53 713
De Vries GR	14 496	-	2 080	-	-	16 576
Maboea SA	113 094	5 223	39 439	-	-	157 756
Van Huyssteen NC	20 384	-	2 080	-	-	22 474
Bekker PD	37 095	-	14 220	6 800	5 564	63 679
Ndlovu NC	5 897	-	-	-	-	5 897
Mhlanga BG	9 436	-	-	-	-	9 436
	<b>2 717 091</b>	<b>161 889</b>	<b>1 011 022</b>	<b>364 691</b>	<b>298 469</b>	<b>4 553 162</b>





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The salaries, allowance and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa for 2023

Troika and MPAC Chairperson	Basic	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Executive Mayor (Mngomezulu MW)	646 954	273 664	41 124	174 075	1 135 817
Speaker (Sekhonde BG)	547 407	218 920	41 124	108 392	915 843
Chief Whip (Mtshali BH)	507 358	198 993	41 610	75 178	823 139
MPAC Chairperson (Nhlapho N)	486 916	199 203	41 124	110 694	837 937
MPAC Chairperson (Ngwenya M)(To Nov 2021) - Backpay	5 989	1 996	-	-	7 985
Executive Mayor (MG Chirwa)(To Nov 2021) - Backpay	8 226	2 742	-	-	10 968
	2 202 850	895 518	164 982	468 339	3 731 689
Mayoral Committee	Basic	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Dhlamini ES (To Nov. 2021) - Backpay	6 169	2 057	-	-	8 226
Mthembu N (To Nov. 2021) - Backpay	6 170	2 057	-	-	8 227
Buthelezi BM	518 256	207 922	41 124	104 461	871 763
Maboa-Boltman	542 251	207 922	41 124	81 338	872 635
Zulu NN	542 251	207 922	41 124	81 338	872 635
Zunguza JB	515 767	207 922	41 124	106 950	871 763
Malatsi PV	542 251	177 922	41 124	110 230	871 527
Mkhwanazi CB	542 251	207 922	41 124	81 338	872 635
Mollo BP	542 251	207 922	41 124	81 338	872 635
	3 757 617	1 429 568	287 868	646 993	6 122 046
Other councillors (From November 2021)	Basic and Sitting Allowance	Car Allowance	Cellphone Allowance	Pension and Medical Aid	Total
Kubheka MN (To March 2022)- Backpay	2 603	868	-	-	3 471
Sibanyoni SI (To Nov. 2021) - Backpay	381	127	-	-	508
Nkosi PK (To Nov. 2021) - Backpay	2 603	868	-	-	3 471
Jordaan C (To Nov 2021)- Backpay	381	127	-	-	508
Mazibuko KD (To Nov. 2021) - Backpay	381	127	-	-	508
Mathebula SB (To Nov. 2021) - Backpay	381	127	-	-	508
Karim LS	293 040	112 437	41 124	43 968	490 569
Nkosi DP	4 624	-	-	-	4 624
De Vries GR	38 487	12 829	-	-	51 316
Mlotshwa TL (To Nov. 2021) - Backpay	2 603	868	-	-	3 471
Joubert LK (To Nov. 2021) - Backpay	2 603	868	-	-	3 471
Nkosi MS (To Nov. 2021) - Backpay	3 249	1 114	-	-	4 363
Brussow JLI (To July 2022)	3 120	1 040	-	-	4 160
Sebolela JD (To Nov. 2021) - Backpay	381	127	-	-	508
Mahlangu BD (To Nov. 2021) - Backpay	381	127	-	-	508
Zuma NG	1 289	-	-	-	1 289
Simelane XI (To Nov. 2021) - Backpay	463	155	-	-	618
Manyathi M (To Nov. 2021) - Backpay	6 402	1 114	-	-	7 516
Monoto MM (From Sept. to Nov. 2021) - Backpay	1 361	454	-	-	1 815
Mazibuko TE	38 106	12 702	-	-	50 808
Selwela T	38 108	12 702	-	-	50 810
Khumalo GL	47 361	15 787	-	-	63 148
Nkambele DM	228 530	87 603	41 124	34 279	391 536
Lukhele ST	228 530	87 603	41 124	34 279	391 536
Masango SJ	42 472	14 449	324	-	57 245
Webber KH	228 530	87 603	41 124	34 279	391 536
Kgwedi TH	228 530	87 603	41 124	34 279	391 536
Yende MR	37 439	12 480	-	-	49 919
	53				

**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

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	2024	2023
Silosisi SA	37 439	12 480
Mbuli TG	37 439	12 480
Moeketsi BK	2 427	-
Dlamini M (To Oct. 2022)	80 150	30 724
Sikhakhane NB	37 439	12 480
Thwala TH	1 289	-
Molaba ML	37 439	12 480
Chauke EW	38 106	12 702
Matshaba KA	37 439	12 480
Mncina LM	37 439	12 480
Thwala DM	24 960	8 320
Dudley V	224 679	86 163
Mahlangu SV	38 106	12 702
Kubheka MA	37 530	12 510
Hlophe VS	37 439	12 480
Gwebu NG	109 961	36 654
Ndebele JHC	37 439	12 480
Maboea SA	116 130	38 710
Van Huyssteen NC	37 826	12 609
Bekker PD (From Nov. 2021)	223 214	85 565
Nkosi MV (From July 2022)	168 614	64 635
Dlamini BA (From Sept. 2022)	35 508	11 836
Nkosi MP	4 551	-
	<b>2 924 902</b>	<b>1 064 879</b>
	<b>332 377</b>	<b>285 233</b>
	<b>4 607 391</b>	

**33. Transfer and subsidies****Other subsidies****Transfers and subsidies**

89 660 213 45 495 971

Transfers and subsidies includes all services rendered on behalf of the local municipalities as per their mandate are not in the normal operations of the district. This includes services such as drilling of boreholes, road rehabilitation, water quality testing, e.t.c. GSDM received R46 293 668 from local Municipalities for Road Rehabilitation in the current financial year.

**GERT SIBANDE DISTRICT MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

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Audited  
By

2024 -11-

2024 2023  
Auditor General South Africa  
T/Apumalanga Business Unit

**34. Financial instruments disclosure**

**Categories of financial instruments**

**2024**

**Financial assets**

	At amortised cost	Total
Trade and other receivables from exchange transactions	68 387 123	68 387 123
Cash and cash equivalents	167 882 125	167 882 125
	<b>236 269 248</b>	<b>236 269 248</b>

**Financial liabilities**

	At amortised cost	Total
Trade and other payables from exchange transactions	133 334 361	133 334 361
Payables from non-exchange transactions	620 632	620 632
Consumer deposits	140 518	140 518
Finance lease obligation - current liability	216 863	216 863
	<b>134 312 374</b>	<b>134 312 374</b>

**2023**

**Financial assets**

	At amortised cost	Total
Trade and other receivables from exchange transactions	8 456 603	8 456 603
Cash and cash equivalents	243 687 362	243 687 362
	<b>252 143 965</b>	<b>252 143 965</b>

**Financial liabilities**

	At amortised cost	Total
Trade and other payables from exchange transactions	72 040 729	72 040 729
Payables from non-exchange transactions	9 341 439	9 341 439
Consumer deposits	99 275	99 275
Finance lease obligation - current liability	702 026	702 026
	<b>82 183 469</b>	<b>82 183 469</b>



**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand



	2024	2023
<b>35. Cash used in operations</b>		
Surplus	21 216 655	27 259 147
Adjustments for:		
Depreciation and amortisation	22 079 885	23 605 199
Gain on sale of assets and liabilities	112 976	217 357
Actuarial losses and gains retirement benefit obligation	36 371	(155 676)
Actuarial losses and gains long service award	(40 817)	(405 670)
Finance costs - Finance leases	52 203	135 496
Finance cost long service award	1 454 000	1 386 000
Finance costs retirement benefit obligation	73 000	87 000
PPE impairment	85 973	(46 529)
Movements in long service award	(818 183)	(478 330)
Movements in retirement benefit obligation	(81 371)	(90 324)
Movements in provisions	441 617	(557 226)
Non exchange assets received - PPE	(73 496)	-
Changes in working capital:		
Inventories	(30 440)	9 758
Receivables from exchange transactions	(59 930 520)	6 489 510
Other receivables from non-exchange transactions	(110 779)	(190 826)
Prepayments	(687 811)	(80 800)
Payables from exchange transactions	63 110 212	(17 459 094)
VAT	(103 983 567)	(54 147 841)
Payables from non-exchange	(8 720 807)	9 298 836
Consumer deposits	41 243	38 524
	<b>(65 773 656)</b>	<b>(5 085 489)</b>
<b>36. Commitments</b>		
Authorised capital expenditure		
Commitments entered into as implementing agent (Water and sanitation projects)		
* Water and Sanitation projects	633 452 278	788 248 683
<b>Total capital commitments</b>		
Already contracted for but not provided for	633 452 278	788 248 683
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital expenditure	633 452 278	788 248 683

**RBIG commitments entered into as implementing agent**

During the 2019/20 financial period GSDM, DWS, Chief Albert Luthuli, Mkhondo, Dlpaleseng and Msukalligwa local municipality entered into agreement where it was agreed that GSDM was given authority to enter into agreement with service providers for the construction of the water and waste water projects. The funding of these projects is included in the budget of the local municipalities through RBIG grant allocation as gazetted by National Treasury. The above commitment of R633,452,278 for June 2024 (R788,248,683 for 2023) relates those projects already contracted to by GSDM on behalf of the local municipalities and DWS

**GERT SIBANDE DISTRICT MUNICIPALITY**

Annual Financial Statements for the year ended 30 June 2024

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**37. Contingencies**

Contingent liabilities for the period year ending 30 June 2024

SAMWU on behalf of Ms M vs GSDM

Application instituted by Ms M for court review and set aside arbitration award. Estimated costs of the financial exposure inclusive of costs and disbursements amount to Ms M was dismissed and is in the process of take the matter for review. Awaiting trial date. Awaiting allocation of hearing date for review application. The litigation amount will be determined by the court judgemental.

GSDM vs SAMWU on behalf of Mr M

Application instituted by GSDM for the court to review and set aside arbitration award. Mr M was dismissed and received an award for reinstatement and compensation, which GSDM took the matter for review. Plaintiff appealed and was denied by court. Plaintiff petitioned the Labour appeal court. Petition has been approved. Awaiting for a trial date.

BDW Eledomme CC vs GSDM vs Ndzimande

BDW Eledomme CC is suing GSDM as a result of a motor vehicle accident. Attorneys instructed to approach court and apply dismissal of the matter. The litigation amount is estimated to be R53,107, 20.

Afri-infra vs GSDM and others

GSDM is being sued for payment for work done at Lekwa Local Municipality. Amount claimed is R747, 248.68 (2023 R 747, 248.68). Application for condonation granted in favour of the plaintiff. Awaiting case management. Matter is set down for pre-trial conference on the 8th of August 2024.

GSDM vs Mr S

GSDM filed a review application against the ruling of the arbitrator. Application for review was filed. The litigation amount will be determined by the court judgemental. Pleadings closed. Awaiting trial date.

GSDM vs SAMWU M and M

Dismissal review application was brought against GSDM awaiting trial date. The litigation amount will be determined by the court judgement.

GSDM vs Bonginkosi t/a Nashua

Review application to terminate service level agreement amount. Review application will set down to be heard on 23 July 2024. The litigation amount is estimated to be R7,854,063.00 . Awaiting judgement

Afrivent (pty)ltd vs Gert Sibande District Municipality

The Plaintiff herein is suing council for R162 381.43, interest on the aforesaid amount at the rate of 10.5% per annum a tempora morae until date of full and final payment. The Plaintiff's attorneys have withdrawn acting as attorneys of record on behalf of the plaintiff. Thus we wait for the plaintiff to appointed attorneys to file their notice of appointment as Attorneys of record.

**Contingent liabilities incurred relating to interests in other entities****Contingent assets**

Contingent assets for the period ending 30 June 2024

Inhlakanipho Consultants CC // Gert Sibande District Municipality case number: 10184/2011

GSDM was awarded with a court order for the legal costs to be recovered from the plaintiff. Estimated fees for the Expert witness is R500,000.00. Recovery costs are estimated to be R950,000.00 after taxation. Awaiting for the bill of costs incurred for the matter in the high court and leave to appeal.

**GERT SIBANDE DISTRICT MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

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**37. Contingencies (continued)**

**38. Related parties**

<b>Relationships</b>	
Accounting Officer - CA Habile	Management
Chief Financial Officer - ZR Buthelezi	Management
General Manager: Community and Social Services - ME Michele	Management
General Manager: Planning, Economic Development and Innovation - MJ Mkhonza	Management
General Manager: Planning, Economic Development and Innovation - PC Chiloane	Management
General Manager: Corporate Service - ME Radebe	Management
General Manager: Infrastructure and Technical Services - BC Mduyuliwa	Management
Acting General Manager: Planning, Economic Development and Innovation - P Nkosi	Management
Acting General Manager: Community and Social Services - TA Ndlovu	Management
Acting Chief Financial Officer - SJF Gates	Management

Refer to the note for Employee Related Costs note 28 for amounts paid to management and time frame

Councillors are deemed to be related parties, refer to the note for Remuneration of Councillors note 32 or amounts paid to councillors as well as time frame

**39. Change in estimate**

**Property, plant and equipment**

The estimated useful life of assets in certain classes of Property, Plant and Equipment were reassessed during the 2024 financial year. During the financial year management have extended these assets estimated useful lives. The effect of this revision has decreased the depreciation and amortisation charges by R1,012,940 for 2024 (R507,190 for 2023) and increased for future periods by R1,012,940 for 2024 (R507,190 for 2023)



**GERT SIBANDE DISTRICT MUNICIPALITY**

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**40. Risk management****Financial risk management****Liquidity risk**

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Trade and other payables from exchange transactions	133 334 361	-	-	-
• Payables from non-exchange transactions	620 632	-	-	-
• Consumer deposits	140 528	-	-	-
• Finance lease obligation - current liability	271 356	436 060	-	-
At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
• Trade and other payables from exchange transactions	72 040 729	-	-	-
• Payables from non-exchange transactions	9 341 439	-	-	-
• Consumer deposits	99 275	-	-	-
• Finance lease obligation - current liability	702 026	-	-	-

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2024	2023
Trade and other receivables from exchange transactions (at amortised cost)	3 556 681	3 136 705
Other receivables from non-exchange transactions - non-current (at amortised cost)	1 108 319	997 540
Other receivables from non-exchange transactions - current (at amortised cost)	64 625	64 644
Cash and cash equivalents (at fair value)	167 882 125	243 687 362

**Market risk****Interest rate risk**

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

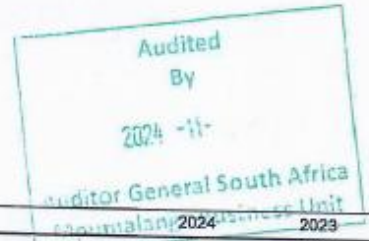
**41. Additional disclosure in terms of Municipal Finance Management Act****Contributions to organised local government (SALGA)**

Opening balance	(2 210 982)	(2 130 182)
Current year subscription/fee	2 210 982	2 023 673
Amount paid - current year	(2 358 775)	(2 104 473)
	(2 358 775)	(2 210 982)

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**41. Additional disclosure in terms of Municipal Finance Management Act (continued)**

**Audit fees**

Current year fee	6 798 775	5 814 439
Amount paid - current year	(6 798 775)	(5 814 439)

**PAYE, SDL and UIF**

Current year fee	46 245 902	43 630 284
Amount paid - current year	(46 245 902)	(43 630 284)

**Pension and Medical Aid Deductions**

Current year fee	57 138 353	53 159 510
Amount paid - current year	(57 138 353)	(53 159 510)

**42. Budget differences**

**Differences between budget and actual amounts basis of preparation and presentation**

**Note 1: Service charges** - More water quality testing done than anticipated on behalf of the local municipality, which include re-sampling those who did not comply

**Note 2: Rendering of services** - Less fines issued than anticipated in the current period.

**Note 3: Revenue from construction contract** - Some of the projects are still under planning and the other ones were completed this financial year therefore spending was less than anticipated.

**Note 4: Employee related costs** - Savings from some of the positions which were vacant during the year.

**Note 5: Depreciation and amortisation** - Additions for the current year were only finalised during the 3rd and 4th quarter hence less depreciation than budgeted for.

**Note 6: Transfers and Subsidies** - Less transfer for co-funding from Govan Mbeki local municipality than initially planned.

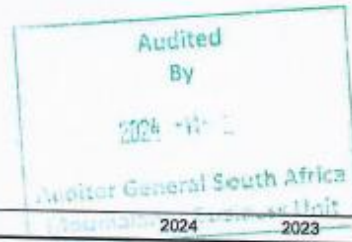
**Note 7: Operating costs** - Savings due to cost containment policy implementation

## GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

### Notes to the Annual Financial Statements

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#### 43. Segment information

##### General information

##### Identification of segments

The district municipality is not necessary involved in delivering core service to its citizens. This is compounded by the fact that some of the functions that are ordinarily performed by the district in terms of municipal structures act they were delegated to the local municipalities e.g. bulk water, bulk sewer, solid waste sites etc. For management purposes, the municipality is organised and operates in two key functional segments which are involved in service delivery purposes therefore has the ability to derive service potential. To this end, management monitors the operating results of these business units for the purpose of making decisions about resource allocations and assessments of performance. Revenues and expenditures relating to these business units are allocated to these business units.

The two key business units comprise of:

- Community and social services which include municipal health services, environmental health and disaster management amongst it function:-

-Infrastructure and technical services which include amongst others support to local municipalities on road maintenance, bulk infrastructure projects, water quality testing etc;

The grouping of these segments is consistent with the functional classification of government activities which considers the nature of the services, the beneficiaries of such services and the fees charged for the services rendered (if any).

##### Aggregated segments

For the purpose of this reporting the other departments such as Office of the Executive Mayor, Office of the Municipal manager, Finance, Corporate service and Planning and economic development are viewed as support function and therefore grouped as governance and administration support

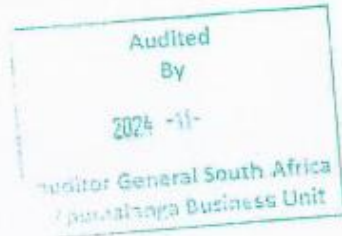
For segment reporting purposes the income and expenditures as well as assets and liabilities will be included in the annual financial statements. The information regarding cash flow is not readily split into these departments, therefore it has not been included in the segment reporting..

##### Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Infrastructure and technical services	supporting local municipalities on bulk infrastructure, maintenance of road as well as water quality testing
Community and social services	Municipal health services, environmental health and disaster management
Governance and administration support	Support function (not a major segment)





**GERT SIBANDE DISTRICT MUNICIPALITY**  
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**Notes to the Annual Financial Statements**

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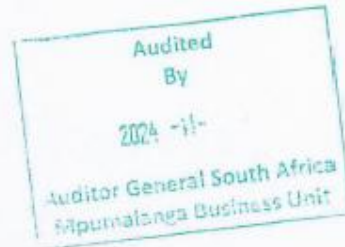
**45. Segment Information (continued)**

**Segment surplus or deficit, assets and liabilities**

2024

	Governance and administration	Community and Social Services	Infrastructure and technical services	Segment 4	Total
<b>Revenue</b>					
Revenue from non-exchange transactions	345 549 499	-	-	-	345 549 499
Revenue from exchange transactions	28 401 318	798 311	472 399 896	-	801 500 515
<b>Total segment revenue</b>	<b>573 949 814</b>	<b>798 311</b>	<b>472 399 896</b>	<b>-</b>	<b>847 148 011</b>
<b>Entity's revenue</b>					<b>847 148 011</b>
<b>Expenditure</b>					
Salaries and wages	137 851 650	58 148 999	34 377 365	-	230 479 011
Depreciation and amortisation	18 802 135	764 073	2 513 676	-	22 079 884
Other expenditure	86 454 813	4 494 351	10 877 601	-	81 826 765
Transfer and subsidies	25 291 466	2 310 075	81 558 672	-	89 160 213
Loss on disposal of assets	111 870	1 008	66 072	-	179 950
Construction contract cost	-	-	401 866 633	-	401 866 633
<b>Total segment expenditure</b>	<b>249 511 724</b>	<b>65 719 503</b>	<b>510 880 119</b>	<b>-</b>	<b>825 931 356</b>
<b>Total segmental surplus/(deficit)</b>	<b>124 338 089</b>	<b>(64 921 192)</b>	<b>(38 280 233)</b>	<b>-</b>	<b>21 136 664</b>
<b>Assets</b>					
Current Assets	175 717 863	-	64 792 242	-	240 510 105
Non Current Assets	216 208 343	38 400 810	16 203 518	-	270 822 671
<b>Total segment assets</b>	<b>391 926 206</b>	<b>38 400 810</b>	<b>80 995 760</b>	<b>-</b>	<b>511 322 776</b>
<b>Total assets as per Statement of Financial Position</b>					<b>511 322 776</b>
<b>Liabilities</b>					
Current Liabilities	105 803 579	-	-	65 412 674	171 216 253
Non Current Liabilities	14 498 636	-	-	-	14 498 636





**GERT SIBANDE DISTRICT MUNICIPALITY**  
Annual Financial Statements for the year ended 30 June 2024

**Notes to the Annual Financial Statements**

Figures in Rand

	Governance and administration	Community and Social Services	Infrastructure and technical services	Segment 4	Total
<b>43. Segment information (continued)</b>					
Total segment liabilities					
Total liabilities as per Statement of financial Position	120 300 215	-	-	85 412 874	185 713 089
2023					185 713 089
<b>Revenue</b>					
Revenue from non-exchange transactions					
Revenue from exchange transactions	337 276 000	-	-	-	337 276 000
Total segment revenue	25 786 900	804 886	453 783 555	-	480 355 441
Entity's revenue	303 062 900	804 886	453 783 555	-	817 581 441
<b>Expenditure</b>					
Salaries and wages	147 890 295	41 825 143	26 985 801	215 609 239	
Depreciation and amortisation	19 529 295	870 623	3 426 281	23 605 199	
Other Expenditure	82 012 274	2 752 113	11 127 259	75 691 595	
Transfer and subsidies	28 007 552	2 236 755	14 573 030	45 807 337	
Loss on disposal of assets	212 010	630	4 716	217 356	
Construction contract cost	-	-	-	428 181 567	
Total segment expenditure	256 448 426	47 585 264	484 288 604	780 322 294	
Total segment surplus/deficit	104 614 474	(46 780 278)	(30 575 049)	27 259 147	
<b>Assets</b>					
Current Assets	255 252 454	-	41 4 137	255 696 591	
Non Current Assets	222 011 580	44 126 615	16 936 283	283 073 478	
Total segment assets	477 264 034	44 126 615	17 349 420	538 740 569	

**GERT SIBANDE DISTRICT MUNICIPALITY**  
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<b>43. Segment information (continued)</b>		
<b>Total assets as per Statement of financial Position</b>		<b>538,740,069</b>
<b>Liabilities</b>		
Current Liabilities	212,863,378	222,181,917
Non Current Liabilities	12,105,000	12,105,000
<b>Total segment liabilities</b>	<b>224,788,378</b>	<b>234,286,917</b>
<b>Total liabilities as per Statement of financial Position</b>		<b>234,286,917</b>

**44. Fruitless and wasteful expenditure**

Opening balance as previously reported	25,623,747	25,623,747
Add: Fruitless and wasteful expenditure identified - prior period	-	-
Less: Amount written off - current	(25,623,747)	-
<b>Closing balance</b>	<b>-</b>	<b>25,623,747</b>

The fruitless and wasteful expenditure relates to interest and penalties paid to SARS relating to an audit done since 2019 to 2022.

After the council committee investigations, council adopted the council committee recommendation no C29/07/2024 to write-off an amount of R 25,623,747 from the total fruitless and wasteful expenditure amount.

**45. Irregular expenditure**

Opening balance as previously reported	62,862,689	-
Add: Irregular expenditure - current	67,939,757	-
Add: Irregular expenditure - prior period	-	62,862,689
Less: Amount written off - current	(130,294,048)	-
<b>Closing balance</b>	<b>508,398</b>	<b>62,862,689</b>



# GERT SIBANDE DISTRICT MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2024

## Notes to the Annual Financial Statements

Figures in Rand

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### 45. Irregular expenditure (continued)

#### Amount written-off

After the council committee investigations, council adopted the council committee recommendation no C29/07/2024 to write-off an amount of R 130,294,048 from the total irregular expenditure amount.

The irregular expenditure relates to non compliance with Preferential Procurement regulations.

#### Recoverability steps taken/criminal proceedings

The irregular expenditure identified in the current financial year relates to non compliance with the Preferential Procurement Regulations. The Municipality will investigate and follow section 32 of the MFMA in the next financial period to deal with this irregular expenditure.

The municipality will investigate the full extent of the amount as this relates to what was identified during the audit. Follow up with section 32 of the MFMA will be made in the next financial period with this irregular expenditure.

### 46. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

#### Statement of financial position

2023

	Note	As previously reported	Correction of error	Restated
Payables from Exchange transactions - staff leave payments Error 1	16	(24,789,499)	(1,299,239)	(26,088,738)
Receivables from exchange transactions- RBIG Receivables From DWS- Error 2	6	8,098,533	358,070	8,456,603
Vat Payables - Error 2	19	(105,790,079)	(46,705)	(105,836,784)
		(122,481,045)	(987,874)	(123,468,919)

2024

#### Statement of financial performance

2023

	Note	As previously reported	Correction of error	Restated
Revenue from exchange transactions - Error 2	23	428,191,567	311,365	428,502,932
Employee related cost - Leave pay provision charge - Error 1	28	(2,009,095)	(1,299,239)	(3,308,334)
Surplus for the year		426,182,472	(987,874)	425,194,598

#### Prior Errors



Error 1: Trade and Payables (staff leave payments) and Employer related costs (Leave pay provision charge)

Correction of staff leave payments leave for the 2023 financial years R 1 299 239

Error 2: Revenue Construction contracts, vat output (Payable) and Receivables from DWS

Construction revenue was corrected with the amount of R 311 365 that was included as Construction revenue, for expenditure that was incurred in the previous financial year, but the money was only transferred by DWS in the 2024 Financial year. Receivables was corrected with R 358 070 (vat inc) and Vat output was corrected with R46 705.00

## **VOLUME III – AUDIT ACTION PLAN**

<div><div></div><div><div>FINAL REMEDIAL ACTION PLAN -AG - FRAMEWORK</div><div>AUDITOR GENERAL</div><div>REMEDIAL ACTION PLAN FOR: 2023/24</div><div>PROGRESS OF ACTIONS TAKEN UP TO : DRAFT FOR 2024</div></div><div></div></div>													Abbreviations: Q = Quarter AFS= Annual Financial Statements		Legends : Indicated in Colours		In Progress started-not completed and not yet due	Completed	In progress - part of Interim AFS - Final will be review in July & Aug 2025 with final AFS	Due date passed item need urgent attention passed due date	Ongoing process for the duration of the financial year: Due date 30 June 2025
REPORTING DATE TO HOD MEETING: DRAFT FOR 2024																					
DEPARTMENT TO POPULATE	NO.	COMF NO	CATEGORY/ KEY AREA	FOCUS AREA (FINDING)	ROOT CAUSE OF NON-COMPLIANCE / INTERNAL CONTROL DEFICIENCIES	ACTION PLANS TO BE TAKEN	ACTIVITIES TO BE UNDERTAKEN TO OPERATIONALISE THE ACTION PLANS	IMPLEMENTATION DATE (start Date)	DUE DATE (Completion date)	RESPONSIBLE PERSON - RESOURCES USED	ADDITIONAL SOURCES REQUIRED	MONITORING MECHANISM / PERSON									
Matters affecting the auditor's report																					
Procurement and contract management																					
SCM	1	COMAF 21 ITEM 3	Business Process - SCM processes	1 =Non-compliance with the Preferential Procurement Regulations, 2022 resulting in irregular expenditure for GSDM 01/2023 and resulting in an internal control deficiency	1 Human error with transfer of points to excel 2 Review not properly executed	1 Review of documents by one of the Asst. SCM Managers 2 SCM official to attend training on new legislation 3 Investigate if one can have electronic system 4 Monthly meetings in Finance to be reintroduce	1 = Assistant Manager : Compliance and Demand will verify the correctness of the scoring sheet and transposition of the evaluation pack done by the user and SCM Officials before approval of the senior manager. 2 = Training be scheduled for SCM officials to attend training on the new legislation 3= SCM Snr Manager must benchmark with the other municipalities and to do market research to establish if their are a system available to assist with the issuing of quotations 4 = CFO to ensure that the monthly departmental meeting be reintroduce for ensuring a discuss problems and new introductions of legislation	1 =January 2025 2 = 15 January 2025 3 = 15 January 2025 4 = 6 January 2025 on a monthly basis	1 = On going on a monthly basis 2 = 31 January 2025 3 = To be completed by 15 February 2025 4 = On going on a monthly basis	1 & 2 & 3 = Mr. L Mbuyane (Snr SCM Manager) 4 = CFO	None	DCFO CFO									
SCM	2	COMAF 21 ITEM 2	Business Process - SCM processes	Request for quotations did not stipulate the applicable preference point system and did not stipulate the specific goals for which points may be awarded AND there was no evaluation on specific goals done to show how the winning supplier was determined resulting in non- compliance with the preferential procurement regulations, 2022 resulting in irregular expenditure understatement	1 Misinterpretation of Legislation	1 Attend implementation training provided by Treasury on new legislations 2 That Treasury be requested to train GSDM on the PPR 3 Review of SCM policies and SOP 4 Investigate the whole population from January 2024 to December 2024 5 Provide the irregular expenditure to Council 6 That IA execute a audit on the irregular expenditure 7 = Internal audit unit to evaluate compliance with new amendments in the SCM requirements as soon as they are effective	1 & 2 = Snr. SCM ensure training are scheduled for all SCM Officials 3 = Snr SCM to review SCM Policy and SOP to be in line with legislation 4 = SCM to investigate whole population of all vouchers from January 2024 to December 2024 to verify if there are similar mistakes/errors 5 = Report all newly found mistakes as irregular expenditure to council if there are any. 6 = IA include Irregular expenditure as part of the audit plan for 2024/25 7 = The Accounting Officer request IA unit to evaluate compliance with new amendments in the SCM requirements as soon as they are effective	1 & 2 = 06 January 2025 3 = Before 31 January 2025 4 = Before 28 February 2025 5 = Before 15 March 2025 6 = Before 30 June 2025 7 = Start 15 January 2025	1 & 2 Before 15 February 2025 3 = Before 31 January 2025 4 = Before 28 February 2025 5 = Before 15 March 2025 6 = Before 30 June 2025 7 = end 30 June 2025	1 & 2 & 3 & 4 & 5 = Mr. L Mbuyane (Snr SCM Manager) 6 = K Chetty (CIA) 7 = CFO Through the office of MM	PT and / NT	DCFO CFO									
SCM	3	COMAF 7 Item 2	Business Process - SCM processes	During our audit of quotations, it was noted that the following supplier quotation was received after the communicated closing date resulting in non compliance with legislation	1. misinterpretation of regulation	1. Request for quotations must have the closing date and this be added to the checklist for evaluation 2. SCM must attend training for interpretation of regulations 3. Proper planning by end-user departments and Support from HOD and MM if the time frame does not allow the service to be provided in terms of the time needed on the SOP 4. Enhance the specific goals to include the closing dates 5. = Investigate the whole population from January 2024 to December 2024 6 = Provide the irregular expenditure to Council 7 = Request more then 3 quotations (10) 8 = Investigate possibility of Automising processes Automiser processes 9 = Asst manager demand will review the evaluation . 10 = Evaluation be done by 2 X SCM and 1 person form end user.	1 = SOP and Checklist to be revised to ensure that all quotations have closing dates 2 = Snr. SCM ensure training are scheduled for all SCM Officials 3 = HOD of end-user department to ensure that when request for procurement are signed that the SCM section have sufficient time to execute procurement in line with SOP 4 = SCM Policy be revised to include the closing date as part of specific goals 5 = SCM to investigate whole population of all vouchers from January 2024 to December 2024 to verify if there are similar mistakes/error 6 = Report all newly found mistakes as irregular expenditure to council if there are any	1 & 4 = 31 January 2025 2 = 15 February 2025 3 = 15 January 2025 5 = Before 28 February 2025 6 = Before 15 March 2025	2 & 4 = 31 January 2025 3 = 15 February 2025 5 = 15 January 2025 6 = Before 28 February 2025 7 = Before 15 March 2025	1 & 2 & 4 & 5 & 6 = L Mbuyane 3 = HOD of each department	PT and / NT	DCFO CFO									



Other Matters												
Procurement and contract management												
SCM	4	COMAF 32	Business Process - SCM processes	Supplier's directors are employed in other state institutions and the directors did not declare that they work for the state institution as required by the SCM process.	Awards made to suppliers who falsely declared their interest through an MDB 4.	1 = Chief financial officer to write letters to all affected state institutions to confirm if the indicated persons are employed in the service of the state. 2 = Those suppliers who did not declare their interest should be notified and Accounting officer should take action to address the improper conduct in terms of Treasury regulation 13 (c). 3 = SCM must review all awarded to ensure the issue raised by AG are not present in all awards for 2024/25	1 = letters to be send to the organisations that were identified by AG 2 = If their is no declaration GSDM will write letters to the suppliers requesting that declarations must be completed 3 = SCM will review all the bids evaluated for the 2024/2025 FY to avoid similar Mistake.	1. & 2 = 15 December 2024 3 = 31 January 2025	1. & 2 =15 December 2024 - Completed 3 = 29 February 2025	1 to 3 = = Mr. L Mbuyane (Snr SCM Manager)	None	DCFO CFO
SCM	5	COMAF 1 ITEM 1	Business Process - SCM processes	Discrepancies were identified between the Tender register and the Contract register, particularly in the tender numbers	The tender register and contract register were not properly reviewed	1. SCM must also comments on extension and variations of contracts 2 = Develop a VO register 3. Review from the tender user department on the correctness of the contract register and tender register 4. Two reviewers in SCM: by the Assistant SCM and Snr. SCM 5 = Monitoring of Contract register to be done on quarterly basis	1 = All the variation orders (VO's) and extensions of contracts must have comments of the Legal, SCM and CFO prior to the MM's approval. 2 = SCM will developed a Variation Register to monitor the variation activities 3 = SCM will circulate the tenders register and contract register to user departments to verify the completeness of the registers 4 = SOP and procedures be amended to ensure that the Assistant SCM and Snr. SCM review the tender and contract register	1 = 15 January 2025 2 = 31 January 2025 3 = 15 January 2025 on quarterly basis 4 = 15 January 2025 be reviewed on quarterly basis	1 = 15 January 2025 2 = 31 January 2025 3 = 15 January 2025 on quarterly basis 4 = 15 January 2025 be reviewed on quarterly basis	1 = ITS on compiling the report and MM before approval 2 to 4 = = Mr. L Mbuyane (Snr SCM Manager)	None	DCFO CFO
SCM	6	COMAF 1 ITEM 2	Business Process - SCM processes	Quotation register provided to the auditors only included procurements above R30,000. This is contrary to Regulation 12 and the amendments to the regulations and is reported as a control deficiency	Finance did not take all contracts from the listing provided to AG	1 = Finance will delete all contact and amounts above R30,000 from the listing of quotations provided to AG	1 = From the listing draw from Munsoft finance will delete al contact appointments and amounts above R 30,000	1 = 31 August 2025	1 = 15 September 2025	1 = Ms. K Makaula (Snr. Manager Finance) and Mr. L Mbuyane (Snr SCM Manager)	None	DCFO CFO
SCM	7	COMAF 6	Business Process - SCM processes	Inconsistencies in the SCM policy in relation to the range/thresholds of procurement thresholds	Changes to SCM policy was not properly reviewed	1 = Review SCM policy	2 = That the SCM policy be reviewed to correct the correct threshold	1 = 15 January 2025	1= 15 January 2025	Mr. L Mbuyane (Snr SCM Manager)	None	DCFO CFO
SCM	8	COMAF 21 ITEM 2	Business Process - SCM processes	During the audit of procurement the internal audit unit (IA) raised findings in relation to wrong allocation of points when AG audit the same items the mistakes were not found	Management corrected the mistakes identified by IA but did not leave an audit trail of corrections	1 = Audit trial must be left as part of the corrected documents for AG to audit	1 = When corrections are executed in findings form IA the wrong documents must be left as part of the audit trail for AG to audit	1 = 15 January 2025	1 = 30 June 2025	Mr. L Mbuyane (Snr SCM Manager)	None	DCFO CFO
ITS	9	COMAF 35	Business Process - SCM processes	Information not included in contract management file	Management did not ensure that project management information given to AG give enough details to confirm that the project management is adequate	1 =Information be filed for audit purposes	1 = ITS will keep all information relating to projects in files to ensure the information are available for AG during the audit process	1 = 15 January 2025 but for all projects form 1 July 2024	1 = 30 June 2025	Ms. T Pitso & P Batale (Snr. Managers ITS)	None	Mr. B Mduyula (GM ITS)



