NKANGALA DISTRICT MUNICIPALITY



AUDITED 2023/2024 ANNUAL REPORT

Preface

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Preface

ANNUAL REPORT TEMPLATE

The purpose of this updated Annual Report template is to assist several Municipalities in enhancing the content and quality of their Municipal Annual Reports, addressing a specific need expressed by them. This template serves as an update to the MFMA Circular No. 11, which was issued in January 2005.

By incorporating the legal framework requirements and principles outlined in the White Paper on Local Government and Improving Government Performance, this template embodies the spirit of public accountability. It aims to provide the necessary information for improved monitoring and evaluation of government programs, thus supporting policy decision-making. Additionally, the template offers a comprehensive overview of Municipal affairs by combining performance report data from Municipal Systems Act Section 46 with annual report data referenced in that Act and the MFMA.

To achieve its goals, the revised template establishes connections with various elements within Municipalities, such as the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements, and Performance Management information. The integration of these components was accomplished through a coherent set of interconnected processes and formats.

The updated template aligns with the Medium-Term Strategic Framework, specifically by incorporating the IDP strategic objectives. It recognizes the cross-cutting nature of services provided by different spheres of government and includes Municipal service outcome indicators. Moreover, contextual material from Chapters 3, 4, and 5 is integrated into the template.

The template also covers valuable information on good management practices in Chapter 4, while addressing risk management and Supply Chain Management in Chapters 2 respectively. Financial and Performance Management arrangements are discussed in chapter 5, and the Auditor-General's Report in Chapter 6. These additions enable better financial and non-financial comparisons between Municipalities, ultimately leading to improved value for money.

Additionally, the revised template emphasizes probity by including anti-corruption strategies, disclosing financial interests by officials and Councillors, and disclosing grants from external parties. It also presents information on loans and grants provided by Municipalities. The appendices offer further detailed information, including disaggregated data on Municipal wards and other relevant aspects. Throughout the format, explanatory notes are provided to aid the compiler in understanding various information requirements.

Lastly, the document expresses gratitude to the Annual Report Reference Group, comprising national, provincial, and Municipal officials, for their valuable inputs and support during the development of this template.

MFMA Implementation Unit, National Treasury.

CHAPTER 1 - MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

MAYOR'S FOREWORD

One essential oversight and accountability instrument for ensuring democratic, transparent, clean, and accountable governance in local government is the Annual Report. A municipality's Mayor is accountable for supervising the execution of its policies, programs, projects, budgets, results, and management. They also have to handle any administrative gaffes and use the Annual Report to update Council and the community at large on developments. With great pleasure, I present this 2023/2024 Annual Report to the Council and the Nkangala District Municipality community at large based on this basis.

Among other things, this annual report provides Council and community members with a chance to evaluate the advancements made in putting into practice the policies, programs, and projects that were adopted in the 2023–2024 Financial Year to provide services to the public.

In order to address the triple challenge of poverty, unemployment, and inequality, Nkangala District Municipality has an agreement for socioeconomic development with the communities of the six municipalities. Additionally, it contains significant promises that the Council made to the people of Nkangala District on inception, including the following: prompt, transparent, and accountable governance; expedited delivery of services, particularly electricity, roads, water, and sanitation; continuous community outreach; and participation from all interested parties in council decision-making. This Annual Report reflects achievements made in regarding the 2023-2024 plans. The following are worth to mention:

Good Governance and Public Participation

Section 79 Oversight Committees, which include the MPAC, and the Audit and Performance Committee (APC), are among the functional governing institutions that the municipality possesses. They are also shared with the six (6) local municipalities. By means of the DDM, the District enjoys a positive working relationship with intergovernmental entities including AG, COGTA, SALGA, the national and provincial treasuries and business. For the Financial Year 2023–2024, the NDM again received a Clean Audit on this basis.

Section 166 of the Municipal Finance Management Act, Act 56 of 2003, RSA 2003:166, established the Shared Audit and Performance committee of Nkangala District Municipality. The committee has carried out its mandate, as demonstrated by its ability to convene meetings with all member municipalities.

Public participation and stakeholder involvement are essential for democratic and accountable governance. The NDM organized twelve outreach events to engage with the six local municipalities under its jurisdiction, gathering their feedback on municipal affairs. Initiatives included outreach programs, newsletters, radio talk shows, and social media engagement. These efforts aimed to inform the public about municipal activities and projects, and to involve them in decision-making processes like the Integrated Development Plan (IDP) and Budget, and Oversight activities

Infrastructure development Service Delivery

- The Council authorized the following catalytic projects, with some still on execution stage by virtue of them being multi-year projects, in its IDP and Budget for the 2023–2024 fiscal year.
- The Nkangala District Municipality is making significant progress in clearing up the backlog of services, with water being a top priority.

- In addressing the water crisis in the Thembisile Hani Local Municipality, the district in collaboration with DWS has embarked on the implementation of the multi -year Loskop Bulk Water Supply Scheme. The project is anticipated to benefit 75 643 households, its completion date is anticipated to be 25 January 2025 and we can report that it is making good progress

- In Victor Khanye there is an ongoing upgrading of the Wastewater Treatment Works so that it is able to comply with the necessary set standards, all planning and designs are complete, the project is done in collaboration with DWS based on the 2043 design horizon, the plant needs an upgrade from the 4.5 ML per day to 12ML per day, it is work in progress.

- In Dr JS Moroka there is a Western Highveld (Rust de Winter) Bulk Water Supply project which is projected to supply sustainable water to thirteen (13) villages in the Dr JS Moroka Municipality. This is a multi-year project.

- In Dr JS Moroka Local Municipality the district also finally completed and handed over the Makometsane Bulk Water Supply project with a 0,7ML Elevated Steel Tank and also has refurbished the Madubaduba Water Supply Project which has a 1.13ML Elevated Steel Tank both have package plants with reverse osmosis technology, boreholes and suitable pumps, Eskom connections and pipe works with valves for both projects.