Payables												
Fin Man	16	COMAF 12	Accrual Listing	Variance between the amount in the supporting invoices and the accruals listing	Management did not account for VAT on the accruals listing for suppliers that are valid VAT vendors	1 = Management will ensure that the Accrual listing agree this to the Accruals invoices captured in the GL and TB for accuracy and completeness	1 = Accrual listing will be prepared for Interim AFS and as well as Final listing 2 = Snr Manager Financial Manager will consolidate and review the listing. 3 = The reconciliation will be reviewed by the Deputy CFO for completeness and accuracy	1 & 2 & 3 = For Interim AFS = 01 March 2025 1 & 2 & 3 = For Final AFS = 18 August 2025	1 & 2 & 3 = For Interim AFS = 31 March 2025 1 & 2 & 3 = For Final AFS = 25 August 2025	1. Manager Expenditure 2. Reviewer :Ms Keneliwe Makaula: Senior Manager Financial Manager	NONE	DCFO CFO
HR	17	COMAF 16.1	Staff Leave	Staff Leave balances are incorrectly calculated: differences between the annual leave days taken per supporting documents (approved manual leave forms and sage leave detail report) and the leave taken as per the leave accrual schedule	Management did not ensure adequate monitoring and review controls during the preparation of the leave accrual schedule to prevent omissions and errors on the staff leave	1 = Prior year error to be done Part of KPI of each HOD 2 = Officials to verify leave balances Report Monthly to HOD Meeting 3 = IA To be assisting with the review Gert Sibande DM 4 = 6 = new listing to be provided to Fin to do prior year corrections	1 = Prior year error to be done 2 = HOD KPI's to be amended to make leave management Part of KPI of each HOD 3 = Listing send to Departments for verify balances 4 = Report Monthly to HOD Meeting 5 = IA To be assisting with the review Gert Sibande DM of leave balances 6 = new listing to be provided to Fin to do prior year corrections	1 = 1 August 2025 2 = 15 Jan 2025 3 = Quarterly started Jan 2025 4 = Monthly Start 31 January 2025 5 = 15 January 2025 6 = 1 March 2025	1 = 10 August 2025 2 = 31 January 2025 3 = 30 June 2025 4 = 30 June 2025 5 = 31 January 2025 6 = 31 March 2025	1 = Snr manager BTO:Ms N Ntombela 2 = L Mkhwanazi (Snr Manager in The office of MM) 3 & 4 & 6 = ST Ndlovu Executive Secretary: CS / Leave Administrator	None	1 = F Gates (DCFO) 2 = MM 3 & 4 & 6 = MA Bamabas Senior Manager: Admin & HR 5 = K Chetty (CIA)
HR	18	COMAF 16.2	Staff Leave	During the audit of staff leave accrual we noted that security officer's leave days accrual was incorrectly accounted for by management. Management incorrectly accrued twenty-four (24) leave days for security officers instead of twenty seven (27) leave days for the leave cycle ended on 30 June 2024	Manual leave forms were not accurately accounted for to ensure that the leave forfeiture is calculated from a correct balance	1 = Prior year error to be done Part of KPI of each HOD 2 = Listing send to Departments for verify balances Report Monthly to HOD Meeting 3 = Fortheted leave to be recalculate IA To be assisting with the review Sibande DM 4 = 5 = 6 = Gert 7 = new listing to be provided to Fin to do prior year corrections 8 = Manual Leave forms to be reconciled	1 = Prior year error to be done 2 = Part of KPI of each HOD 3 = Listing send to Departments for verify balances 4 = Report Monthly to HOD Meeting 5 = Fortheted leave to be recalculate 6 = IA To be assisting with the review Gert Sibande DM 7 = new listing to be provided to Fin to do prior year corrections 8 = Manual Leave forms to be reconciled with the system and attendance registers	1 = 1 August 2025 2 = ????? 3 = Quarterly started Jan 2025 4 & 8 = Monthly Start 31 January 2025 5 = 15 January 2025 6 = ??? 7 = 1 March 2025	1 = 10 August 2025 2 = 30 June 2025 3 = 30 June 2025 4 & 8 = 30 June 2025 5 = 28 February 2025 6 = ??? 7 = 31 March 2025	1 = Snr Manager BTO:Ms N Ntombela 2 = L Mkhwanazi (Snr Manager in The office of MM) 3 & 4 & 5 & 7 & 8 = ST Ndlovu Executive Secretary: CS / Leave Administrator 6 = ??? 1 & 2 = Manager Expenditure 1 & 2 = Reviewer :Ms Keneliwe Makaula: Senior manager Financial Manager	None	1 = F Gates (DCFO) 2 = MM 3 & 4 & 5 & 7 & 8 = MA Bamabas Senior Manager: Admin & HR 6 = K Chetty (CIA)
Fin Man	19	COMAF 29	VAT	During the audit of VAT, it was identified that the reconciliation of the VAT transactions occurred during the period under review was incorrectly calculated.	Management did not accurately account for the VAT transactions (inputs, refunds, set-offs and outputs) during the preparation of the VAT reconciliations during the financial year	1 = Management will explore an alternative Vat reconciliation method that will be easily interpreted by the AG.	1 = Management will benchmark with other for their vat reconciliation templates 2 = Prepare the Vat reconciliation for the Interim AFS and request the Internal Auditors to review for comments and Inputs	1 & 2 = For interims = 01 March 2025 1 & 2 = For Final AFS = 18 August 2025	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 = For Final AFS = 25 August 2025		NONE	DCFO CFO
Disclosure												
Fin Man	20	COMAF 37	Financial reporting - AFS compliant	Misclassified in the cash flow statement: payments to employee cost is included in the cash flow statement without adjusting for movement in "Staff leave payments" and "Benefit payable to deceased employee" which are employee cost payables. These amounts were incorrectly included in the calculation for payments to suppliers.	1 = Management did not review the Cash Flow Statement to ensure compliance with GRAP 02 requirements	1 = Management will review the Cash Flow Statement to ensure it is prepared in accordance with GRAP 02 requirements. 2 = Review of the cash flow statement will be part of the 3rd party reviewed process 3 = Management will ensure that the cash flow is reconciled regularly to ensure accurate and completeness of the disclosure.	1. The Snr Manager Financial manager will prepare the Cash flow reconciliation on the Excel Spreadsheet. 2 = The excel reconciliation will be reviewed by both the DCFO & CFO against the Populated Cash flow on CaseWare system 3 = Deputy CFO & CFO as well as 3rd Party will review the DRAFT CASH FLOW / AFS for completeness and accuracy.	1 & 2 & 3 = For interims = 01 March 2025 1 & 2 & 3 = For Final AFS = 18 August 2025 (3rd Party only for Final AFS)	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 & 3 = For Final AFS = 25 August 2025 (3rd Party and PT only for Final AFS)	1. Manager Expenditure 2. Reviewer :Ms Keneliwe Makaula: Senior manager Financial Manager 3 = DCFO & CFO & Final 3rd Party	NONE	DCFO CFO

Fin Man	21	COMAF 2	Financial reporting - AFS compliant	No disclosure of the prior period error note.	Management did not ensure adequate monitoring and review controls during the preparation of the annual financial statements to prevent prior period error note omission on the annual financial statements submitted for audit.	1 = Management will adequately review the annual financial statements before they are submitted for audit by ensuring that the annual financial statements for completeness and accuracy (Review by DCFO & CFO & AUDIT COMMITTEE & PT & IA) 2 = Look at management rep letter for materiality	1 = Improve quality review controls for the Interim AFS = SNR Manager :Financial Management will do first review of the AFS prepared by the Accountants DCFO and CFO will do 2nd and 3rd review Interims will be provided to IA for review 2 = Final AFS : SNR Manager :Financial Management will do first review of the AFS prepared by the Accountants. DCFO and CFO will do 2nd and 3rd review Interims will be provided to IA and Audit committee for review before the external review. PT will also be requested to assist with the final review	1 & 2 & 3 = For Interims = 01 March 2025 1 & 2 & 3 = For Final AFS = 18 August 2025 (3rd Party only for Final AFS)	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 & 3 = For Final AFS = 25 August 2025 (3rd Party and PT only for Final AFS)	Reviewer's :Ms Kenelwe Makaula: Senior manager Financial Manager 3 = DCFO & CFO & Final 3rd Party	NONE	DCFO CFO
Fin Man & Legal	22	COMAF 14	Financial reporting - AFS compliant	Contingent assets have been incorrectly recognized in the AFS	Management did not account for legal matters that have been finalized in line with GRAP standards to ensure regular, accurate and complete financial statements are supported and evidenced by reliable information	Snr Manager legal will advise Finance of any changes to the pending litigation during the preparation of the AFS, which changes the status of the cases from Contingent Assets to a Receivables for accurate reporting	1. Finance will send out a request for confirmation to legal team to confirm all the pending litigation cases during the preparation of the Interim and Final AFS 2. Snr Manager Legal will ensure that the contingent Assets register is fully updated with the current and pending cases.	1 & 2 = For Interims = 01 March 2025 1 & 2 = For Final AFS = 18 August 2025	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 = For Final AFS = 25 August 2025	1. Snr Manager Legal : Ms Madonsela 2. Ms Kenelwe Makaula: Senior manager Financial Manager	NONE	DCFO CFO
Fin Man	23	COMAF 25	Financial reporting - AFS compliant	No alignment between the amounts and the reported segments	Management did not ensure adequate review controls during the preparation of the annual financial statements to identify the misalignment between the amounts and the heading for the corresponding segments on the annual financial statements submitted for audit.	1 = Management will develop and implement controls to ensure that adequate monitoring and review controls are in place during the preparation and review of the Interim and Annual Financial statements	1 = Improve quality review controls for the Interim : SNR Manager :Financial Management will do first review of the AFS prepared by the Accountants. DCFO and CFO will do 2nd for Interim AFS as well as IA 2 = Improve quality review controls for the Final AFS : SNR Manager :Financial Management will do first review of the AFS prepared by the Accountants. DCFO and CFO will do 2nd as well as IA and Audit committee and 3rd review before the external review and PT	1 & 2 & 3 = For Interims = 01 March 2025 1 & 2 & 3 = For Final AFS = 18 August 2025 (3rd Party only for Final AFS)	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 & 3 = For Final AFS = 25 August 2025 (3rd Party and PT only for Final AFS)	Reviewer :Ms Kenelwe Makaula: Senior manager Financial Manager	NONE	DCFO CFO
Fin Man & Legal	24	COMAF 38	Financial reporting - AFS compliant	Overstatement of contingent liabilities.	Management did not adequately review the annual financial statements against supporting evidence before they were submitted for audit to compliance with GRAP 14 standard	1 = Snr Manager legal will advise Finance of any changes to the pending litigation during the preparation of the AFS, which changes the status of the cases from Contingent liability to a current liability for accurate reporting 2 = HOD meeting to be used to look at items after reporting date form other departments 3 = Legal report as part of HOD meetings on quarterly basis	1. Finance will send out a request for confirmation to legal team to confirm all the pending litigation cases during the preparation of the Interim and Final AFS 2. Snr Manager Legal will ensure that the contingent liabilities register is fully updated with the current and pending cases.	1 & 2 = For Interims = 01 March 2025 1 & 2 = For Final AFS = 18 August 2025	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 = For Final AFS = 25 August 2025	1. Snr Manager Legal : Ms Madonsela 2. Ms Kenelwe Makaula: Senior manager Financial Manager	NONE	DCFO CFO
Fin Man	25	COMAF 10	Financial reporting - AFS compliant	Review of the AFS	This was result of Case were pulling contingent asset from fruitless and wasteful expenditure which was incidentally not switched off on Case ware	1 = Management will adequately review the annual financial statements before they are submitted for audit by ensuring that the annual financial statements for completeness and accuracy	1 = Improve quality review controls for the Interim : SNR Manager :Financial Management will do first review of the AFS prepared by the Accountants. DCFO and CFO will do 2nd for Interim AFS as well as IA 2 = Improve quality review controls for the Final AFS : SNR Manager :Financial Management will do first review of the AFS prepared by the Accountants. DCFO and CFO will do 2nd as well as IA and Audit committee and 3rd review before the external review and PT	1 & 2 = For Interims = 01 March 2025 1 & 2 = For Final AFS = 18 August 2025	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 = For Final AFS = 25 August 2025	Reviewer :Ms Kenelwe Makaula: Senior manager Financial Manager	NONE	DCFO CFO
BTO	26	COMAF 39	Financial reporting - AFS compliant	Disclosure: Noncompliance with GRAP 24 presentation of budget information in financial statements	Management did not adequately review the annual financial statements to ensure that they are prepared in accordance with applicable GRAP standards	1 = talk to AG on the changes Why not resolved 2 = Management will adequately review the annual financial statements before they are submitted for audit by ensuring that the annual financial statements for completeness and accuracy	1 = Improve quality review controls for the Interim : SNR Manager :Financial Management will do first review of the AFS prepared by the Accountants. DCFO and CFO will do 2nd for Interim AFS as well as IA 2 = Improve quality review controls for the Final AFS : SNR Manager :Financial Management will do first review of the AFS prepared by the Accountants. DCFO and CFO will do 2nd as well as IA and Audit committee and 3rd review before the external review and PT	1 & 2 = For Interims = 01 March 2025 1 & 2 = For Final AFS = 18 August 2025	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 = For Final AFS = 25 August 2025	1. Nozpho Ntombela (Senior Manager BTO)	NONE	DCFO CFO
Fin Man	27	COMAF 22	Financial reporting - AFS compliant	Commitments disclosure note terminology not accurate	Management did not adequately review the annual financial statements before they were submitted for audit, as a result, the municipality did not prepare accurate financial statements.	Management will adequately review the annual financial statements before they are submitted for audit by ensuring that the annual financial statements for completeness and accuracy	1 = Improve quality review controls for the Interim : SNR Manager :Financial Management will do first review of the AFS prepared by the Accountants. DCFO and CFO will do 2nd for Interim AFS as well as IA 2 = Improve quality review controls for the Final AFS : SNR Manager :Financial Management will do first review of the AFS prepared by the Accountants. DCFO and CFO will do 2nd as well as IA and Audit committee and 3rd review before the external review and PT	1 & 2 = For Interims = 01 March 2025 1 & 2 = For Final AFS = 18 August 2025	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 = For Final AFS = 25 August 2025	1 = Prepared :Ms Kenelwe Makaula: Senior manager Financial Manager 2 = Reviewer: F Gates : Deputy CFO	NONE	DCFO CFO
Fin Man & Legal	28	COMAF 18	Financial reporting - AFS compliant	Amounts of contingent liabilities in the annual financial statements does not agree with the amount in the register of contingent liabilities	Management did not ensure that during the preparation of the financial statements, the amounts estimated to be claimed by the attorneys are included as amounts of the estimates in the annual financial statement. Furthermore, the review of the financial statements against the registers of the attorneys was not adequately performed to ensure that accurate amounts are included in the annual financial statements	1 = Management will improve the Contingent Liability register in manner that clearly show legal cost separate from the amounts claimed in the contingent registers to avoid some confusion in future audits. 2 = Involved the Audit committee in the items that management does not agree with AG	1. Finance will send out a request for confirmation to legal team to confirm all the pending litigation cases during the preparation of the Interim and Final AFS 2. Snr Manager Legal will ensure that the contingent liabilities register is fully updated with the current and pending cases.	1 & 2 = For Interims = 01 March 2025 1 & 2 = For Final AFS = 18 August 2025	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 = For Final AFS = 25 August 2025	1. Snr Manager Legal : Ms Madonsela 2. Ms Kenelwe Makaula: Senior manager Financial Manager	NONE	DCFO CFO

Receivables												
Fin Man	29	COMAF 33	Financial reporting - AFS compliant : Receivables	Receivables from exchange transactions - possible misstatement in the amounts presented in the AFS	Management did not implement controls of ensuring that confirmations of debtor accounts are confirmed with the debtors to confirm amounts with debtors and follow up on variances identified	1 = Execute a Debtors Confirmation with all the Municipalities and other receivables as at Year end .	1 = Send out statement of Accounts and letter of confirmation twice a year for all the Local Municipalities, and other Stakeholders such as DWS and SAWS 2 = Checklist for AFS will be used as a control tool for both Interim and Final AFS preparation	1= 15 February 2025 2 = 01 July 2025	1= 28 February 2025 2 = 15 July 2025	1.Preparer : Recons Clerk and manager Expenditure 2 . Reviewer :Ms Keneilwe Makaula: Senior manager Financial Manager	NONE	DCFO CFO
Fin Man	30	COMAF 8	Financial reporting - AFS compliant : Receivables	Receivable from exchange transactions - no impairment accounted for	Management did not adequately prepare and assess impairment of receivables exchange transaction in preparation of the financial statements to avoid misstatement of the Annual financial statements.	1. Management will review and amend the policy for Debtors Impairment 2 = Improve the controls in terms of managing debtor accounts on a monthly basis and perform follow ups on outstanding accounts 3. Amend the debtors impairment policy and the creditors control policy for water quality long standing debtors more than 60 days	1. Amend the section on debtors write off to demonstrate further the types of debtors that are eligible for write off 2. Implement the creditors control policy and procedures on long standing debtors	1 = 1 April 2025	1 = 30 April 2025	1 = Prepared :Ms Keneilwe Makaula: Senior manager Financial Manager 2 = Reviewer: F Gates : Deputy CFO	NONE	DCFO CFO
Revenue												
Fin Man	31	COMAF 13	Financial reporting - AFS compliant : Revenue	Incorrect accounting of revenue from construction contract	Management did not adequately perform reviews on the accounting of the payment made to project through their equitable share when accounting for the amounts made towards projects relating to the water projects.	1. Management will ensure financial information used in preparation of the financial statements is accurate to avoid misstatement of the Interim and Annual financial statements	1. Management will go through the whole population of funding received for RBG projects for all receipts and payments 2.Management will Perform quarterly reconciliations of all construction revenue and Construction payments 3. The quarterly reconciliations will be received for completeness and accuracy	1 = 15 January 2025 2 & 3 = quarterly (Q1 & Q2 = 15 January 2025)	1 = 31 January 2025 2 & 3 = quarterly (Q1 & Q2 = 31 January 2025)	1. Manager Expenditure 2 . Reviewer :Ms Keneilwe Makaula: Senior manager Financial Manager	NONE	DCFO CFO
Transfers and Subsidies												
Fin Man	32	COMAF 9	Financial reporting - AFS compliant : Transfers and subsidies	Understatement of Co-funding Expenditure for Road Rehabilitation.	Management did not implement controls of ensuring that the transactions as per the general ledger need to be allocated to disclosures of the annual financial statements based on the nature of the transactions.	1. Management will ensure that account balances and class of transactions are classified accordingly in the preparation of both the Interim and annual financial statements	1. During the preparation of the AFS properly review the Interim /Year end Transfer and subsidies, and that this is aligned with both the GL, TB and AFS	1 & 2 = For interims = 01 March 2025 1 & 2 = For Final AFS = 18 August 2025	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 = For Final AFS = 25 August 2025	1. Manager Expenditure 2 . Reviewer :Ms Keneilwe Makaula: Senior manager Financial Manager	NONE	DCFO CFO