- In eMalahleni Local Municipality the district has embarked on a multiyear Bulk Water Supply and storage project at Hlalanikahle and extension 5 which includes the drilling of three boreholes, construction of 1,8km bulk pipeline of 160mm, construction of 2,4m x 4m reverse osmosis plant and the construction of 15m elevated 1ML sectional steel tank.

In order to catch up on service delivery backlogs, like road improvements in its local municipalities, Nkangala District Municipality is still taking dramatic measures.

- NDM is embarking on the upgrading of King Mabhoko III and Dr Esther Mahlangu Roads in Mthambothini Village. This project includes paving of the 1.2 km road with 80mm interlocking paving blocks, installation of storm water and supply and installation of 2x30m long high mast street lights.

- In Steve Tshwete Local Muicipality the district has conducted the upgrading of the Newtown storm water drainage system, this included the upgrading of 830m internal streets from gravel to tar with asphalt including 714m of storm water network system and speed humps.

- In eMakhazeni NDM has embarked on the upgrading of the McDonald Street which includes paving of the 2.3km with interlocking paving blocks, installation of storm water drainage, packing bays and height restriction

- NDM has also acquired a Jet Patcher Truck from Seriti Resources to assist municipalities with the patching of their potholes and availed a budget for the procurement of the materials for this project.

- In Dr JS Moroka Local Municipality, the district has purchased a Honey Sucker truck for Dr JS Moroka Local Municipality. The honey sucker truck will minimise and reduce possible pollution emanating from sanitation overflow across all wards of Dr JS Moroka Municipality.

- eMakhazeni Smart Meters installation was embarked upon to address the perennial problem of serious electricity challenges with most residents using old prepaid meters. The project commenced in Emgwenya with installation of 2919 single-phase meters, x38 3 phase meters and will move to other towns of eMakhazeni Local Municipality.

Performance Information:

The Nkangala District Municipality's performance was evaluated across six Key Performance Areas (KPAs) for the financial years 2022/2023 and 2023/2024. This summary highlights key achievements, areas of improvement, and comparative performance across both years to provide a comprehensive overview of the municipality's performance.

1. Institutional Development and Transformation

- **2022/2023:** 15 KPIs assessed, 10 targets achieved (67%).
- **2023/2024:** 15 KPIs assessed, 11 targets achieved (73%).
- **Summary:** Improvement in target achievement from 67% to 73%. Consistent number of KPIs assessed each year with no projects included in the assessment.

2. Good Governance and Public Participation

- **2022/2023:** 28 KPIs assessed, 25 targets achieved (89%); 2 projects assessed, 1 target achieved (50%); overall 87% target achievement.
- **2023/2024:** 29 KPIs assessed, 23 targets achieved (79%); 2 projects assessed, 2 targets achieved (100%); overall 81% target achievement.
- **Summary:** Decrease in KPI targets achieved from 89% to 79%. Significant improvement in project target achievement from 50% to 100%.

3. Local Economic Development

- **2022/2023:** 8 KPIs assessed, 6 targets achieved (75%); 3 projects assessed, 3 targets achieved (100%); overall 82% target achievement.
- **2023/2024:** 8 KPIs assessed, 3 targets achieved (37.5%); 4 projects assessed, 3 targets achieved (75%); overall 50% target achievement.
- **Summary:** Decline in KPI targets achieved from 75% to 37.5% and project target achievement from 100% to 75%.

4. Municipal Financial Viability and Management

- **2022/2023:** 16 KPIs assessed, 14 targets achieved (87.5%); 3 projects assessed, 3 targets achieved (100%); overall 89% target achievement.
- **2023/2024:** 16 KPIs assessed, 14 targets achieved (87.5%); 3 projects assessed, 3 targets achieved (100%).
- **Summary:** The overall success rate remained stable at 89% in both financial years.

5. Basic Services Delivery

- **2022/2023:** 30 KPIs assessed, 21 targets achieved (70%); 39 projects assessed, 25 targets achieved (64%); overall 67% target achievement.
- **2023/2024:** 33 KPIs assessed, 30 targets achieved (91%); 37 projects assessed, 29 targets achieved (78%); overall 84% target achievement.
- **Summary:** Significant improvement in KPI targets achieved from 70% to 91% and project targets achieved from 64% to 78%.

6. Spatial Development

- **2022/2023:** 3 KPIs assessed, 3 targets achieved (100%); 6 projects assessed, 6 targets achieved (100%); overall 100% target achievement.
- **2023/2024:** 2 KPIs assessed, 2 targets achieved (100%); 7 projects assessed, 7 targets achieved (100%); overall 100% target achievement.
- **Summary:** Consistent and perfect performance with all targets achieved in both years. Slight decrease in KPIs assessed but an increase in projects assessed.

Summary of Overall Performance: Comparison of Institutional Performance Levels (2021/2022 – 2023/2024)

The performance of the institution has shown a steady improvement over the three-year period from 2021/2022 to 2023/2024, as indicated by the key performance indicators (KPIs) and projects assessed.

- **KPIs:**
  - **In 2021/2022, 80 KPIs were assessed, with 59 targets achieved, resulting in a 74% achievement rate.**
  - **In 2022/2023, the number of KPIs assessed increased to 100, with 79 targets achieved, improving the achievement rate to 79%.**
  - **In 2023/2024, 103 KPIs were assessed, and 83 targets were achieved, further raising the achievement rate to 81%.**
- **Projects:**
  - **In 2021/2022, 70 projects were assessed, with 54 targets achieved, resulting in a 77% achievement rate.**
  - **In 2022/2023, 53 projects were assessed, with 38 targets achieved, leading to a slight decline in the achievement rate to 72%.**
  - **In 2023/2024, the same number of projects (53) were assessed, but with an improved outcome of 44 targets achieved, raising the achievement rate to 83%.**
- **Overall Performance:**
  - **In 2021/2022, the total number of assessments (KPIs and projects combined) was 150, with 113 targets achieved, equating to a 75% overall achievement rate.**

- **In 2022/2023, 153 assessments were made, with 117 targets achieved, leading to a slightly improved overall achievement rate of 76.47%.**
- **By 2023/2024, the total assessments increased to 156, with 127 targets achieved, further improving the overall achievement rate to 81.4%.**

The Nkangala District Municipality shows a positive trend in institutional performance, with consistent improvements in both KPI and project target achievements over the three years.

Municipal Financial Viability

The municipality needs revenue, sustainable revenue, that is, to fulfil its aspirations of providing services. We have been observing the district's glimmering revenue base. Nonetheless, the district has participated in discussions on ways to increase revenue in both the district and the other six municipalities. The district's total adjusted revenue for the 2023/24 Financial Year was R1028 969 500 and had received R995 211 289 which is 96% of the total allocation. The total operational adjusted budget of the municipality for the 2023/2024 FY was R1 123 909 177 and the municipal expenditure amounted to R1 094 628 942 which marked 97% total expenditure. The municipality also implemented its own capital projects amounting to R52 521 249, 00 with R344 654 78 which marks 66% expenditure. The transfers and subsidies capital projects had a budget of R712 167 196, and the municipality spent R677 028 418 which marked 95% as of 30 June 2024. I am happy to report that the municipality is having sound financial health with a positive going concern. This is also evidenced by the Clean Audit reports confirming that NDM takes care of the little resources it has.

Local Economic Development and Planning

Local Economic Development is a strategy for economic advancement that empowers local communities and businesses to collaborate in enhancing quality of life and fostering sustainable economic growth. The district has maintained its support for small, medium, and micro enterprises (SMMEs), cooperatives, and informal traders to tackle the threefold challenge, boost economic growth and development, and enhance food security, among other objectives.

SMME Development

In the current financial year, 2023/2024, the municipality implemented a comprehensive Financial & Non-financial support program aimed at empowering and uplifting local businesses and farmers in the district. As part of this initiative, the district allocated a significant R5 000 000, 00 to support 18 SMMEs with the necessary tools and equipment, this investment aims at empowering these businesses, enabling them to operate more effectively, thereby fostering their growth and success within the district.

On top of that aid, in support of emerging farmers 16 of them are supported with tools, equipment and farming implements to the value of R5 000 000, 00 this is done so that productivity can be increased and will enable them to contribute more significantly to the agricultural sector's development within the district.

The overarching goal of this program of financial and non-financial support is to empower local businesses and farmers so they may grow, generate employment, and help reduce poverty in their particular regions within the district. The municipality hopes to enhance local economic growth and inhabitants' quality of life by providing training and investing in these farms.

Job Creation Programs

Our district has long struggled with unemployment, especially among young people. The district has developed a Memorandum of Understanding (MOU) with the Bidvest Protea Coin Security SASSETA learnership program as one of its intervention techniques for job development in order to address this difficult situation.

In the FY 2023/2024 the unit EPWP managed to train 100 youths of Nkangala District on Safety and Security SETA (SASSETA) and Agriculture SETA (AGRISETA) Learnership Programme. The 100 learners managed to successfully complete their theory training and are currently busy with practical training in various sites around Gauteng and Mpumalanga Province.

As a district, we made an allocation of R10. 7 million on the Learnership Programmes during 2023/2024 which covered payments for service provider's management fees, transportation, training, catering, protective clothing of learners, accommodation and stipends for learners (R 2 500, 00 per month for each learner).

From 01 July 2023 to 30 June 2024, the municipality managed to create 482 work opportunities through the various NDM departments such as PED, Corporate Services and Technical Services) wherein 18 projects were implemented from the municipal budget.

Through strategic collaborations and investments in skill development and training, the district is demonstrating its commitment to empowering local communities, generating employment opportunities, and promoting economic growth through these projects. To combat unemployment and advance sustainable development in the area, the district's efforts are vital.

Adding to that we had a 500 LGSETA Discretionary grant funds which covers plumbing, building and construction. 500 learners were enrolled.

Just Transition

Just Transition involves shifting to a more sustainable, environmentally friendly, and socially equitable energy system. Nkangala District, heavily dependent on coal for its economy and accounting for a significant share of South Africa's emissions, faces socio-economic impacts due to global climate actions and the decommissioning of power stations. Despite having a Climate Change Mitigation and Adaptation Strategy, it lacked a focus on Just Transition, prompting the Just Energy Transition Summit. This summit aimed to reskill and train the mining workforce for green economy initiatives, driving regional economic development and this is still to be realized.

As we are reporting the service provider appointed for this matter has been requested to give the municipality, more information so that this information can be shared with all concerned i.e. stakeholders.

Future

To fully understand the factors that will affect the labour force as a result of the Just Energy Transition, the NDM is actively engaged in discussions and debates with important stakeholders, such as the Presidential Climate Commission, the Council for Geoscience, and other pertinent parties. The most recent meeting of this engagement took place on 06 May 2024. The Council for Geoscience, Local Municipalities, Mines, Presidential Climate Commission, and Community are the main stakeholders.

Social programmes

By working together, parents, educators, and students, the district has been able to encourage adolescents to pursue higher education. Consequently, thirty-one students have been awarded full bursaries of R4 000 000, 00 to continue their education at different universities. The purpose of this financial aid is to provide these children with access to a high-quality education, foster their own development, and advance the community.