Post retirement benefit obligations												
BTO	33	CO MAF 4	Financial reporting - AFS compliant : Post retirement Obligation	Variance between the amount in the annual financial statements and amount recorded in the General ledger	Management did not ensure that the amounts in the AFS are agreed to the amounts as per the supporting schedules to the AFS	1. Management will ensure that account balances and class of transactions are classified accordingly in the preparation of both the Interim and annual financial statements	1. During preparation of the AFS properly review the Interim /Year end Transfer and subsidies, and that this is aligned with both the GL, TB and AFS	1 & 2 = For Interims = 01 March 2025 1 & 2 = For Final AFS = 18 August 2025	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 = For Final AFS = 25 August 2025	1.Nozipho Ntombela (Senior Manager BTO)	NONE	DCFO CPO
Other compliance												
ITS & Fin Man	34	CO MAF 3	Compliance to legislation (MPMA)	Payments not made within 30 days from the receipt of the invoice	Management did not review and monitor compliance with applicable legislation	Management will ensure that there is only one control point for all invoices	1. Finance will be the only department that will attach a stamp on the invoices for payment processing 2. Expenditure Manager will continue to keep a register for all invoices and monitor the 30 days payment compliance on a weekly basis 3 = ITS to keep delivery notes for claims submitted to DWS and LMs for payemnts.	1 = 15 January 2025 2 = 1 July 2024 3 = 15 January 2025	1 = 31 July 2025 2 = 31 July 2025 3 = 30 March 2025	1 & 2 = Ms Nomvula Mntambo 3 = T Pitso	None	1 & 2 = Ms Keneilwe Makaula 3 = Mr. B Mduyula (GM ITS)
Operating cost												
Fin Man	35	CO MAF 11	Expenditure not reconciling	Expenditure not recognised in the general ledger	Management did not capture the services rendered on the goods receipt note to ensure that expenditure and payables are fully recorded in the annual financial statements.	Management will send out confirmation email to all end users for any invoices not accounted for closer to year end as part of year end procedures	1 = Section for Confirmation of invoices not paid will be included on the AFS checklist for both interim and Final AFS	1 = 28 February 2025	1 = 30 June 2025	1. Ms Shirley Tsole	None	1. Ms Keneilwe Makaula
Internal control deficiencies												
CFO	36	CO MAF 24	Financial reporting - AFS compliant : Accounting policy	During the audit of the accounting polices disclosures in the annual financial statements we identified that note 2.1 New standard and interpretation was disclosed not in line with Directive 5.	Management did not adequately review the financial statements to ensure that the accounting policies are in line with the directives issued by the Accounting Standards Board	1 = Management will adequately review the annual financial statements before they are submitted for audit by ensuring that the annual financial statements for completeness and accuracy 2 = Interaction with Munsoft and CaseWare to sort out the problems	1 = Improve quality review controls for the Interim : SNR Manager /Financial Management will do first review of the AFS prepared by the Accountants. DCFO and CPO will do 2nd for Interim AFS as well as IA 2 = Improve quality review controls for the Final AFS : SNR Manager /Financial Management will do first review of the AFS prepared by the Accountants. DCFO and CPO will do 2nd as well as IA and Audit committee and 3rd review before the external review and PT	1 & 2 = For Interims = 01 March 2025 1 & 2 = For Final AFS = 18 August 2025	1 & 2 = For Interim AFS = 31 March 2025 1 & 2 = For Final AFS = 25 August 2025	1 = DCFO 2 = Reviewer: CPO	NONE	DCFO CPO

OMM	37	CO MAF 31 ITEM 1	Deficiencies in management of ethics in the municipality	During the planning phase of the audit, the Ethics Management processes was reviewed, it was noted that Ethics Management strategy, policy and procedures are not developed to govern ethics for councillors of the municipality	Non-acknowledgement of code of conduct by political office bearers may not be held accountable for any breached of these codes. This would result in internal control deficiencies ethics environment of the municipality.	1 = Management will develop the Ethics Management Framework, strategies and Policies. 2 = The Ethics Management responsibilities will be allocated a specific person. 3 = Management will ensure that Councillors sign the acknowledgement of receipt of the code of conduct and filled on the personnel file at Human Resources.	1 = Management will develop the Ethics Management Framework, strategies and Policies. 2 = The Ethics Management responsibilities will be allocated to the Risk Officer. 3 = Management will ensure that Councillors sign the acknowledgement of receipt of the code of conduct and filled on the personnel file at Human Resources.	1 = 30 April 2025 2 = 15 January 2025 3 = 31 March 2025	1 = 30 June 2025 2 = 31 Jan 2025 3 = 31 March 2025	1 = Chief Risk Officer Mr. K Bataala 2 = L Mkhwanazi LVA 3. Senior Managers Council Support & HR, Mr Msibi & Mr Barnabaas	None	MM
C/S	38	CO MAF 31 ITEM 2	Deficiencies in management: Policies not reviewed for updates with legislations	During the planning phase there were no updates made on policies of the municipality to align them to legislation and regulations which affect the previously approved versions of the policies. Furthermore, the policies were also not reviewed in line with the clauses of policy renewals.	Accounting officer did not review policies and communicate the updates on policies and procedures to officials, to enable and support understanding and execution of internal control objectives, processes and responsibilities.	1 = Approve policies every year 2 = Policies to be published on intranet 3 = Register to be kept 4 = Must use DMS system for al documents 5 = Policies part of inductions 6 = Workshop in departments and a conference for organisation	1 = Policies must be apored every year in May : Jan to March policy to go to council and send to bay law to deal with it before May 2 = After approval all policies must be uploaded on Intranet 3 = Register of all policies to be developed and updated yearlyr 4 = Must use DMS system for al documents including policies 5 = All new officials must be intreduse to all policies as part of inductions 6 = Workshop in departments and a conference for organisation	1 = 1.1 Review and develop Policies - Jan to March 1.2 Approval in May 2 = 30 June 2025 3 = 1 February 2025 4 = Jan 2025 5 = 15 Jan 2025 6 = 1 May 2025	1.1 Review and develop Policies - Jan to March 1.2 Approval in May 2 = 30 June 2025 3 = 1 March 2025 4 = 30 June 2025 5 = 30 June 2025 6 = 30 May 2025	1 & 2 & 3 & 4 & 6 = S Msibi Snr Manager C/S 5 = HOD'S	None	1 & 2 & 3 & 4 & 6 = HOD C/S 5 = MM

**VOLUME IV**  
**REPORT OF THE AUDIT COMMITTEE FOR YEAR ENDING 30 JUNE 2024**



## REPORT OF THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2024

### AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee (AC) was established in terms of section 166 of the Municipal Finance Management Act (MFMA). Section 166 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA), as amended, requires a municipality to establish an independent audit committee which must advise the municipal council, political office-bearers, accounting officer and management on matters relating to internal financial controls and internal audits, risk management, and accounting policies; as well as provide advice on the adequacy, reliability and accuracy of financial reporting and information within the municipality. In addition, the committee advises on performance management, risk management, effective governance, compliance with the MFMA, the annual Division of Revenue Act, and any other applicable legislation and performance evaluation.

The Audit Committee was able to meet nine (9) times during the financial year under review as per the approved terms of reference. The meetings included five (5) special and four (4) normal Audit Committee meetings.

The current Audit Committee was appointed in April 2022 for a period of 3 years. The members of the audit committee are all external appointees.

Below is the summary of tenure and meeting attendances of the members:

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED	TENURE PERIOD
Mr. Lankalebalela L (Audit Committee Chairperson)	9 (100%)	01 April 2022 to 31 March 2025
Mr. Simelane SP (Member)	8 (89%)	14 August 2022 to 14 August 2025
Mr. Thenga O (Member)	8 (89%)	01 April 2022 to 31 March 2025
Ms. Rasalanavho TM (Member of AC and Chairperson of PAC)	9 (100%)	01 April 2022 to 31 March 2025

Four (4) Ordinary Audit Committee meetings and five (5) Special Audit Committee meetings were held during the year. The five (5) special meetings were amongst others for the purposes of:

- Unaudited Draft Annual Financial Statements (before submission to the AGSA)
- Unaudited Draft Annual Performance Report (before submission to the AGSA)
- AGSA 2022/23 Audit Strategy
- AGSA 2022/23 Audit Report
- AGSA 2022/23 Audit Action Plan
- Mid-year budget and performance report

- Approval of Charters and Combine Assurance Framework

The Audit Committee meeting agendas are comprehensive and require diligent preparation by the committee members, and all members participate in the meetings with the highest levels of professionalism, commitment, integrity and objectivity. The AC meetings are attended by:

- Municipal Manager
- All Senior Managers;
- Other officials (as and when required);
- Chief Audit Executive, Internal Audit and relevant staff; and
- Mpumalanga Provincial Treasury

## **AUDIT COMMITTEE RESPONSIBILITY**

The Audit Committee confirms that it has complied with its responsibilities arising from section 166 of Municipal Finance Management Act, 2003, (Act 56 of 2003), section 79 of Municipal Structures Act 117, 1998 (Act 117 of 1998) and paragraph 14 (2)(a) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 and the King IV Report on the Best Practices on Corporate Governance for South Africa. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter and regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

## **EFFICIENT AND EFFECTIVE OF INTERNAL CONTROL**

The systems of internal controls applied by the Municipality over financial and risk management have improved though there are still some areas that requires attention from management. In line with the MFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls of the Municipality have been fairly designed, however they are not fully efficient and effective. This is as a result of failure to identify control weaknesses and non-implementation of recommended enhancements to the controls and processes.

From the Audit Report of the Auditor-General South Africa on the Annual Financial Statements of the Municipality, the Municipality received an unqualified audit opinion with emphases of matters for the year under review which is the same opinion as compared to prior year. Management did not fully resolve the findings raised by Internal Audit and Auditor General in the year under review. We recommended that management should develop and implement an action plan to address all the findings raised by the Auditor General and Internal Audit in order to strengthen the efficiency and effectiveness of the systems of internal controls over financial reporting.

We draw attention to the following areas flowing from the Committee's observations and internal audit findings reported during the year:

- (a) Lack of segregation of duties;
- (b) Lack of supporting evidence as a result of poor records management processes;
- (c) Lack of sufficient management review and supervisory checks; and
- (d) Delayed performance management and monitoring processes.

The areas highlighted above require the necessary management attention, as the first line of defense in combined assurance, it is critical to emphasis that these matter needs to be addressed as soon as possible.

## **REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS**

- Management submitted draft Annual Financial Statements to the Audit Committee which were incomplete at the time of review. This limited the oversight responsibility of the Audit Committee on the Annual Financial Statement before submission to the Auditor General.
- The Audit Committee reviewed the audited annual financial statements to be included in the annual report.
- The Audit Committee reviewed the Municipality's compliance with legal and regulatory provisions.
- The Audit Committee reviewed the Auditor General's management report and audit report.
- The Audit Committee reviewed significant adjustments resulting from the audit.

## **INTERNAL AUDIT**

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the Municipality and its audits. Internal audit performed the audit of internal controls and compliance with relevant legislation. The Audit Committee noted some improvement in the effectiveness of the internal controls during the financial year. This is a positive reflection on the quality of work produced by Internal Audit and on management's commitment to quality and good governance. The Committee has noted that there is a need to improve monitoring, oversight and implementation by Management in executing and managing internal controls.

The Internal Audit activities are carried out by an in-house department operating in terms of an Internal Audit Charter and an annually approved audit plan. There has been no compromise of the independence or objectivity of the function during the year under review. The Chief Audit Executive (CAE) reports functionally to the Audit Committee and administratively to the Municipal Manager.

## **INTERNAL AUDIT EFFECTIVENESS**

To ensure continued effectiveness in the performance of audit function the CAE developed a Continuous Development Programme for internal audit staff. The programme outlines training programmes aligned to each staff members development needs.

## **RISK MANAGEMENT**

The Audit Committee is satisfied that risk management is continually improving within the Municipality. However, management needs to ensure that there is improved co-ordination between risk management and strategic planning functions, so that resources can be allocated in an optimal manner to address the top risks of the Municipality. For the year under review management implemented 100% of the strategic risk mitigations measures. The risks that were not mitigated are carried forward to the 2024/25 risk register. The Audit Committee will monitor progress in the implementation of mitigation measures.

## **PRE-DETERMINED OBJECTIVES**

The Audit Committee is satisfied that preparation and reporting on pre-determined objectives of the Municipality is improving, however there must be improvements in submission of the Annual Performance Report and performance information to the Audit Committee and Internal Audit for adequate review.

## **QUALITY OF IN-YEAR REPORTING**

Management was able to table all quarterly financial reports and performance reports for the financial year 2023/24. The Audit Committee reviewed these reports on and were satisfied with the quality thereof.

## **ICT GOVERNANCE**

The Audit Committee reviewed reports from ICT Steering Committee for the year under review. For the year under review management implemented 100% of the ICT risk mitigations measures.

## **AUDITOR-GENERAL OF SOUTH AFRICA**

The Audit Committee, in consultation with management, agreed to the terms of the engagement and approved the Audit Strategy. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The Audit Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues. The committee concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa. The Audit Committee recommends to management to address all issues raised by the Auditor-General in the audit report.

## **REPORTING**

The Audit Committee tabled all its quarterly reports to the Municipal Council, reporting on matters attended to during the relevant quarter.

## **APPRECIATION**

The Audit Committee wishes to thank Municipal Council, management and staff for their continued commitment to improving effective control environment and good governance in the municipality. Our appreciation is also extended to the team from the Auditor-General South Africa for the independent value that they continue to add to the municipality.

**MR L LANKALEBALELA**

**CHAIRPERSON OF THE AUDIT COMMITTEE  
GERT SIBANDE DISTRICT MUNICIPALITY**

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**VOLUME V  
AUDIT REPORT**

## Report of the auditor-general to the Mpumalanga Provincial Legislature and the council on the Gert Sibande District Municipality

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Gert Sibande 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, the cash flow statement and the statement of comparison of budget and 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 Gert Sibande District Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 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 district 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.

#### Other matter

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



#### Unaudited disclosure notes

7. In terms of section 125(2)(e) of the MFMA, the district municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

#### Responsibilities of the accounting officer for the financial statements

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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the annual performance report
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12. 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.
13. 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 district municipality's performance

on its primary mandated functions and that are of significant national, community or public interest.

- percentage of Gert Sibande district municipality funded projects completed by 30 June (excluding regional bulk infrastructure grant )
- percentage of water and sanitation projects (external funding) completed by 30 June (implementation phase)
- percentage of water quality tests conducted against the number of samples received
- maintain laboratory accreditation status by the South African National Accreditation System by 30 June 2024
- total square metres of roads repaired
- percentage of water samples taken from local municipalities per month compared to scheduled target
- number of food-handling and preparation facility inspections conducted in terms of the Foodstuffs, Cosmetics, Disinfectant Act 54 of 1972
- percentage of municipal environmental and health surveillance complaints as documented on the complaints register attended to within 21 days
- number of service delivery research and development conducted in line with the municipality's approved research and development programme 2022–2027
- number of HIV/Aids programmes implemented by 30 June (including voluntary counselling and testing and medical male circumcision )
- number of gender-based violence and femicide programmes implemented by 30 June
- development of an integrated community safety strategy for local government in the district
- monitoring and evaluation conducted on disaster management in seven local municipalities by 30 June 2024
- review of the district disaster management framework and plan
- number of air quality management plans developed for Gert Sibande District Municipality and local municipalities
- percentage of atmospheric emission licence applications received and processed within 90 days
- percentage of environmental impact assessment applications received and commented on within 90 days
- number of environmental management bylaws developed for Gert Sibande District Municipality and local municipalities
- number of climate change vulnerability assessment, adaptation and response strategies developed for the seven local municipalities

- number of water conservation education/awareness campaigns implemented by 30 June 2024
  - number of water conservation education/awareness campaigns implemented by 30 June 2024
  - percentage of inspections performed on water treatment plants by 30 June 2024
  - percentage of disaster management programmes implemented according to the business plan by 30 June 2024 (fire services and disaster management)
  - number of disaster risk reduction awareness campaigns conducted with local municipalities by 30 June 2024
  - number of air quality awareness programmes implemented
  - number of environmental pollution control awareness campaigns held by 30 June 2024
  - percentage of compliance audits conducted with respect to section 21 listed activities as per the National Environmental Management Act 107 of 1998 by 30 June 2024
  - percentage of compliance audits conducted with respect to section 23 listed activities as per the National Environmental Management Act by 30 June 2024
  - number of biodiversity and conservation management capacity-building awareness campaigns implemented
  - percentage of water and sanitation (external funding) projects with contractor appointments finalised (construction phase)
  - percentage of water and sanitation planning projects (external funding) completed and submitted by 30 June 2024 (planning phase)
  - total kilometres of roads re-gravelled and bladed
  - total (cubic metres) of illegal dumping cleaned
  - procurement of jet patcher truck by 30 June 2024
  - percentage of service requests successfully addressed on all HVAC, electrical and plumbing services (nominal maintenance by artisans)
14. I evaluated the reported performance information for the selected development priority 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 district municipality's planning and delivery on its mandate and objectives.
15. 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 and is comparable and understandable
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets/measures taken to improve performance

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

17. I did not identify any material findings on the reported performance information for the selected development priority.