Furthermore, the district actively takes part in a number of initiatives aimed at addressing important social issues. The 16 Days of Activism for No Violence against Women and Children is one of these initiatives, in which the district works with nearby towns to spread awareness and combat gender-based violence. The district collaborates with communities to address inequality and safeguard vulnerable people from abuse and violence. The World AIDS Day celebration, in which the district and other communities unite to confront the issues raised by the AIDS pandemic, is another noteworthy event. The district seeks to stop the spread of HIV/AIDS and provide support to impacted individuals and their families through education, awareness campaigns, and healthcare access

The districts in the 2023/2024 FY have had several campaigns inter alia, teenage pregnancy awareness and anti-drug and substance abuse campaigns which were taken to all the municipalities respectively, there were also Career Expos conducted with entrepreneurial summits.

The district's dedication to social responsibility, community involvement, and the advancement of equality and well-being among its citizens is demonstrated by these cooperative activities. Through collaborative efforts with several stakeholders, the district aims to establish a more secure, well-being, and welcoming atmosphere for all, promoting a more robust sense of solidarity and advancement within the community.

NEDA

The Nkangala District Municipality has progressed in the establishment of the Nkangala Economic Development Agency.

To this effect, on the 26th of July 2023, Council resolved to appoint the substantive Board of Directors consisting of seven independent non-executive members with experience in investment, trade, tourism and governance. Following the assumption of duty on the 1st of August 2023, the Board of NEDA successfully recruited a Chief Executive Officer and Chief Financial Officer. These are key personnel in ensuring that the agency is efficient and effective in achieving its mandate.

Working together Nkangala District Municipality's Planning and Economic Development department and the Mpumalanga Tourism Parks Agency, the Regional as well as the Local Tour operators, the NEDA recruited ten tourism small, medium and micro enterprises coming from all six local municipalities in the district, to represent the Nkangala District at both the 2024 World Travel Market in Cape Town and at the 2024 Africa Travel Indaba in Durban.

The SMMEs selected were able to network, showcase and sell their products, as well as conclude supply contracts with tourism products buyers, which will enable them to expand their businesses and create the much-needed jobs.

This shows that Nkangala District Municipality is committed to achieving inclusive economic growth and job creation by supporting SMMEs owned by the historically disadvantaged individuals.

Fire Academy

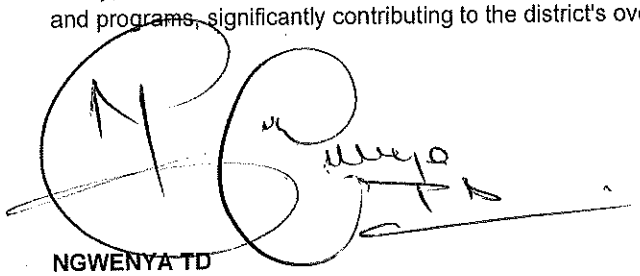
Pursuing the Fire Academy issue will help the municipality's revenue situation and give the district an alternate means of delivering services, particularly when it comes to matters of local economic growth. The talks to use Marapyane Agricultural College as the Fire Academy's home are doing well.

Conclusively, the Nkangala District Municipality has effectively preserved a Clean Audit Opinion devoid of findings concerning the Annual Financial Statements, non-adherence to rules and regulations, and the audit of performance data. Their record-keeping practices have much improved, as evidenced by the timely submission of requested information and the absence of scope limitations in the current year. The vital contributions of all parties concerned were necessary to make the accomplishments of the 2023–2024 fiscal year feasible. I would like to extend my sincere gratitude to all the municipality's stakeholders who were instrumental in making this success possible.

First and foremost, I would want to express my gratitude to the Council and the oversight committees; Section 79, Audit, Performance Committee, Risk Management Committees, and MPAC for their hard work and direction this past financial year.

We would especially want to express our gratitude to the Auditor General, South African Local Government Association, Sector Departments, local governments, traditional leaders, and the business community for their tremendous assistance and cooperation in our endeavours. I would also want to express my gratitude to the NDM team for their hard work and dedication, especially to Mrs. MM Skosana, the Accounting Officer, whose expertise and dedication have been a major factor in our success.

Lastly, we extend our heartfelt gratitude to the community members for their active participation in various projects and programs, significantly contributing to the district's overall development.



NGWENYA TD
EXECUTIVE MAYOR

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW: MUNICIPAL FUCTIONS, POPULATION AND ENVIROMENT OVERVIEW

1.1.1 POWER AND FUNCTIONS OF NKANGALA DISTRICT MUNICIPALITY

Table 1.1 DIVISION OF FUNCTIONS AND POWERS BETWEEN THE NDM AND LOCAL MUNICIPALITIES

Powers and functions		Nkangala/Local Municipalities					
(a)	Integrated development planning for the District Municipality as a whole, including a framework for integrated development plans of all Municipalities in the areas of the District Municipality	NDM					
(b)	Potable water supply systems.	VKLM	DrJSLM	EMALLM	ELM	STLM	THLM
(c)	Bulk supply of electricity, which includes the purposes of such supply e.g., the transmission, distribution and, where applicable, the generation of electricity	VKLM	DrJSLM	EMALLM	ELM	STLM	THLM
(d)	Domestic waste-water and sewage disposal systems	VKLM	DrJSLM	EMALLM	ELM	STLM	THLM
(e)	Solid waste disposal sites	VKLM	DrJSLM	EMALLM	ELM	STLM	THLM
(f)	Municipal roads which form an integral part of a road transport system for the area of the District Municipality as a whole	VKLM	DrJSLM	EMALLM	ELM	STLM	NDM
(g)	Regulation of passenger transport services	NDM					
(h)	Municipal airports serving the area of the District Municipality as a whole	NDM		EMALLM		STLM	
(i)	Municipal environmental health services	NDM					
(j)	Firefighting services	VKLM	NDM obo DRJSM	EMALLM	ELM	STLM	NDM obo THLM
(k)	The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the Municipalities in the District	NDM	DrJSLM	EMALLM	ELM	NDM	
(l)	The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of the	VKLM	DrJSLM	EMALLM	ELM	STLM	THLM

Powers and functions		Nkangala/Local Municipalities					
	Municipalities in the District						
(m)	Promotion of local tourism for the area of the District Municipality	NDM					
(n)	Municipal public works relating to any of the above functions or any other functions assigned to the District Municipality	VKLM	DrJSLM	EMALLM	ELM	STLM	THLM
(o)	The receipt allocation and, if applicable, the distribution of grants made to the District Municipality	Nkangala					
(p)	The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the District Municipality in terms of national legislation.	Nkangala					

Table 1.2 Total Population Nkangala

Municipal Area	Population		Average annual population growth	Estimated number.	Projected number by 2030
	2011 Census	2016 CS	2011-2016	2021	CSIR Green Book
Steve Tshwete	229 831	278 749	4.4%	323 544	434 967
Emalahleni	395 466	455 228	3.2%	553 562	648 163
Victor Khanye	75 452	84 151	2.5%	95 698	109 556
Thembisile Hani	310 458	333 331	1.6%	378 481	394 697
Dr JS Moroka	249 705	246 016	-0.3%	231 695	227 585
Emakhazeni	47 216	48 149	0.4%	56 965	52 178
Nkangala	1 308 129	1 445 624	2.3%	1 639 945	1 867 146
Gert Sibande	1 043 194	1 135 409	1.9%	1 263 786	1 311 997
Ehlanzeni	1 688 615	1 754 931	0.9%	1 839 853	1 932 028
Mpumalanga	4 039 939	4 335 964	1.6%	4 743 584	5 111 171
Mpumalanga	4 039 939	4 335 964	1.6%	4 743 584	5 111 171

Source: DEDT 2021, SERO report

1.1.2 BRIEF SOCIO-ECONOMIC OVERVIEW

It is crucial to clearly understand the development context within which the district operates to effectively plan and deliver services to the residents of NDM. This chapter provides an overview of NDM's demographics, the needs of its population, and anticipated changes or trends in these areas during the rest of the term of office. The district reflects on substantial information from recent reports and research, including the 2022 national Census conducted by Stats SA. The level of development is elucidated through statistics from Census 2022, other Data Enhancing Agencies like HIS Global Insight, the Socio-Economic Review and Outlook (SERO), and various Sector Departments, as detailed in the relevant sections throughout this chapter.

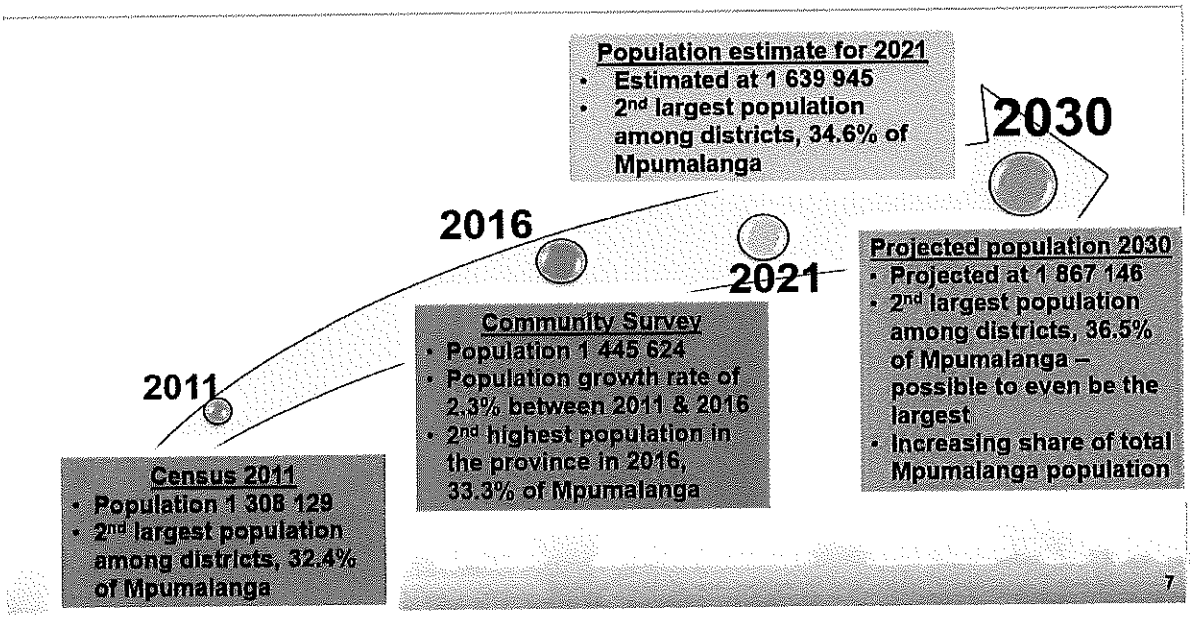
1.1.3 DISTRICT GEOGRAPHY

The Nkangala District Municipality (DC31) is one of the three (3) District Municipalities in Mpumalanga Province. The headquarters of Nkangala District Municipality are in Middelburg (Steve Tshwete Local Municipality). The district is composed of six (6) Local Municipalities: namely; Victor Khanye Local Municipality (MP 311), Emalahleni Local Municipality (MP 312) Steve Tshwete Local Municipality (MP 313), Emakhazeni Local Municipality (MP 314), Thembisile Hani Local Municipality (MP 315) and Dr J S Moroka Local Municipality (MP 316) (see figure 7). The area of the district covers a total area of approximately 16,892 square kilometres.

1.1.4 DEMOGRAPHICS

Population statistics is important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capital income.

Figure 1.1 NDM Long term view



Source: DEDT 2021, SERO report

The long-term overview of the municipality shows that the district will have an estimated population of 1 867 146 million people by 2030 becoming the largest population in the province overtaking Ehlanzeni district Municipality.

This will have a high impact on the demand for basic service delivery and integrated human settlements. Strong forward planning is critical to ensure that the district can anticipate and accommodate the projected growth in population.