#### **Other matters**

18. I draw attention to the matters below. My opinion is not modified with respect to these matters:

#### **Achievement of planned targets**

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

20. The following table 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.



<i>Targets achieved: 96%</i> <i>Budget spent: 92%</i>		
Key indicator not achieved	Planned target	Reported achievement
Percentage of water and sanitation projects (external funding) completed by 30 June (implementation phase)	76%	67%
Percentage of municipal environmental and health surveillance complaints as documented on the complaints register attended to within 21 days	100%	92%
Development of an integrated community safety strategy for local government in the district	1	0
Review of the district disaster management framework and plan	1	0
Number of climate change vulnerability assessment, adaptation and response strategies developed for the seven local municipalities	2	0

#### Material misstatements

21. I identified a material misstatement in the annual performance report submitted for auditing. The material misstatement was in the reported performance information for basic service delivery and infrastructure development – development priority. Management subsequently corrected the misstatement and I did not include any material findings in this report.

#### Report on compliance with legislation

22. 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 district municipality's compliance with legislation.
23. 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.
24. 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 district 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.

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

#### Procurement and contract management

26. The preference point system was not applied in some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act 5 of 2000.

#### Expenditure management

27. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value of R508 398, as disclosed in note 45, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the disclosed irregular expenditure was caused by non-compliance to section 2(1)(a) of the Preferential Procurement Policy Framework Act.

Other information in the annual report
--

28. 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 development priorities presented in the annual performance report that have been specifically reported on in this auditor's report.
29. 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.
30. 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 development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
31. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
32. 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

33. 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.
34. The matter reported below is limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
35. Management did not apply adequate monitoring and review controls to ensure compliance with the applicable laws and regulations for procurement and contract management is adhered to.

Mbombela

30 November 2024



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

1. The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

2. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the district 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district 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 district municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a district municipality to cease operating as a going concern

- 
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### Communication with those charged with governance

4. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
5. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

### Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003 (MFMA)	<p>Section 1 – paragraph (a), (b) and (d) of the definition: irregular expenditure</p> <p>Section 1 – definition: service delivery and budget implementation plan</p> <p>Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1)</p> <p>Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b)</p> <p>Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i)</p> <p>Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 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)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1)</p> <p>Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii)</p> <p>Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170</p> <p>Sections 171(4)(a), 171(4)(b)</p>
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	<p>Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a)</p> <p>Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a)</p> <p>Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b)</p>

Legislation	Sections or regulations
	Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c)  Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43  Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000 (MSA)	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b)  Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a)  Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a)  Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Division of Revenue Act 5 of 2023	Section 11(6)(b), 12(5), 16(1), 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8)  Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2)  Regulations 11(1), 11(2)

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Legislation	Sections or regulations
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



Gert signature audit report

Auditor General

# *Gert Sibande District Municipality*

Please address all correspondence to:

The SPEAKER  
P O Box 1748  
ERMELO  
2350



Office hours:

Mondays to Thursdays  
07:30 – 13:00 / 13:30 – 16:00  
Fridays: 07:30 – 14:00  
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Corner Joubert & Oosthuise Street  
ERMELO  
2350  
e-mail: [records@gsibande.gov.za](mailto:records@gsibande.gov.za)

## OFFICE OF THE SPEAKER

Enquiries: Mr. T Mosia  
017 801 7226

13 February 2025

**To : MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

Chief Albert Luthuli Local Municipality  
Dipaleseng Local Municipality  
Dr. Pixley Ka Isaka Seme  
Govan Mbeki Local Municipality  
Lekwa Local Municipality  
Mkhondo Local Municipality  
Msukaligwa Local Municipality  
Gert Sibande House of Traditional Leaders

Dear Sir / Madam

### SUBJECT MPAC PUBLIC HEARING

In terms of the Municipal Finance Management Act No 56 of 2003, section 127(5)(a)(ii), the Accounting Officer must invite the local community to submit representations in connection with the annual report.

Therefore, MPAC will engage in a program to consult Local Municipalities and other stakeholders to make submission on the draft annual report 2023/2024 financial year.

#### **Program:**

<b>Municipality</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>	<b>Targeted</b>
<b>Chief Albert Luthuli</b>	<b>25/02/2025</b>	<b>Nhlazatshe No2 Community Hall</b>	<b>10:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs</b>

<b>Dipaleseng</b>	<b>26/02/2025</b>	<b>Thusong Centre</b>	<b>10:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs</b>
<b>Govan Mbeki</b>	<b>27/02/2025</b>	<b>Kgotso Community Hall</b>	<b>10:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs</b>
<b>Lekwa</b>	<b>28/02/2025</b>	<b>Stanwest Community Hall</b>	<b>10:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs</b>
<b>Mkhondo</b>	<b>04/03/2025</b>	<b>Town Hall</b>	<b>09:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs</b>
<b>Gert Sibande House of Traditional Leaders</b>	<b>04/03/2025</b>	<b>Mkhondo Council Chamber</b>	<b>12:00</b>	<b>Traditional Leaders, Headsman's, Traditional Council Members, CFO, and MM</b>
<b>Msukaligwa</b>	<b>05/03/2025</b>	<b>Cassim Park Hall</b>	<b>10:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee CBOs, and NGOs</b>
<b>Dr Pixley Ka Isaka Seme</b>	<b>06/03/2025</b>	<b>DPKIS Council Chamber</b>	<b>10:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs</b>

For more information, please contact the Manager: Manager (Mr MJ Kubheka) @ [Mandla.Kubheka@gsibande.gov.za](mailto:Mandla.Kubheka@gsibande.gov.za) or 017 801 7006

  
 CLLR B.G SEKHONDE  
 SPEAKER

GERT SIBANDE DISTRICT MUNICIPALITY

14/02/25  
 DATE

# Gert Sibande District Municipality

Please address all correspondence to:

The SPEAKER  
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## OFFICE OF THE SPEAKER

Enquiries: Mr. T Mosia  
017 801 7226

13 February 2025

**To : MUNICIPAL PUBLIC ACCOUNTS COMMITTEE**

Chief Albert Luthuli Local Municipality  
Dipaleseng Local Municipality  
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Therefore, MPAC will engage in a program to consult Local Municipalities and other stakeholders to make submission on the draft annual report 2023/2024 financial year.

**Program:**

Municipality	Date	Venue	Time	Targeted
Chief Albert Luthuli	05/03/2025	Nhlazatshe No2 Community Hall	09:00	Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs



<b>Msukaligwa</b>	<b>05/03/2025</b>	<b>Cassim Park Hall</b>	<b>14:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs</b>
<b>Dr Pixley Ka Isaka Seme</b>	<b>06/03/2025</b>	<b>DPKIS Council Chamber</b>	<b>10:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs</b>
<b>Govan Mbeki</b>	<b>07/03/2025</b>	<b>Kgotso Community Hall</b>	<b>10:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs</b>
<b>Lekwa</b>	<b>07/03/2025</b>	<b>Extension 6 Community Hall</b>	<b>14:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs</b>
<b>Mkhondo</b>	<b>13/03/2025</b>	<b>Town Hall</b>	<b>10:00</b>	<b>Councillors, CFO, MM, CDWs, Ward Committee, CBOs, and NGOs</b>
<b>Gert Sibande House of Traditional Leaders</b>	<b>13/03/2025</b>	<b>Mkhondo Council Chamber</b>	<b>12:00</b>	<b>Traditional Leaders, Headsman, Traditional Council Members, CFO, and MM</b>

For more information, please contact the Manager: Manager (Mr MJ Kubheka) @ [Mandla.Kubheka@gsibande.gov.za](mailto:Mandla.Kubheka@gsibande.gov.za) or 017 801 7006

  
 P.P.  
 CLLR B.G SEKHONDE  
 SPEAKER

GERT SIBANDE DISTRICT MUNICIPALITY

4/03/25  
 DATE



WHEN THE SUN RISES  
WE WORK HARD TO DELIVER

## GERT SIBANDE DISTRICT MUNICIPALITY

# MPAC OVERSIGHT CONSULTATION ON 2023/2024 ANNUAL REPORT





# Presentation outline

- Background
- Draft Annual report components defined
- Auditor General report component
- Annual financial statements component
- Annual performance report component
- Recommendations



The Executive Mayor of Gert Sibande District Municipality Honorable Cllr WM Mngomezulu tabled the annual report of the District to Council inline with section 127 of Municipal Finance Management Act on the 30 January 2025. (Council Resolution no C02/01/2025 and C10/01/2025)

The following resolutions were taken:

1. That the Annual Report for the year ending **30 June 2024 BE NOTED and BEREFERRED** to MPAC for an oversight report.
2. That the Council's **2023/24** Draft Annual Report, Annual Performance Report and Annual Financial Statements **BE PUBLICISED** within seven (7) days to invite local community to make representation in connection with the annual report, as required by section 127(5) of the MFMA.
3. That an oversight report, containing comments on the Draft Annual Report, **BE ADOPTED** by Council within two months (31 March 2025) from the date on which the **2023/24 Annual Report** was tabled, as required by section 129(1) of the MFMA.
4. That the signed Auditor General report, **BE NOTED**.
5. That the attached audit action plan to address findings from management report issued by AG AS PER Annexure A, **BE NOTED**.



# DRAFT ANNUAL REPORT DEFINED



# Annual Report

## Used for:

- evaluating the previous financial year's performance
- recording of the activities of the municipality or municipal entity for the financial year
- report of performance against the budget for that year
- promote accountability to the local community for decisions made throughout the year.

## Comprises of:

1. The **annual financial statements** of the municipality and / or its entity
2. Where a municipality has control of an entity, the **consolidated financial statements**
3. The **Auditor-General's audit report** on the annual financial statements of the municipality or entity and on the consolidated annual financial statements
4. The **annual performance report** as required by section 46 of Municipal Systems Act
5. The **AG's audit report** on the performance report

## Other Reports:

- The audit committee report - source of expert opinions
- An oversight report containing the council's comments

# AUDITOR GENERAL REPORT SUMMARISED



# SECTION 1: AUDIT OUTCOMES AND MATERIAL IRREGULARITIES

## OVERALL AUDIT OUTCOMES

6. The overall audit outcome of the Municipality is unqualified with findings. This is the same as the previous year's audit outcome.


### Audit results per outcome area

Outcome area	Movement	2023-24	2022-23	2021-22
<b>Financial statements</b>	➡			
<b>Annual performance report</b>				
• KPA: Basic service delivery and infrastructure development	➡			
<b>Compliance with legislation</b>				
• Annual financial statements, performance and annual report	➡			
• Expenditure management	⬇			
• Asset management	➡			
• Strategic planning and performance management	➡			
• Procurement and contract management	➡			
• Utilization of conditional grants	➡			
• Consequence management	➡			
• HR Management	➡			

	Unqualified / No material findings		Qualified		Adverse		Disclaimed		Material findings		Not audited
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⬆	Improvement	⬇	Regression	➡	Unchanged
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<b>FINAL REMEDIAL ACTION PLAN -A</b> <b>AUDITOR GENERAL</b> <b>REMEDIAL ACTION PLAN FOR</b> <b>PROGRESS OF ACTIONS TAKEN UP TO</b>							
<b>ITS</b>	<b>9</b>	<b>COMAF 35</b>	<b>Business Process - SCM processes</b>	<b>Business Process - SCM processes</b>	<b>Information not included in contract management file</b>	<b>Management did not ensure that project management information given to AG give enough details to confirm that the project management is adequate</b>	<b>1 =Information be filed for audit purposes</b>
<b>redetermined objectives</b>							
<b>AOPO / CSS</b>	<b>10</b>	<b>COMAF 27</b>	<b>Basic Service Delivery and Infrastructure Development</b>	<b>Basic Service Delivery and Infrastructure Development</b>	<b>To validate the corrective measure against relevant evidence, we obtained the minutes of council and the agenda for September and noted that the review of the disaster management framework and plan was not part of the discussion</b>	<b>The reviewed document will be submitted for approval in the Council agenda of September 2024</b>	<b>The item will be taken to the next council meeting.</b>
<b>AOPO / OMM</b>	<b>11</b>	<b>COMAF 20</b>	<b>Business Process - AOPO processes</b>	<b>Business Process - AOPO processes</b>	<b>Inconsistencies between the indicators planned per the service delivery and budget implementation plan (SDBIP) and the indicators reported in annual performance report (APR).</b>	<b>Human error: Management did not adequately review the annual performance report, inadequate confirmation was made to ensure that the indicators as reported in the annual performance report are consistent with the indicators that were planned in the service delivery budget implementation plan</b>	<b>1 = Management corrected errors in the Annual Performance Report. 2 = Management will perform a review to ensure that there is consistency between SDBIP and APR. 3 = A review checklist will be developed to ensure that high level quality review is done and the information reported in the APR is consistent with the SDBIP.</b>

# ANNUAL FINANCIAL STATEMENT COMPONENT



Description	Note(s)	2024 (R)	2023 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	167,882,125	243,687,362
Inventories	4	1,277,440	1,247,000
Prepayments	5	2,898,812	2,210,982
Receivables from exchange transactions	6	68,387,123	8,456,603
Receivables from non-exchange transactions	11	64,625	64,644
		240,510,125	255,666,591
<b>Non-Current Assets</b>			
Heritage assets	7	159,250	159,250
Intangible assets	8	1,775,310	2,321,847
Investment Property	9	22,300,689	22,300,689
Property, plant and equipment	10	245,529,203	257,294,152
Receivables from non-exchange transactions	11	1,108,319	997,540
		270,872,771	283,073,478
		511,382,896	538,740,069

Description	Note(s)	2024 (R)	2023 Restated
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Consumer deposits</b>	<b>12</b>	<b>140,518</b>	<b>99,275</b>
<b>Employee benefit - Bonus</b>	<b>13</b>	<b>5,156,928</b>	<b>4,715,311</b>
<b>Finance lease obligation</b>	<b>14</b>	<b>216,863</b>	<b>702,025</b>
<b>Long service Provision</b>	<b>15</b>	<b>1,143,000</b>	<b>2,519,000</b>
<b>Payables from exchange transactions</b>	<b>16</b>	<b>162,000,295</b>	<b>98,890,083</b>
<b>Payables from Non - exchange transactions</b>	<b>17</b>	<b>620,632</b>	<b>9,341,439</b>
<b>Post retirement benefit obligation</b>	<b>18</b>	<b>85,000</b>	<b>78,000</b>
<b>VAT payable</b>	<b>19</b>	<b>1,853,217</b>	<b>105,836,784</b>
		<b>171,216,453</b>	<b>222,181,917</b>
<b>Non current Liabilities</b>			
<b>Finance Lease Obligation</b>	<b>14</b>	<b>399,636</b>	<b>-</b>
<b>Long service Provision</b>	<b>15</b>	<b>13,453,000</b>	<b>11,482,000</b>
<b>Retirement Obligation</b>	<b>18</b>	<b>644,000</b>	<b>623,000</b>
		<b>14,496,636</b>	<b>12,105,000</b>
<b>TOTAL LIABILITIES</b>		<b>185,713,089</b>	<b>234,286,917</b>
<b>NET ASSETS</b>		<b>325,669,807</b>	<b>304,453,152</b>

Description	Note(s)	2024 (R)	2023 Restated*
<b>REVENUE</b>			
Revenue form Exchange transactions			
Co Funding received from Local Government	20	46,293,668	-
Interest received	21	25,358,613	25,112,217
Other income	22	23,787,510	22,883,944
Rendering of services		798,311	804,986
Revenue from Construction Revenue	23	401,886,860	428,502,932
Service charges	24	3,474,553	3,001,362
Total Revenue form Exchange transactions		501,599,515	480,305,441
Revenue form non - Exchange transactions			
Government grant and subsidies& subsidies received	25	345,475,000	337,276,000
Proceeds form insurance		73,496	-
Total revenue form non - Exchange transactions		345,548,496	337,276,000
<b>TOTAL REVENUE</b>		<b>847,148,011</b>	<b>817,581,441</b>
<b>Expenditure</b>			
Construction Contract costs	26	- 401,886,833	- 428,502,932
Depreciation and amortisation	27	- 22,079,885	- 23,605,199
Employee related costs	28	- 215,524,916	- 202,148,126
Finance costs	29	- 1,579,203	- 4,620,313
Lease	30	- 123,237	- 115,175
Loss on disposal of assets & liabilities		- 112,976	- 217,357
Operating costs	31	- 79,924,025	- 71,156,108
Remuneration of councillors	32	- 14,954,095	- 14,461,113
Transfers and Subsidies	33	- 89,660,213	- 45,495,971
PPE Impairment Loss		- 85,973	-
<b>TOTAL EXPENDITURE</b>		<b>- 825,931,356</b>	<b>- 790,322,294</b>
<b>(DEFICIT / SURPLUS FOR YEAR</b>		<b>21,216,655</b>	<b>27,259,147</b>

Statement of Comparison of Budget and Actual Amounts					
Budget on Accrual basis					
Description	Approved Budget (R)	Adjuatments (R)	Fianal Budget (R)	Actual amount (R)	Difrance (R)
Statement of Financial Performance for the year ended 30 June 2024					
REVENUE					
Revenue form Exchange transactions					
Co Funding received from Local Government	-	48,250,188	48,250,188	46,293,668	- 1,956,520
Interest received	21,069,670	4,000,000	25,069,670	25,358,613	288,943
Other income	25,461,560	451,000	25,912,560	23,787,510	- 2,125,050
Rendering of services	700,000	200,000	900,000	798,311	- 101,689
Revenue from Construction Revenue	-	410,000,000	410,000,000	401,886,860	- 8,113,140
Service charges	1,000,000	2,000,000	3,000,000	3,474,553	474,553
Total Revenue form Exchange transactions	48,231,230	464,901,188	513,132,418	501,599,515	- 11,532,903
Revenue form non - Exchange transactions					
Government grant and subsidies& subsidies received	345,975,000	- 500,000	345,475,000	345,475,000	-
Proceeds form insurance	-		-	73,496	73,496
Total revenue form non - Exchange transactions	345,975,000	- 500,000	345,475,000	345,548,496	73,496
TOTAL REVENUE					



Page 1222 of 1298						Annexure D	
Description	Approved Budget (R)	Adjuatments (R)	Fianal Budget (R)	Actual amount (R)	Difrance (R)		
Expenditure							
Construction Contract costs	-	- 410,000,000	- 410,000,000	- 401,886,833	8,113,167		
Depreciation and amortisation	- 26,821,250		- 26,821,250	- 22,079,885	4,741,365		
Employee related costs	- 231,914,410	9,388,495	- 222,525,915	- 215,524,916	7,000,999		
Finance costs	- 1,480,000		- 1,480,000	- 1,579,203	99,203		
Lease	- 303,620		- 303,620	- 123,237	180,383		
Debt Impairment				- 85,973	85,973		
Operating costs	- 88,923,810	831,510	- 88,092,300	- 79,924,025	8,168,275		
Remuneration of councillors	- 15,943,070		- 15,943,070	- 14,954,095	988,975		
Transfers and Subsidies	- 35,997,070	- 57,089,657	- 93,086,727	- 89,660,213	3,426,514		
TOTAL EXPENDITURE	- 401,383,230	- 456,869,652	- 858,252,882	- 825,818,380	32,434,502		
OPERATING (DEFICIT / SURPLUS FOR YEAR	- 7,177,000	7,531,536	354,536	21,329,631	20,975,095		
Loss on disposal of assets & liabilities	-	-	-	112,976	112,976		
(DEFICIT / SURPLUS FOR YEAR	- 7,177,000	7,531,536	354,536	21,216,655	20,862,119		

Gert Sibande District Municipality

# ANNUAL PERFORMANCE REPORT COMPONENT



# ANNUAL PERFORMANCE REPORT

The overall performance for Gert Sibande District Municipality is based on the Departmental Performance Scorecards as this contains all the indicators as included in the IDP and SDBIP. A total of 144 . Key Performance Indicators encompassing the different scorecards contribute to the overall organisational performance, no Key Performance Indicators were zero weighted (excluded from performance measurement). **All 144 Key Performance Indicators** were assessed, **133 (92%) were achieved and 11 (8%) were below the target**. The overall accumulative performance achieved a target with an overall score of 3.10

The IDP Scorecard achieved 84% (2022-2023: 86%). A total of 51 KPI's contribute to this scorecard and none were zero weighted. Of the 51 indicators, 43 (84%) achieved target(s) and only 8 (16%) indicators were below target.