Table 1.3: Total Population Nkangala

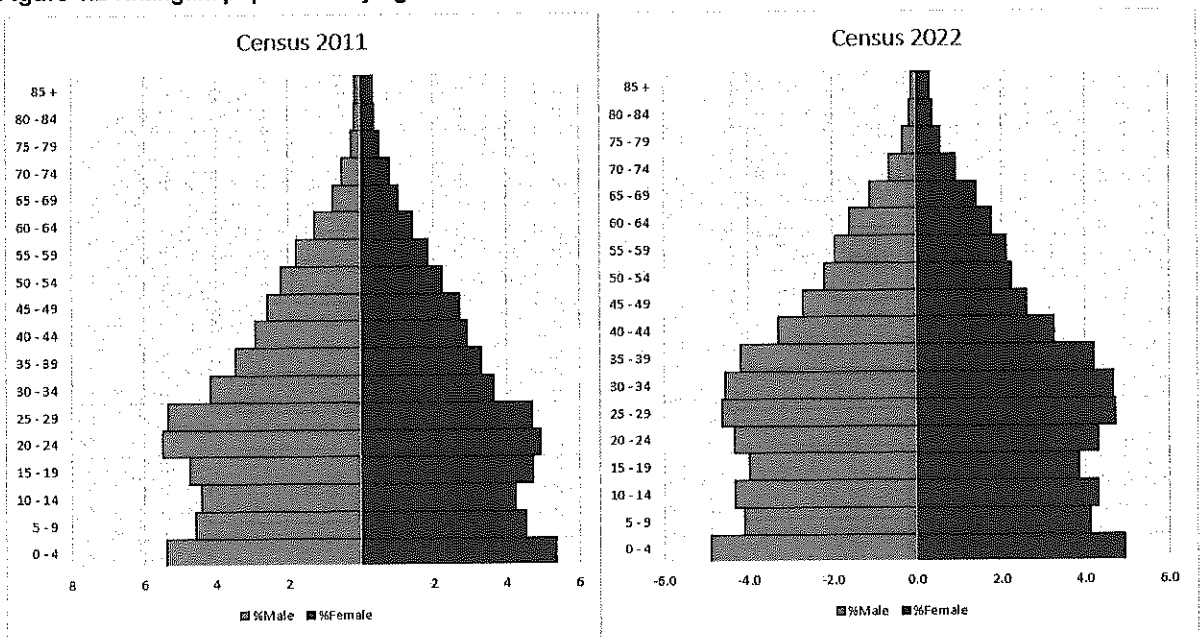
Local Municipal Area	Population		Average annual population growth	Projected number by 2030
	2011 Census	2022 Census	2011-2022	CSIR Green Book
Steve Tshwete	229 831	242 031	0.5%	434 967
Emalahleni	395 466	434 522	0.9%	648 163
Victor Khanye	75 452	106 149	3.3%	109 556
Thembisile Hani	310 458	431 248	3.2%	394 697
Dr JS Moroka	249 705	324 855	2.6%	227 585
Emakhazeni	47 216	50 165	0.6%	52 178
Nkangala	1 308 129	1 588 968	1.9%	1 867 146
Gert Sibande	1 043 194	1 283 459	2.0%	1 311 997
Ehlanzeni	1 688 615	2 270 897	2.9%	1 932 028
Mpumalanga	4 039 939	5 143 324	2.3%	5 111 171

Source: DEDT 2022, SERO report

The table above shows the population of the district per municipality and the average annual growth. All of the municipalities have seen growth from 2011 to 2022 however Victor Khanye Local Municipality showed the highest population growth with an average annual growth rate of 3.3%, followed by Thembisile Hani Local Municipality with an average annual growth rate of 3.2%. The Steve Tshwete Local Municipality had the lowest average annual growth rate of 0.5% relative to the other within Nkangala District Municipality. These figures show where people are moving to and settling which means that basic service provision needs to be intensified in these areas to accommodate their growth and prevent land invasions, service delivery strikes and informal settlements. One of the key causes is out migration to economic centres for better job and social opportunities. Development of economic centres to provide for better job opportunities would curb some of the out migration and attract people to the area.

1.1.5 POPULATION BY AGE AND SEX

Figure 1.2 Nkangala population by age and sex 2011 and 2022



Source: DSD and Stats- SA 2022

The above pyramid indicates that the number of females' percentage is higher that of males in most age groups except for age (24-29 and 25-29) as there are more males than females in 2011 and age 15-19 as there are also more males than females in 2022. There has been little to no changes in terms of ratios in both 2011 and 2022 years because, the latest stats indicate the same results that were indicated by the 2011 statistics which is that the number of females in Nkangala District Municipality is still greater than the number of males.

The above pictured stats prove the South African sex statistics by Stat-SA 2022 that says, "Females constituted 51,5% of the total population, while 48,5% were males" but in the case of gender ratio for Nkangala District Municipality can be estimated to be 49% for males and 51% females. This basically means that the Nkangala District Municipality should pay more focus on developing women especially young women, while also ensuring that males are supported. The promotion women by creating a conducive environment for females to start businesses, have skills to be employable employment and creating programmes that will empower and support women. This also means that Nkangala District municipality should also pay attention to creating programmes that will prevent teenagers and youth from doing illegal activities like campaigns to inform and make them aware about teenage pregnancies and how to protect themselves.

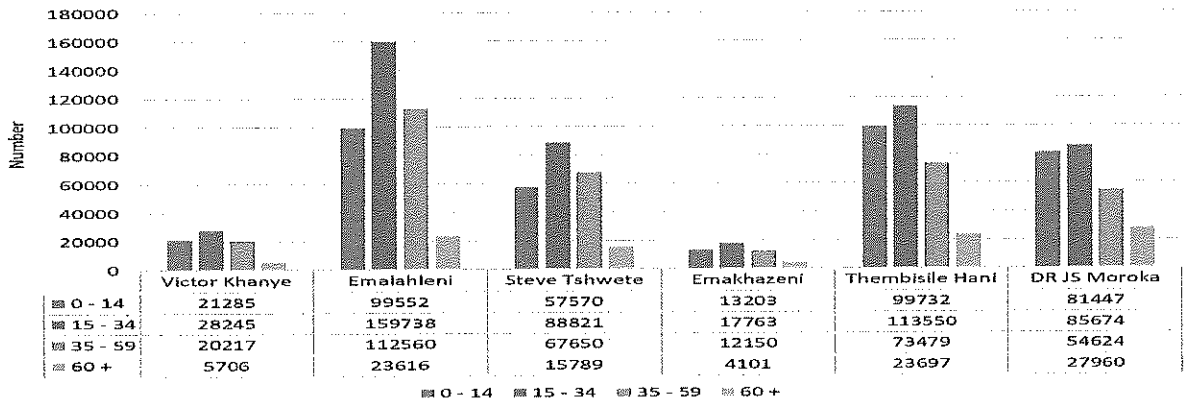
With reference to the figure above, the largest share of population is within the young working age (25-39 years) age category. The age category with the second largest number of people is the babies and kids (0-14 years) age category, followed by the teenagers and youth (15-24 years) age category. These statistics indicate that the district municipality has a significant amount of the young population and the working age population. This can be an advantage for the district as it has a huge labour force. However, if the economy of the district cannot absorb them then huge unemployment and the social issues that accompany it will follow. Economic growth, skills development and education are the critical issues that government in partnership with all other sectors need to focus on in order to have a significant impact on the majority of the people in the district. Therefore, this encourages the government to focus on programmes which will be economically beneficial to the young population and labour force, so as to counter the unemployment effects.

1.1.6 AGE STRUCTURE OF THE DISTRICT (CHILDREN, YOUTH AND ELDERLY PEOPLE)

Age composition refers to the demographic distribution of individuals across different age groups within a specific nation, serving as a fundamental component of population analysis. Moreover, an individual's age significantly influences their needs, consumer behaviour, activities, and capacity to undertake diverse tasks.

According to data provided by StatsSA (as depicted in the figure below), the Nkangala District Municipality comprises six distinct local municipalities: Victor Khanye, Emalahleni, Steve Tshwete, Emakhazeni, Thembisile Hani, and Dr. JS Moroka Local Municipalities. The demographic breakdown indicates that the number of children in the district, aged between 0 and 14, amounts to 372,789. Furthermore, the youth demographic, aged between 15 and 34, totals 493,791 individuals. In addition, the adult population, aged between 35 and 59, is recorded at 340,680. Lastly, the number of older persons, aged 60 and above, is reported to be 100,869.

Figure 1.3 Age structure of the District 2011 and 2022 (Children, youth and elderly people)



	Victor Khanye	Emalahleni	Steve Tshwete	Emakhazeni	Thembisile Hani	DR JS Moroka
0 - 14	21285	99552	57570	13203	99732	81447
15 - 34	28245	159738	88821	17763	113550	85674
35 - 59	20217	112560	67650	12150	73479	54624
60 +	5706	23616	15789	4101	23697	27960

Source: DSD

The statistics reveal that the majority of the population across the district is between the ages of 15-34, this means that the district should plan and prioritise youth development and job creation.

The above graph clearly indicates that there is a significant increase on birth rate as the number of children from 0-14 years increased from 558465 in 2011 to 685476 in 2022. The population is significantly growing in all age groups mostly on youth as the number of youths moved from 658250 in 2011 to 814308 in 2022 which can be result of many factors. The increment on number of youths can be cause by pull factors considering that Nkangala District Municipality is rich in coal creating many job opportunities that can attract or pull youth from other districts or even other provinces resulting to this increasing number of youths. The Nkangala District should also focus on youth development because number of youths is the highest from 2011 to 2022 statistics to ensure that youth unemployment is combated.

The increment number of older persons (+60) can also be seen moved from 111188 in 2011 to 164972 in 2022 which can be result of many factors. The increment on number of older persons can be cause by the decrease in number of deaths and this means that the older person is taking a good care of themselves, and Nkangala District should focus on assisting them by having programmes suitable for the healthy lifestyles and good places to keep them safe and comfortable like adult homes.

1.1.7 NUMBER OF HOUSEHOLDS

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2011, the Nkangala District Municipality comprised of 356 911 households and 483 161 in 2022. This equates to an average annual growth rate of 3.0% in the number of households from 2011 to 2022. With an average annual growth rate of 2.3% in the total population from 2011 to 2022 the average household size in the Nkangala District Municipality is by implication decreasing see tables below.

Table 1.4: Number of Households in Nkangala per municipality

Local Municipal Area	Households		Average annual household growth	Household Size	
	2011 Census	2022 Census	2011-2022	2011	2022
Steve Tshwete	64 966	80 052	2.0%	3.5	3.0
Emalahleni	119 873	164 573	3.1%	3.3	2.6
Victor Khanye	20 548	33 786	4.9%	3.7	3.1
Thembisile Hani	75 633	110 563	3.7%	4.1	3.9
Emakhazeni	13 721	19 613	3.5%	3.4	2.6
Dr JS Moroka	62 162	74 581	1.8%	4.0	4.4
Nkangala District Municipality	**356 903**	**483 169**	**3.0%**	**3.7**	**3.3**

Source: DEDT 2022, SERO report

Relative to the province, the Nkangala District Municipality had a higher average annual growth rate of 3.0% from 2011 to 2022. There has been an increase in households especially in Victor Khanye Local Municipality 4.9% followed by Thembisile Hani Local Municipality 3.7% and Emakhazeni Local Municipality 3,5%. The increase in households in these areas are due to a number of factors including attraction to the area due to a need for better opportunities for employment. Secondly the provision of Housing has assisted families to have their own homes and reduce overcrowding of poor households. It is important to mention that there are numerous other factors that also contribute to the increase in households such as the availability of funding to Black Households, increase in socio economic status of people and changing preferences of living arrangements. As government build more houses, there might increase the demand for more housing and housing typologies this might also have an impact on the demand for services.