The SDBIP Scorecard achieved 97% (2022-2023: 95%). A total of 93 KPI's contribute to this scorecard and none were zero weighted. Of the 93 indicators, 90, (97%) achieved target(s) and only 3 (3%) indicators were below target.

A summary of performance by scorecard is provided as per the table below;

Gert Sibande District Municipality	June 2023		June 2024	
	No. of targets	Score	No. of Targets	Score
Overall	146	3.10	144	3.10
IDP	44	3.13	51	3.00
SDBIP	102	3.08	93	3.19



# KEY ACHIEVEMENTS

## ACHIEVEMENTS AND EXPENDITURE DURING 2023/24 FY

**A total of 121 588m<sup>2</sup> of road resurfacing the square meters include the co-funding from Dr Pixley ka Seme LM, Msukaligwa LM, Chief Albert Luthuli LM, and Govan Mbeki LM and 41784m<sup>2</sup> of pothole using Jetpatcher truck and 507km of blading/re-gravelling was completed during 2023/24 financial year within the 7 Local Municipalities.**

**We managed to provide eight (8) electric pumped boreholes in deep rural farm areas, namely four (4) in Lekwa local municipality and two (2) in Msukaligwa local municipality and last two (2) in Dipaleseng local municipality**

**Budget spent during the 2023/24 financial year on Roads programs:**

LOCAL MUNICIPALITY	REPAIR & SERVICE COSTS	DIESEL COSTS	RESURFACING OF ROADS
Dr Pixley Ka Seme LM	R147 152.17	R94 584.86	R7 839 130.43
Mkhondo LM	R114 516.35	R121 011.83	R0

LOCAL MUNICIPALITY	REPAIR & SERVICE COSTS	DIESEL COSTS	RESURFACING OF ROADS
Lekwa LM	R120 496.50	R132 859.16	R0
Govan Mbeki LM	R197 738.50	R273 800.70	R13 043 478.26
Msukaligwa LM	R146 335.87	R115 263.01	R24 069 443.75
Dipaleseng LM	R44 623.74	R113 517.04	R0
Chief Albert Luthuli LM	R146 777.69	R55 395.25	R8 678 260.86
<b>TOTAL</b>	<b>R917 640.82</b>	<b>R 906 431.85</b>	<b>R53 630 313.30</b>



# KEY ACHIEVEMENTS

## ACHIEVEMENTS AND EXPENDITURE DURING 2023/24 FY

**A total of 121 588m<sup>2</sup> of road resurfacing the square meters include the co-funding from Dr Pixley ka Seme LM, Msukaligwa LM, Chief Albert Luthuli LM, and Govan Mbeki LM and 41784m<sup>2</sup> of pothole using Jetpatcher truck and 507km of blading/re-gravelling was completed during 2023/24 financial year within the 7 Local Municipalities.**

**We managed to provide eight (8) electric pumped boreholes in deep rural farm areas, namely four (4) in Lekwa local municipality and two (2) in Msukaligwa local municipality and last two (2) in Dipaleseng local municipality**

**In the 2023/24 Financial year, GSDM also invested R1.41 million as a 60% subsidy in support of Local Municipalities for water quality testing. The water quality testing and sampling services also continue assisting the Local municipalities to improve on their Blue Drop and Green Drop Certification scores.**

**34 SMMEs including Cooperatives were supported through purchasing of business production inputs, business development training and marketing of their products at Pop up markets exhibition. Capacity building workshop conducted in partnership with SEDA , Services SETA, SASOL & NYDA.**

**A district Mining Forum has been established to monitor the implementation of Social Labour Plans by mining companies and to strengthen the relationship between the private sector and local government.**



# UNACHIEVED INDICATORS

4. Details of underachieved targets, challenges and corrective measures					
Key Performance Indicator	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
<b>Office of the Municipal Manager</b>					
Unqualified audit outcome	4.1	1	0	The District municipality incurred fruitless and wasteful expenditure of R25.62 million due to penalties paid to the South African revenue service (SARS), Irregular expenditure of R62.86 million due to non-compliance with supply chain management laws and regulations.	1- Audit Action Plan was developed and was approved by Audit Committee on the 19th January 2024. 2- The approved Audit Action Plan was submitted to the next Council meeting. 3 - Audit Action Plan was monitored on the monthly basis by top management. 4 - Internal Audit audited the implementation of the audit action plan.
% of Internal Audit findings resolved (annual)	5.1.2	100%	93%	Contractual disputes between GSDM and Service provider over fees. differences on starting kilometres stated on the requisition form compared to the starting kilometres stated on the logbook for selected trips.	Management does not have control over the contract management only legal section can do that. Fleet Management shall conduct a workshop for all GSDM drivers and train them on how to complete a logbook and requisition form, Only Corporate Service Head of Department shall authorise the trip.





# UNACHIEVED INDICATORS

Key Performance Indicator	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
<b>Financial Services</b>					
Number of Local Municipalities supported by GSDM through Municipal Support Programme	4.7	3	2	Two Senior Manager positions were vacant after resignations.	The two Senior Managers were appointed and started work on the 01 <sup>st</sup> of August 2024
<b>Corporate Services</b>					
Turn-around time for the filling of new and vacated positions	1.2.1	90days	152days	No control over SCM processes in terms of advertising.	Measurement will be reviewed
% of employees conducted performance assessments by 30 June 2024 (below sec 56)	1.3	100%	94%	Other departments did not complete their assessments before the closing date.	HODs to ensure that they assess their subordinates timeously before the closing date.
<b>Community and Social Services</b>					
% of municipal environmental and health surveillance complaints as documented on complaints register attended to within 21 days	2.8	100%	92%	The interpretation of 21 days has been set to mean calendar days and therefore rectified for compliance in future.	An engagement session was conducted to deal with the Standard Operating Procedure (SOP) deadline.
Development of an Integrated Community Safety Strategy for Local Government in the District	2.12	1	0	Insufficient funding.	Use intergovernmental relation for the development of the strategy(benchmarking)



# UNACHIEVED INDICATORS

Key Performance Indicator	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
Review of the District Disaster Management Framework and Plan	2.16	1	0	The reviewed framework was submitted to Portfolio Committee and Mayoral committee.	The reviewed document will be submitted to Council for approval on the 5 <sup>th</sup> December 2024.
Number of Climate Change Vulnerability Assessment, Adaptation and response strategies developed for the 7 LMs	2.24	2	0	The draft “GSDM Climate Change Mitigation and Adaptation Response Policy” as well as the “GSDM Climate Change Mitigation Strategy and Implementation Plan” which are documents that will inform the adaptation and response strategies developed for the 7LMs are still in the process of finalisation. <sup>3</sup>	Upon finalisation of the 2 above named documents, the vulnerability assessments for the 7 LMs shall be completed by the end of first quarter of the 2024/25 financial year, while the adaptation and responses strategies for the 7 LMs shall be completed by the second quarter of the 2024/25 financial year.
<b>Infrastructure and Technical Services</b>					
% of Water and Sanitation projects (external funding) completed by 30 June 2024 (Construction Phase)	2.2	76%	67%	<p>GSDM 174/2020 -Upgrading of Rooikoppen sewer-Internal Reticulation phase 6 is not completed, progress is at 89% due to increased scope of works.</p> <ul style="list-style-type: none"> <li>Construction of a new reinforced concrete chamber at Rooikoppen Sewer Pump Station.</li> </ul>	GSDM 174/2020 - Extension of time has been approved and the contractor will complete the project by 13 September 20 24.



# UNACHIEVED INDICATORS

Key Performance Indicator	KPI Ref	Annual Target	Annual Actual Performance	Reason for Not Achieving Target/Current Challenges	Corrective Measures
				<ul style="list-style-type: none"> <li>Adverse physical working conditions near the stream and rain delays.</li> <li>Delay on Delivery of Pumps due to logistics at South African Harbors.</li> </ul> <p>GSDM 60/2022 - The unblocking of Sewer System in Standerton Sakhile, Standerton Ext 6, 7 and TLC Area, progress is at 98 % and the contractor came across hard rock while laying new pipeline and the delays due to the conditions of working next to Transnet oil/gas line which was unforeseen and beyond contractor's control.</p>	GSDM 60/2022 - Contractor adhered to the Transnet wayleave conditions to avoid gas explosions and for the hard rock excavations packers and Jack hammers were utilized to break the rock and practical completion was achieved on the 25 <sup>th</sup> of July 2024 while final completion was achieved on the 5 <sup>th</sup> of August 2024

## Planning, Economic Development and Innovation

Maintain Remote Operation Certificate (ROC) accreditation status with SACAA	6.3.1	1	0	We could not pay license renewal fees due to CAA non-tax compliance status.	We will appoint service provider to manage civil aviation compliance matters and be an intermediary between GSDM and SACAA during first quarter of 2024/25.
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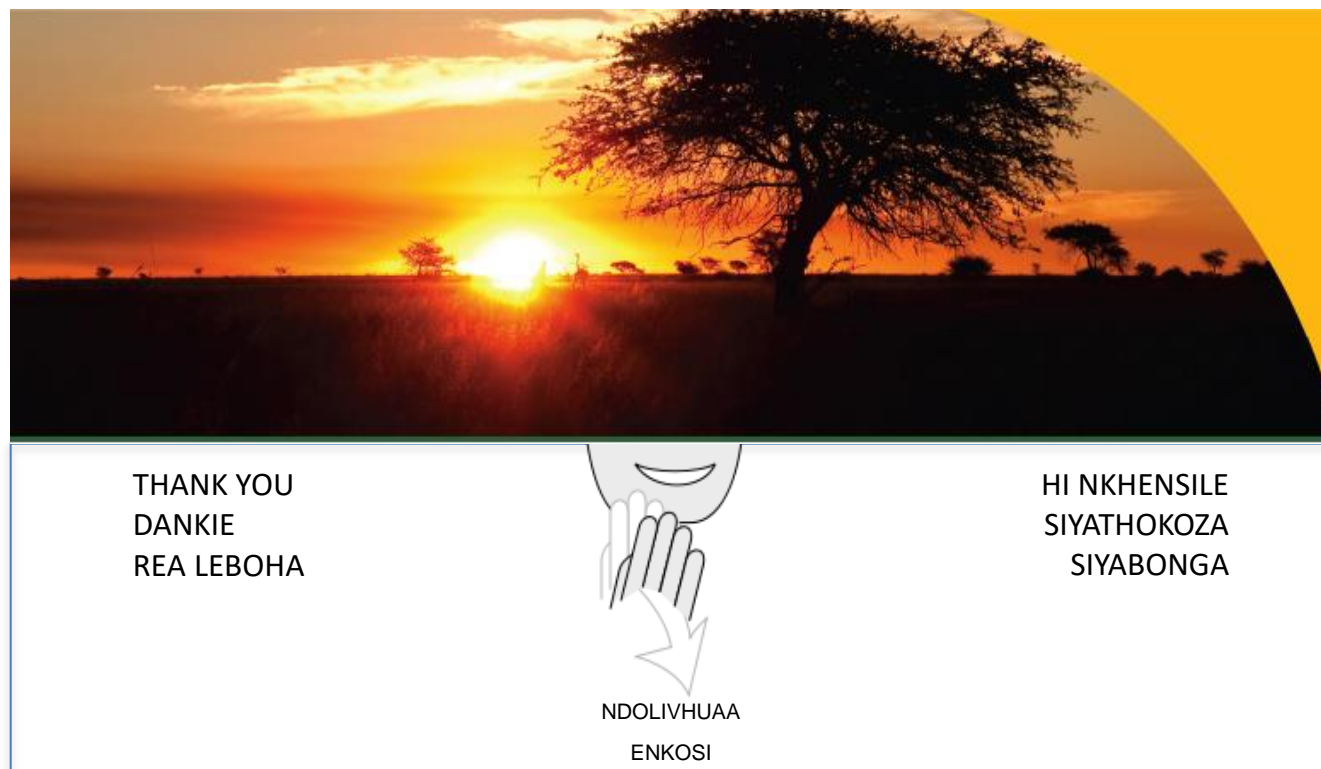


# ANNUAL PERFORMANCE REPORT

- **Reasons and remedial actions are devised in detail for indicators below the target.**
- **Following Measures to improve performance:**
  - Quarterly performance assessment meetings will be held between the Accounting Officer and Heads of departments to monitor performance.
  - Oversight committees such as the Performance Audit Committee will monitor performance and provide guidance to help improve performance.
  - Assessment on the performance of external service providers will be conducted regularly to ensure that we derive value for money from the work done and to ensure that timely remedial actions are taken where performance is not satisfactory.



- We have prioritized the fight against GBVF as well the reduction of people infected with HIV/AIDS through consistent roll out District Aids Council programme.
- We are going to working together with DWS support municipalities to improve their Blue/ Green and No Drop scores on water supply so to give confidence to our communities on the quality of water.
- We will within the context of the District Development Model be establishing a District War Room that will meet on fortnightly to attend to sanitation services, support the upgrade of the source of electricity, improve municipal governance, and accelerate bulk infrastructure projects in identified hotspots municipalities within the district.
- We have prioritized implementation of the District Local Economic Development Strategy which addresses partnerships towards progressively responding to the skills need by the growing Regional Economy. The strategy will be realized through marketing and promotion of the tourism sector, increasing local beneficiation and shared economic growth across the district.

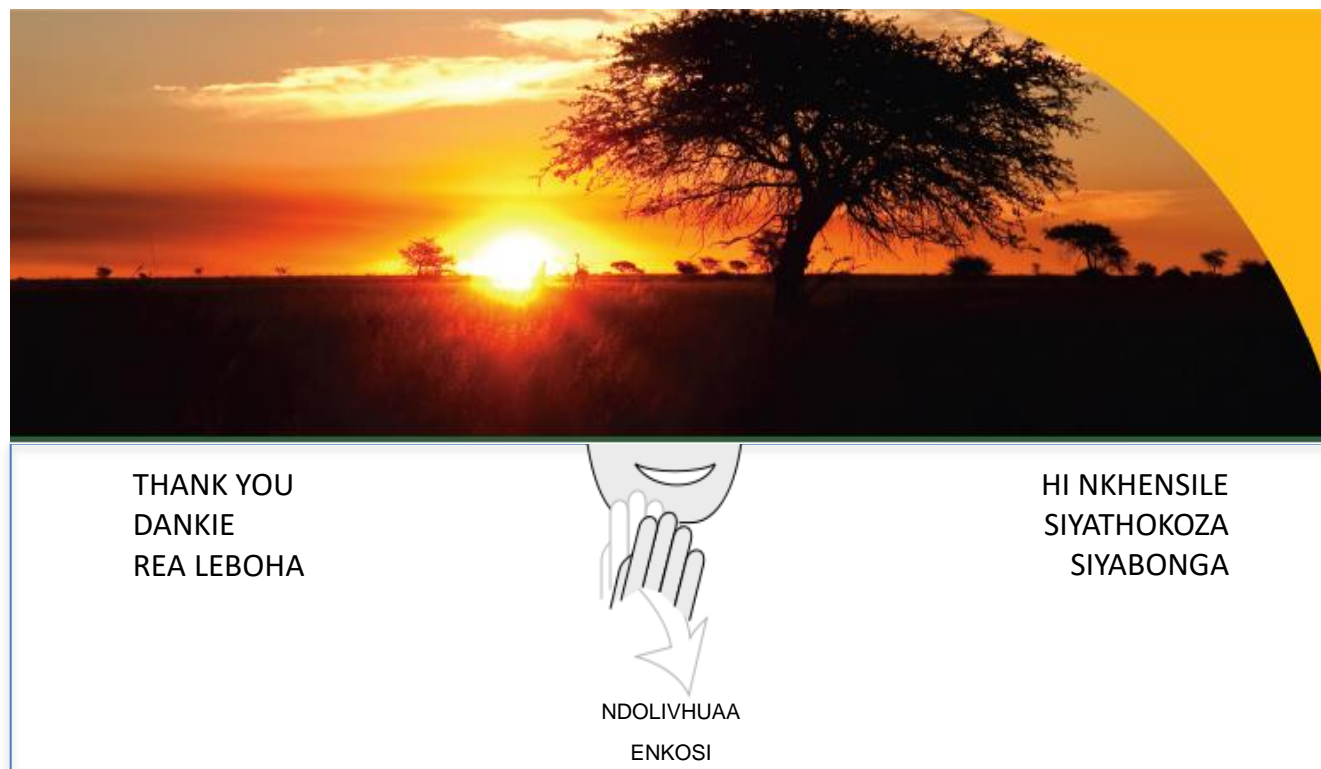




# RECOMMENDATIONS

- That the report on the annual report, for **NOTING AND DISCUSSIONS**.
- Any further input on the Draft Annual report be submitted to [bongiwed@gsibande.gov.za](mailto:bongiwed@gsibande.gov.za) or by hand in the nearest municipal offices.





MPAC PUBLIC HEARING  
CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY  
NHLAZATISHE NO 2 COMMUNITY HALL  
DATE: 05 MARCH 2025  
TIME: 09:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Norlinda Mhlapo	MPAC Chairperson	082 954 3270	-	
Sibek Mchunu	CUE GSDM	0648483412	-	
Nicor Duley	CUE GSDM	0790880331	-	
Montsoeko Mkhambule	WARD COMMITTEE	0799871829	montomkhambule96@gmail.com	
Phobo Matsvako	CUE SENIOR MANAGER Municipal Support	083392 1015	phobomatsvako.km@gmail.com	
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HEMBISILE MBULI	CUE	0834055885	hembisilembuli2000@gmail.com	
Deawuni Sanna	MMC - CACM	0829263337	ahlanini@albertluthuli.gov.za	
Ngweni Mkhambule	CUE	0664152933	Vicent Mkhambule 69@gmail.com	
Zandvuhle Mkhulu	CUE-08	012 063 5135	radolinas@gmail.com	
THELI Nkomo	WARD 7 CUE	072000086	theliegadson@gmail.com	
Steven Maseka	WARD 16	0766032118	stevenmaseka@gmail.com	
Nomvula Dlamini	CUE-03	0761844177	-	



MPAC PUBLIC HEARING  
CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY  
NHLAZATISHE NO 2 COMMUNITY HALL  
DATE: 05 MARCH 2025  
TIME: 09:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Simon Nkosi	Chairman - O.T.s (PP)	0794934074	zephelen@albertluthuli.gov.za.	
Nkosi MS	Chairman - OOS	0764906781	nkosims@albertluthuli.gov.za	
Phetla T.T	Chairman - HOC	0765233128	phetla@albertluthuli.gov.za	
S Billa	SCC	0716774542	sbilla@albertluthuli.gov.za	
D.S. Mokoena	Chairman	0712615631	demokoenet11@gmail.com	
Isaacs Mavane	ESDM	0178017260	IsaacsMavane@gmail.com	
Berrie Sibande	ward committee	0660844519	BerrieSibande@gmail.com	
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Thando Shongwe	ward committee	0792610389	thandothando@gmail.com	
Thando Nkomo	ward committee	0792626681	—	

MPAC PUBLIC HEARING  
CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY  
NHLAZATSHÉ NO 2 COMMUNITY HALL  
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TIME: 09:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Siphho Maseko	CDU Ward 25	0764936137	siphho.maseko@cdugmail	
Kenani Mkhomoana	Ward Comm	0710959143	-	P.R. Mkhomoana
Elkile Soko	Ward Comm	0824541349	-	E.M. Soko
Thandani Mkhosi	WARD 24	0723954825	-	Thandani
Nomfuno Khosa	Ward Com Sec	0764588722	nomfuno.khosa@gmail	
David Mkozi	Payton	07617.25574	-	NAB
Fundi Mkozi	WARD COMMITTEE	0799877049	fundimkozi@gmail	
Sibongile Gcinde	Council Speaker	0714612232	-	Sibongile
Thembe Mkhosi	CLERK	0824558985	-	Thembe
Thembe Zikali	ward committee	0794352139	thembezikali@gmail.com	Thembe
Thembe Mkhosi	CDU WARD 16	07309300031	thembezikali357@gmail.com	Thembe



MPAC PUBLIC HEARING  
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NHLAZATISHE NO 2 COMMUNITY HALL  
DATE: 05 MARCH 2025  
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ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
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NOMPUMELELO NKASI	WARD OS CLL (CALM)	0763936576	nompumeleloprudence nkasi@gmail.com	
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PRECIOUS NKASI	CALM	0790267577	Zandi@precious473@gmail.com	



MPAC PUBLIC HEARING  
CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY  
NHLAZATISHE NO 2 COMMUNITY HALL  
DATE: 05 MARCH 2025  
TIME: 09:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Sibusiso Luthuli	WARD 10	0801463054	muthule@gmail.com	
Deisiile Mshibi	W/C 10	0792873614	deisiilemshibi@gmail.com	
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Munyele Nkomoale	C11111 PR C111	0646622376	munyelenkomoale@gmail.com	
Munvula Bheube	W/C	0723256770	—	
Momga Mamani	W/C	0826244601	—	

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MPAC PUBLIC HEARING  
CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY  
NHLAZATSHE NO 2 COMMUNITY HALL  
DATE: 05 MARCH 2025  
TIME: 09:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Augustus Jere	Ward CUE 22	0614812123	dansonjire75@gmail.com	
Mumalo MJ	CPM, Head of Office	0767407472		
Stevie Khumano	Utho CUE 02	0720268153	Sandilep6@gmail.com	
Patric Lobisi	Community Member	0769138097	lobisipatric78@gmail.com	
MJ Kuboreke	ESD M	0824520975		
IS Masing	Ward Committee	0711955154	isabelsesi7@gmail.com	
J.N Motoshwe	Ward Committee	0727023580		
Fudrey Mthabula	Ward Com	0768124836		
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Shebangeni VS	Unit manager	0723882949	shebangeni@qslbande.gov.za	



MPAC PUBLIC HEARING  
CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY  
NHLAZATSHI NO 2 COMMUNITY HALL  
DATE: 05 MARCH 2025  
TIME: 09:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Abel J. Nkomo	ward councillor 25	076 7905335	abelnkomo91@gmail.co	
Nzopho Situkwane	PR CLIR	0762632569	nzophositukwane@gmail.co	
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B. B. Nkomo	WARD 01	0766466194	bongani nkomo@iit.com	
U. B. MABUZA	WARD 04 CLIR	0722305015	usiboy17@gmail.com	
T. G. Masango	Research - CAH	0790716770	thspangum@gmail.com	
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J. B. Masina	WLC 18	072 9301282	—	
B. M. Masuku	ward 019	076 108 8719	masukubane@gmail.com	
J. J. MATHIBELA	ward 20	067 366 4679	jobukemathibela@gmail.com	

MPAC PUBLIC HEARING  
DIPALESENG LM THUSONG CENTRE  
DATE: 26 FEBRUARY 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Mbuthi Ndaba	DULO General Secretary Nokuzatha Holding	071 2915 332	—	Mbuthi Ndaba
Rapi Mofane	CoA / CBW	073050812	metangpempg.gov.za	Rapi Mofane
Mkhulu Mafikane	CoA / CBW	0720702034	Mkhulu, mafikane@gmail.com	Mkhulu Mafikane
John Kodisang	CoA	064 856 7166	—	John Kodisang
Rhodes Mokoena	Community Member	076 2202 917	—	Rhodes Mokoena
Seangile Jeko	Ward Committee	0824 978 776	—	Seangile Jeko
Thabisi Nkomo	Ward Committee	072 3938 762	—	Thabisi Nkomo
Nene Mokoena	Ward's Ward Committee	068 451 8188	—	Nene Mokoena
LEBOHANG Mokoena	Business	066 233 5060	mltedibobhango@gmail.com	LEBOHANG Mokoena
Mxolisi Mzamo	Gineethamba Youth C	083 240 3740	dmmzamo@gmail.com	Mxolisi Mzamo
M S Kumbeka	MSP	082 452 0973	—	M S Kumbeka
D. Z. Khumalo	Ward 3	—	—	D. Z. Khumalo

MPAC PUBLIC HEARING  
DIPALESENG LM THUSONG CENTRE  
DATE: 26 FEBRUARY 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Bongeni Mlangeni	Chief Risk Officer	066 018 0696	nlangeni.b@dipaleseng.com	
Winnie Thwaga	Chief Audit Executive	019 273 9226	ngwenyama@dipaleseng.com	
Cyquellu Setpe	Acting Director - CS	016 481 2814	setpe@c@dipaleseng.com	
Somrey Radebe	HR Manager	082 068 7436	radebe.s@dipaleseng.com	
Inga Mlonteni	PEO Manager	071 296 3453	nlangeni@dipaleseng.com	
Mammie Thwala	ward Committee	072 472 9487	-	
Dorke Nkosi	ward Committee	066 449 6065	-	
Moyeni Mangwani	Ward 3 Ward Committee	0786 58 8377	mjmanguni@gmail.com	
Prakta Shabulala	WARD 3 Ward Committee	073 642 4215	Shembanelson@gmail.com	
Isaac Mphahlele	ward 4 ward committee	073 73 94523	-	
Thokole Madibane	ANC Secretary Ward 1	079 520 086	madibane.thokole@gmail.com	
LERATO Mlancwane	RESEARCHER	073 567 8454	LERATOSH@SIBANDE.GOV.ZA	



MPAC PUBLIC HEARING  
DIPALESENG LM THUSONG CENTRE  
DATE: 26 FEBRUARY 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Motshidiso Bodibz	Ward Committee	071 029 9779	motshidiso@026@gmail	
Nampumelelo Mokoena	ward committee	072 115 2553	nampumelelo@gmail.com	
Maserame Ngqamezulu	ward committee	072 90 10396		
Moipone Makubus	Le'Joy W. E.	072 715 2553	moipone.wazi@gmail.com	
Dikotseng Mthlang	Disabled People S.P.	073 976 6154	jdikotseng@gmail.com	
Makus Mosoa	WARD Committee	073 090 8090	Makus2673@gmail.com	
Rubea Motswini	Ward Committee	076 790 9369	15075731@026@gmail.com	
Isapo Zolepa	Ward Committee	071 656 0425	solepa1930@gmail.com	
Palesa Nhlapo	Ward Committee	064 308 5209	Palesa@gmail.com	
Maria Hlwanane		063 6555 211		
Sophy KUBHEKA		071 922 9382		

MPAC PUBLIC HEARING  
DIPALESENG LM THUSONG CENTRE  
DATE: 26 FEBRUARY 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
ZAKHELE MAKHOBABA	DRUG FREE WORLD	064 542 4244	MAKHOBABA2AKHOBABA@gmail.com	
DANABANG MONOMATHA	VUKA LWA HPC	066 462 3672	monomathad.p@gmail.com	
MARIA MAKUBO	WARD COMMITTEE	086 139 5719	Matubob Maria67@gmail	
TSECSI MAKUBO	WARD COMMITTEE	0762970558	Matubobtsi@gmail.com	
CHARLY MOLOI	WARD COMMITTEE	071 565 8492	monomathadtsi@gmail.com	
CONNY MONGO	WARD COMMITTEE	0765461114	Munahlellabale@gmail.com	
ELIWE MESA	WARD COMMITTEE	067 612 9041	finline mkeswa@gmail.com	
JOLY DUBE	OFFICE of MM (DLM)	071 296 9315	dubejodipakeng.com	
NEONYAMA FRANCIS DAMIN	TRADITIONAL LEADERS SATHMI INSTITUTE	0721458755	francisdamin@gmail.com	
VENES SEAGA	Representing Dipaleseng Community	0760633545	vseaga2@gmail.com	
DIMAKATSO MOFOKOA	WARD COMMITTEE	0630299683	dimakatsompteng@gmail.com	

MPAC PUBLIC HEARING  
DIPALESENG LM THUSONG CENTRE  
DATE: 26 FEBRUARY 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
NOLIBHWA Ntshato	GSOM MPAC CHAIR	082 954 3270	—	
bnabo Matsheba	GSOM MPAC chair	083392015	—	
Vicior Oudley	GSOM MPAC	0790880331	—	
Shule Mkwandiso MUSIKWANE MAKHOSA	GSOM MPAC	0648483412	—	
Sebe SMOBANA	DLM MPAC CHAIR	063 798 2665	makhobad@dipaleseng.com	
Angelina Mabitoi	DLM CHIEF-WHIP	063 785 9847	getes.kababala@gmail.com	
Ruleng Hlapane	ward Committee 05 Health & Social development	0728939117	engel.motetsi@gmail.com	
NTSIZIJA MTSHEWENI	ward Committee 05 Economic development	078 842 5846	—	
Sbusiso Mphuthu	DUPU WARD (G) CHAIR	0713340050	Sbusiso.mphuthu@gmail.com	
Lucky Tsotetsi	Chair My Spaza Programme	069-7531409	Sbusiso.mphuthu@gmail.com	
	Ward	0722684977	—	



MPAC PUBLIC HEARING  
DIPALESENG LM THUSONG CENTRE  
DATE: 26 FEBRUARY 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Radebe M.	Dipaleseng - Health OHP - Bafana CMC	017730117	meduradebe@hotmail.com	
M.S KHAHLAMBE	DEP	0634668176	serankho@gmail.com	
Julia 'ISOTETS	W/C WARD 2	0729080083	julia.isotets1997@gmail.com	
Albert Khumale	W/C WARD 2	0729794915	Albert.khumale@gmail.com	
PASIKA MAHLANGU	W/C WARD 2	0736511857		
MM KURUMENE	W/C WARD 2	0732477339	mm.kurumene@gmail.com	
Mfai Mayday	Ward 3	0813724097	141 Charles J. BTUN.	
Dibuseung Matsosa	W/C WARD 5	0738291604	promise.dibuseung174@gmail.com	
MARIN 'ISOTETS	W/C WARD 3	0699110315		
Nomadlozi Moroi	W/C WARD 05	0834972684	lucynomadlozi3@gmail.com	
Kerebogile Mbelise	W/C WARD 04	0606635587	kerebogilembelise1973@gmail.com	
SIZAKHE MAHLANGU	SENIOR MANAGER MUNICIPAL SUPPORT	0713824955	GSTBAND SIZAKHE MAHLANGU SIZAKHE	
Onpa CINDI	Coordinator	0609507614	cindi.oedi.paleseng.com	
Johannes Vilan	Public Participation	0828787724	johannes.vilan@gmail.com	

MPAC PUBLIC HEARING  
DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY  
DPKIS COUNCIL CHAMBER  
DATE: 06 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Ikenbasi Mbali	curr Econ	0824258985	ikenbasi1200@gmail.com	
Stodie Mkwana	curr ASDM	0648483412	—	
Vicor Ondley	curr Econ	0790880331	—	
Maurin S Mncube	Dr Ruzum	082 584 1542	mncubedg121kwaene.gov.za	
Minnie Msimbi	mmc & CLR	0719311534	msimbiphny@gmail.com	
M.L. Mangana	Hospital Board Minister's Forum	0719545902	lucy.s.mangana@gmail.com	
Z.S. Moleka	MPAC Chair	078 350113	ramagoodwill@gmail.com	
B.C. Nodda	Ward Committee	073 5205545	—	
K. Masuku	Ward Committee	0728820577	—	
Thandeka Nkosi	W. Committee	078 2078993	Thandekankosi88@gmail.com	
Z.N. Thwella	W. Committee	0724812132	zandethu@gmail.com	



MPAC PUBLIC HEARING  
DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY  
DPKIS COUNCIL CHAMBER  
DATE: 06 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Thuthule Sthole	CDM	073 055 7560	stthuthule37@gmail.com	
Shabonina Nkosi	CDM	073 067 6311	knabozizoe@gmail.com	K. B Nkosi
Vusi P Mashko	CDU	073 0585608	Masekoyup101@gmail.com	
Ingile Mtshoni	CDM	073 067 8614	Cingilecythie@gmail.com	
Dumile Msihi	CDU	0730670017	dmshib1511@gmail.com	
Gavirise Duma	Need Committee	071 638 1285	gavirisevumella@gmail.com	
Khetivise Zulu	Need Committee	077 426 1472	Zulu khetivise 34@gmail	
Morina Mchabe	Need Committee	073 986 4439		
London Khumalo	Need Committee	079 095757	koneldmasekide@gmail.com	
Museni Hopewell Mziabiko	Mas Committee	081 883 7432	mzabikemh18@gmail.com	
Bongi ka Dube	MOC-GSM	07 801 7000	bongiwed@gisibande.gov.za	



MPAC PUBLIC HEARING  
DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY  
DPKIS COUNCIL CHAMBER  
DATE: 06 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Muzi Newenya	PIXLEY KA SEME RESEARCHER	0643997812	Muzi@Pixx.gov.za	
LEZATO MNCILUATHE	RESEARCHER	0735678454	lezatoshecisibande.gov.za	
M I Kubheka	MDSP	0824520974		
SP Msisi	GSOM	0725947328	spmsibicgisibande.gov.za	
Simile Mabile	ICT	0737071662	similegisibande.gov.za	
Khobo Matsuba	CUCSBM	0833021015	khobomatsuba.kw@gmail.com	
Solly Billa	ELC 480m	0716714542	Sollyb@qshandegov.za	
Imeneo Mlesia	ASMMU	0835805620	—	
Sizakele Mankana	SENIOR MANAGER: MUNICIPAL SUPPORT	0713029955	Sizakele.mankana@gov.za	
Dube Mofokeng	DIRECTOR: POLICE SECURITY	0833091745	mofokengd@qshandegov.za	

MPAC PUBLIC HEARING  
GOVAN MBEKI LOCAL MUNICIPALITY  
KGOTSO COMMUNITY HALL  
DATE: 07 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Khato Matsuba	CUR GSM	0833921015	—	
Blindie Mucoba	CUR GSM	0648453412	—	
Ivembile Mbuli	CUR GSM	0824258985	—	
Sifiso Sibanyan	Cur Golden Mkt	0261814730	—	
Theresia Lento	Ward Committee - 7	0847412323	—	
Nanini Nontso	Ward Committee - 7	0721475225	—	
Thandi Poe	Ward Committee - 10	0764428153	—	
Lwandile Zulu	PR 116	0638332199	—	
Santo Pungwaro	Ward CLR-08	0760430885	Santomasieng@gmail.com	
Mosiza Ngqandu	Ward 4	0712057509	COU	
Khayne Mampanu	Ward e 31	0761451854	Santmasieng@gmail.com	



MPAC PUBLIC HEARING  
GOVAN MBEKI LOCAL MUNICIPALITY  
KGOTSO COMMUNITY HALL  
DATE: 07 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Abasi Mphahlele	Chief GMM	072 137 1194	cmphahlele@govanmbeki.gov.za	
Abelana Botha	Cmm	076 1877 382	office.mpac@govanmbeki.gov.za	
Abeta Manku	CMM	073 844 8380	officespeaker@govanmbeki.gov.za	M.J. Manku
M.J. Kuhnberg	CSDM	082 452 0935		
BP Dube	GSDM	017 89 7000	bongimed@gibande.gov.za	
Imeko Moshu	GSDM	083 580 5630	—	
Thembu Msonu	Co-gestor EBU	073 293 3177	—	Thembu
Thembu Masele	Gqutha Cmm	073 076 8186	cmthembu@gmail.com	
Seiny Bili	Gqutha Cmm	071 167 7488	seinyb@qutha.gov.za	
Sizakele Makhanya	GSDM: Municipal Support	071 382 4955	sizakele.m@qutha.gov.za	
Sami Msimbi	GSDM	072 599 7328	SPMsimbi@gibande.gov.za	Msimbi

MPAC PUBLIC HEARING  
GOVAN MBEKI LOCAL MUNICIPALITY  
KGOTSO COMMUNITY HALL  
DATE: 07 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Steve Kumbale	Ward Committee ward 11	076 977 5688		
Manga Hwanya	ward committee ward 11	079 945 7811		
MARIA SEBASHE	WARD committee 09	079 978 0561		
HABIB MOLEFE	WARD committee	083 6218 132		
Samuel Mankwangu	CDU Cogea Member	073 070 9032	Socet. Mankwangu1982@gmail.com	
Rose Mkalomali	WARD / civil Empak	073 397 0046	Cllembakalimale@gmail.com	
Makhenkha Mashe	WARD committee	011 358 1107	Precious masheko51@gmail.com	
Siweni Bukali	WARD COMMITTEE	083 362 6429	siwenibukali59@gmail.com	
Joyce L. Ndlela	Ward Committee	079 322 0066		
Dorini Mthombela	WARD Committee	078 844 9257	clermintombela@gmail.com	
BEKINA MAKAMOLE	WARD COMMITTEE	072 7418 856	mosidimakamole@gmail.com	



MPAC PUBLIC HEARING  
GOVAN MBEKI LOCAL MUNICIPALITY  
KGOTSO COMMUNITY HALL  
DATE: 07 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Nursie Mtsweni	ward Committee	0790625484		N. Mtsweni
Zikhoang Mtsalisuano	ward Committee	0656920023		<del>Zikhoang</del>
Leemiah Tshobela la	ward Committee	0722109377		<del>Leemiah</del>
Matswidiso Molefe	ward Committee	076645 8128		M. Molefe
Margret Mtsomi	ward committee	0666806988		M. Mtsomi
Goodness Motung	ward committee	079 558 2625		G. Motung
Ntombenile Mfecu	ward Committee	0824372274		N. Mfecu
Montzile Sibole	ward committee	0767076042		M. Sibole
Dibusiso Mzibuko	WARD-19 Councilor.	072 7074436	Clmsmoele@govanmbeki.gov.za	D. Mzibuko
lucky P Mkozi	ward committee	0790282470	lucky P @ govanm.co.za	L. Mkozi
Fane T Mmisi	11	0721027345	Fanomis18@gmail.com	F. Mmisi

[illegible]



[illegible]

MPAC PUBLIC HEARING  
LEKWA LM STANWEST COMMUNITY HALL  
DATE: 28 FEBRUARY 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Moretso Nkomo	ward committee	0626429573	—	
Nomvula Mthunzi	ward committee	0827957660	—	
Shuphe Mkhondo	GISDM CLU	6648483912	—	
Nicod Dudley	GISDM Cllr	0790880331	—	
Evabo Matsheba	GISDM Cllr	0338921015	—	
Thabisa	ACTO	0645265343	—	
Bongi ka Dube	HOC - GISDM	0178017000	bongiwed@gsibande.gov.za	
Thembisile Motloung	GISDM official	0178017003	ThembisileM@gsibande.gov.za	
Mankomo Nhlisi	ward committee	0791324049	—	
Clement Skhosana	lekwa LM	0637086318	CSkhosana@lekwalm.gov.za	
Simile Mashile	ICT	7130	—	

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MPAC PUBLIC HEARING  
MKHONDO LOCAL MUNICIPALITY  
TOWN HALL  
DATE: 13 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Dudu Nkosi	ward committee	0739183402	kingipolidee@gmail.com	
Phumelele Lunede,	ward committee	0763651836	Phumelele@gmail.com	
Mantab Simeane	CDU OK	080674778	vuvuandla@yahoo.com	
Mammy Shekela	CDU OK	0732672611	mammy@gmail.com	
Simeane Sibonile	CDU CAW OK	07806722748	simeane882@gmail.com	
Nontobela Mthethwa	CDU	0827382614	nontobela@gmail.com	
Busewe Mary Lunela	PR CDU OK	0823578361	busewe1957@gmail.com	
Zanele Mavimbela	Buhle bembela MS mouds	08691847347	Zanele Mavimbela@gmail.com	
Lethekutshula Mhlana	CDU 12	0730673852	mhlana-lethekutshula-72@gmail.com	
Hlophe Sandile	Bambanani Victim Empowerment Centre	0649222778	bambananiVEC21@gmail.com	

MPAC PUBLIC HEARING  
MKHONDO LOCAL MUNICIPALITY  
TOWN HALL  
DATE: 13 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
THEASUKE Mchabane	CDU ward 10	0730587399	namcebondlaga@gmail.com	
Bruce Adolph	Ward Committee	0734553120	adolphb@gmail.com	
Zille -S Hlope	CDU Ward 11	0730700885	hlopejsbell@gmail.com	
Mandile P. Gama	C.D.M. Ward 16	0730583744	mandilegama@gmail.com	
Humla Mauso	CDU ward 17	0730761223	humlamauso@gmail.com	
Zandile Zende	CDU 18	0730589736	zandilezende@gmail.com	
Wonderlay Ngwenya	CDU ward 03	0730584911	afredngwenya@gmail.com	
Sibusiso Mntshali	Ward Committee Ward 05	0766711909	uikabazibusiso@gmail.com	
Lionel Magizuka	MLM	0712767702	mmagizuka@intkade.co.za	

Annexure J

MPAC PUBLIC HEARING  
MKHONDO LOCAL MUNICIPALITY  
TOWN HALL  
DATE: 13 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Ndlovu Thucile	MMMC	071 300 2116		
Thembu Dube	Child 16	082 738 0842	thembu11194w16@gmail.com	
Lwona Dube	MLM	08 272 97172	zwonodube@gmail.com	
Amang McConq	MLM	063 666 0969	amandabakhathe@gmail.com	
Montumolele bukhele	Ward Committee	071 435 1483		



MPAC PUBLIC HEARING  
MKHONDO LOCAL MUNICIPALITY  
TOWN HALL  
DATE: 13 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Mkhulula Gwebu	CLLR ward 11	064 901 6343	mkhulagwebu25@gmail.com	
Mugzi Mhlanga	CLLR ward 12	011 411 1142	Mhlangamugzi@me.com	
Sindi Sibuya	PR CLLR	072 4246937	prebey.sibuya@gmail.com	
Bongwe Zwane	ward committee	082 317 3696	Rimbongwe60@gmail.com	
Savile Nkosi	ward 11	076 5788672	primbongwe60@gmail.com	
Thando Zwane	Traditional Health Practitioners	0787460806	thandozwane4@gmail.com	
MTshamoni Mkhabela	CLLR ward 18	082 738 1331	mtshamoni456@gmail.com	
Dumiso Mshakala	MPAC CHAIRPERSON	072 585 7010	dm.mshakala@gmail.com	
Similo Mabisa	ICT Tech	7130	similomabisa@gmail.com	
Solly Billa	gSDM Comm	071677682	Sollybilla@gmail.com	

Annexure J

MPAC PUBLIC HEARING  
MKHONDO LOCAL MUNICIPALITY  
TOWN HALL  
DATE: 13 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Ednige Munzwelele	SM Municipality Support	071 301 8601	Cendrick M@jsdm.gov.za	
Amos Mprah	S/m Municipality Support	072 55 86416	Mprah A @ gsbande.gov.za	
QUEENETH KUNENE	M/C SECRETARY	081 304 0317	queenngqk@gmail.com	
Qumeit Khumalo	TB/HIV Manager		qumeitk @ mpuhealth.gov.za	
Rebecca Shingange	TBCP			
Makobeko Matlonyane	Maced Comm. the	071 82 14300		
Sibelo Sibeko	ward councillor	064 771 5616	Sibelo Sibeko	
Dawuni W.J.	CAR MPAC	0826425692	WJdawuni101@gmail.com	
BARHEHLE MZENI	CO GSTA (CDU)	073 067 6695	barhehle10@gmail.com	
KHANYI NKOSI	CO GSTA (CDU 4)	073 093 1930	khanyidion82@gmail.com	
NOMUSA NKOSI	M/C Secretary	079 073 5928	manphentlo5103@gmail.com	



MPAC PUBLIC HEARING  
MKHONDO LOCAL MUNICIPALITY  
TOWN HALL  
DATE: 13 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Norlathu Nhlapo	MPAC CHAIRPERSON	082 9343270	nhlapo@gsibande.gov.za	
Syndie Mkhonto	GSDM CUE	064848342	—	
Nicloe Duddy	GSDM Cllr	0790880331	—	
Thembisile Mbali	GSDM CUE	0824258985	—	
Thabo Matsaba	GSDM CUE	0833991015	—	
Thomson M. Ndosi	MKHONDO MPAC-	0637237518	imagekagwanat.com	
Nusa Lukelele	MKHONDO LM MPAC	0660627965	lukelele@gmail.com	
Zodwa Thomo	MKHONDO LM	081773858	—	
B.E. Maseela	MLM	0711589940	Maseelahekif@gmail.com	
Donani Thabede	MKHONDO M/C	0730162973	bongqifb@gmail.com	
Tep Msimango	Coor Cduo8	0730700260	073236846@gmail.com	

MPAC PUBLIC HEARING  
MKHONDO LOCAL MUNICIPALITY  
TOWN HALL  
DATE: 13 MARCH 2025  
TIME: 10:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
SS Mykail	CDM WARD 7	0730846360	Siphomyeni@phco.com	
X.F DUNGOD	CDM WARD 15	063 020 1167	xeliledongle7@gmail.com	
Siphwe Sursai	CDM WARD 19	0730705778	siphwejoyce@gmail.com	
GOODEY NISHAMGASE	WARD COMMITTEE WARD 16	0790440949	gutsnengase@gmail.com	
Mallisile Hloshwoge	WARD COMMITTEE WARD 16	072 4177 821	hloshwoge@gmail.com	
Sabelo Shonqule	WARD COMMITTEE WARD 19	07889991009	Shonqule Sabelo	
MT Kuhleng	MOSP	082 452 0973	Maudla. Kuhleng@gi.bande.gov.za	
T. Mosina	CDM MPAC ADMIN OFFICER	083 580 5620	—	



MPAC PUBLIC HEARING  
MSUKALIGWA LOCAL MUNICIPALITY  
CASSIM PARK HALL  
DATE: 05 MARCH 2025  
TIME: 14:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Noriana Ntsho	GISDMPAC Chair	082 954 3230	—	
Khabo Matsheba	CUR CSBM	0833921015	khabomatsheba.km@gmail.com	
Hemabisile Mbulu	CUR GISDMP	082 40258985	hemabisilembulu200@gmail.com	
Vicor Duvley	Clk GISDMP	0790880331	—	
Mandla Mphahlele	elder msukaligwa senior member Municipal Support	078 057 0606	Mphahlele.M@msukaligwa.gov.za	
Sizakele MATHANQY	MS PD	071 382 4955	SizakeleM@msukaligwa.gov.za	
MJ Kubheka	MS PD	082 452 0975	—	
S P A L G	St Column	071 671 4542	S@msukaligwa.gov.za	
Ligatio M. Ncutshane	Researcher	0735678454	lelatosh@msukaligwa.gov.za	
Idiyamthanda Mthabha	Strategy & Policy Researcher, MUM	0739742437	idiyamthanda@msukaligwa.gov.za	
Khandigwe Makhubele	Clk Msukaligwa	08229 18024	—	

MPAC PUBLIC HEARING  
MSUKALIGWA LOCAL MUNICIPALITY  
CASSIM PARK HALL  
DATE: 05 MARCH 2025  
TIME: 14:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Zenze Zulu	Chll	0792662351	Clr zenze@msukaligwa.gov.za	
Hannah Peachey	Ellr	0635179745	hannahpeachey27@gmail	
Mthunzi Yende	Cler	0766909008	yenolenhmunz@gmail.com	
Sibusiso Nsibi	WARD COMMITTEE	0730157559	stunqge123@gmail.com	
Sagbis Dhangoni	ward(9) committee	0818349413	mashaga@gmail.com	
Sandile Cindi	Cler	0674463279	—	
Tumiso Mesiha	ESBM HHC Admin Officer	083 580 5620	—	
DEKORU MUGAZINDA	CDM (COGSTA)	0750767727	Mkandanda@gmail.com	
Shingile Mkhondisi	CUR USDM	0696923412	—	



MPAC PUBLIC HEARING  
GERT SIBANDE HOUSE OF TRADITIONAL LEADERS  
MKHONDO COUNCIL CHAMBER  
DATE: 13 MARCH 2025  
TIME: 12:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
V. M. Ngema	T/C Headman	079 198 2430	wisangana@gmail.com	
Z. Zikalala	Secretary	076 804 5746		
D. M. Lusaba	Induna	088 935 9951		
B. B. Khumalo	Induna	079 238 2799		
K. N. Ndaba	Madibela Traditional	063 3308 102		
M. S. Mariana	Induna	063 791 0071		
Amos Mprah	Simi Mmisiyal	072 5586 416	MprahA@yibunde.gov.za	
M. J. Kubeke	GSDM	082 452 0973	medla.kubeke@yibunde.gov.za	
A. N. Manand	MLM	063 666 0969	amanandani@gmail.com	

MPAC PUBLIC HEARING  
GERT SIBANDE HOUSE OF TRADITIONAL LEADERS  
MKHONDO COUNCIL CHAMBER  
DATE: 13 MARCH 2025  
TIME: 12:00  
ATTENDANCE REGISTER



NAME AND SURNAME	DESIGNATION	CONTACT NO.	EMAIL	SIGNATURE
Musibane Mhlangeni	Kwandulwaza Office	0603777 257	mpangazibhal@gmail.com	M.D.
Mthokozisi Mhacobo	Kwandulwaza Office	0825032465	mpangazibhal@gmail.com	M.D.
Sizwe Thwala	MADABUKELA office	0675457586	Sizwe	S.
Daniel Mshali	Jende	082738137		Daniel
J.L. Luthole	Jende	0766403345		J.L.
Lin Ngobeni	Madabukela	0765146587		Lin
Doctor. P. D. D. D.	MADABUKELA	0826780992	-	Doctor
S.S. Mhlangeni	MADABUKELA	052965655		S.S.

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**Comments on Annual Report, Dr Pixley Ka Isaka Semme Local Municipality.**

NAME AND SURNAME	COMMENTS
Mr Muzi Ngwenya (DPKIS) official	<ul style="list-style-type: none"> <li>Does the district municipality publish the Annual Report for members of the community to be able to make comments</li> </ul>
Mr Vusi Maseko (CDW Ward 7).	<ul style="list-style-type: none"> <li>The road from Amersfoort town to eZamokuhle location needs paving.</li> <li>The municipality must repaint road markings in town.</li> <li>The municipality must coordinate with the Department of Public Works Roads and Transport to release unused buildings to the youth for business and youth centers.</li> <li>The municipality must also invest in teaching or capacitating the youth in farming and agriculture.</li> </ul>
Ms Carolina Ntuli (ward 3 committee).	<ul style="list-style-type: none"> <li>Drugs and substance abuse is on the high in Amersfoort.</li> <li>Theres a known Transnet house that is harboring thugs and criminals selling drugs to the community).</li> </ul>
Rev Mphikeleli Lucas Manana	<ul style="list-style-type: none"> <li>How does Gert Sibande District Municipality capacitate its stakeholders on HIV &amp; AIDS issues.</li> </ul>
Cllr NS Ncube	<ul style="list-style-type: none"> <li>We commend the GSDM unqualified audit opinion by the Auditor General.</li> <li>What can Gert Sibande District Municipality recommend to its local municipalities to deal with expenditure and procurement management issues.</li> <li>DPKIS was washed away by the floods and must start to rebuild itself.</li> <li>Can the Gert Sibande District Municipality channel the yellow fleet more to the municipality to assist the various areas that were affected by the floods.</li> <li>Due to the heavy rains, the bulk infrastructure was left exposed and requires attending to.</li> </ul>

**Comments on Annual Report, Chief Albert Luthuli Local Municipality**

NAME AND SURNAME	COMMENTS
Mr Lawrence Mahlangu ward 14	<ul style="list-style-type: none"> <li>Roads, potholes and re-gravelling of roads do not serve the purpose or solve the problems during rainy seasons as the soil easily washes away.</li> </ul>
Mr Bonginhlanhla ward 14	<ul style="list-style-type: none"> <li>There are a lot of funded vacant positions that the municipality must filled.</li> </ul>
Magugu Nkosi	<ul style="list-style-type: none"> <li>The report on the number of cooperatives assisted must be reflected per municipality so as so verify if indeed such cooperatives exist in a particular municipality.</li> </ul>

**Comments on Annual Report, Dipaleseng Local Municipality.**

NAME AND SURNAME	COMMENTS
JULIA TSOTETSI (Ridgeview)	<ul style="list-style-type: none"> <li>I want to confirm that I have witnessed and saw the municipal employees taking the water samples.</li> <li>Can the municipality pay more attention to fixing the roads in Dipaleseng.</li> </ul>
Nomadlozi Moloi (Ward 5)	<ul style="list-style-type: none"> <li>Roads leading to schools are overflowing on rainy days.</li> </ul>
Albert Khumalo, ward 2	<ul style="list-style-type: none"> <li>Thank you to the municipality for sealing potholes in my area.</li> </ul>