1.8 NATURAL RESOURCE

The Nkangala District's economy is heavily dependent on its natural resources, which play a vital role in various sectors and industries, giving rise to what is commonly known as a 'resource-based economy.' The key natural resources contributing significantly to the district's economy are as follows:

- Mining and Energy Generation: The District is rich in coal deposits, making it a major player in the mining and energy generation sectors. Coal mining activities contribute significantly to the local economy, providing employment and generating revenue.

- Agriculture and Forestry: The District's land capacity, geographical features, and favourable climate create favourable conditions for agriculture and forestry. These sectors contribute to food production, timber, and other agricultural products, supporting rural livelihoods and adding value to the regional economy.

- Tourism: The district's natural beauty, conservation areas, and diverse ecosystems attract tourists and create opportunities in the tourism industry. Natural features such as landscapes, wildlife, and unique ecosystems enhance the appeal of the region, promoting tourism and related businesses.

1.9 FINANCIAL SERVICES OVERVIEW, LEADERSHIP TRANSITION AND CHANGES IN SENIOR MANAGEMENT

REVENUE

The total revenue of the district increased with 38.06% from R723,885 million (2022/23) to R999,384 million (2023/24) and indicate a 97.12% outcome over the R1,029 billion budgeted for the 2023/24 financial year.

Revenue from exchange transactions increased with 68.73% from R34,921 (2022/23) to R58,921 million (2023/24), whilst the revenue from non-exchange transactions increased with 36.50% from R688,964 (2022/23) to R940,463 million (2023/24) of which the major portions is from government grants and subsidies, and the increase is mainly from the increased grants received form Department of Water and Sanitation. The district is highly dependent on the RSC Replacement Grant that shows a deterioration growth rate year on year, however indicative allocations published in Division of Revenue Act (DORA) point to a very small increase in the RSC Levy Replacement Grant,

The outlook for the next financial year is that the total revenue will decrease compared to the year under review.

TRANSFERS AND SUBSIDIES

Transfers and subsidies increased by 36.00% from R685,096 million (2022/23) to R 931,703 million (2023/24). Transfers and Subsidies include conditional and non-conditional grants and subsidies to the District and amongst others include the RSC Levy Replacement grant, the Equitable Share, Municipal System Improvement Grant, Finance Management Grant, the Expanded Public Works Programme Incentive Grant and Department of Water & Sanitation grants. All conditional grants have been spent 100% and has been recognised as revenue in 2023/24. According to the accounting policies only the portion that has been expensed and meets the conditions of the conditional grant is recognized as revenue.

PUBLIC DONATION

A public donation in the form of a road compactor truck was received from Sereti Mine in the 2023/24 of R5,250 million for the financial year compared to no public donation in 2022/23.

LEADERSHIP TRANSITION AND CHANGES IN SENIOR MANAGEMENT

The Executive Mayor, Cllr TD Ngwenya was elected as the Executive Mayor of Nkangala District Municipality in terms of Section 55(2) of the Local Government: Municipal Structures Act 117 of 1998 at the Council sitting held on 28 June 2023 with effective from 01 July 2023.

The Speaker, Cllr SL Ndinisa resigned as the Speaker of Nkangala District Municipality Council on 23 June 2023.

The Speaker, Cllr SR Maja was elected by Council at its special sitting held on the 05 July 2023, through Council Resolution DMS-ND01/07/2023. Cllr. SR Maja resigned as a Speaker with effect from the 22 August 2023 and was replaced by Cllr KJ Boshomane.

Councillor Boshomane, KJ was elected as Speaker of Nkangala District Municipality in terms of Section 36 of the Local government: Municipal Structures Act 117 of 1998, read with Rule 24 of the Nkangala District Municipality Council Standing Rules and Orders, with effect from the 23 August 2023.

1.10 RISK ASSESSMENT, INCLUDING THE DEVELOPMENT AND IMPLEMENTATION OF MEASURES TO MITIGATE

1.10.1 THE TOP 6 RESIDUAL RISKS

In terms of Section 62(1) of Municipal Finance Management Act 56 of 2003 the accounting officer of the municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure:
(c)(i) that the municipality has and maintains effective, efficient, and transparent systems of financial and risk management and internal control.
The Municipality has identified the following Top Six (6) risks and mitigation measures were put in place to address them:

- Inadequate organizational performance.
- Business Continuity.
- Inadequate support to SMME's, Cooperatives and informal traders.
- Inadequate provision of basic environmental health services.
- Land invasion and mushrooming of informal settlements.
- Climate Change

1.11 AUDITOR GENERAL REPORT

Nkangala District Municipality obtained Clean Audit Opinion for 2023/2024 financial year. The table below reflects the Audit outcome of the Municipality in previous financial years and the year under review:

Table 1.5: Audit Outcome

FINANCIAL YEAR	AUDIT OUTCOME	No. OF ISSUES RAISED
2022/2023	Financially unqualified with no findings on predetermined objectives or compliance with laws and regulations.	2
2023/2024	Financially unqualified with no findings on predetermined objectives or compliance with laws and regulations.	7

CONCLUSION

The Nkangala District Municipality has successfully maintained an unqualified without findings audit opinion on annual financial statements, non-compliance with laws and regulations and audit of performance information. The Municipality needs to improve on its spending, so that expenditure can be 100% in 2023/2024, which will allow the Municipality to realise its objectives within its administrative and financial capacity.

ACKNOWLEDGEMENT

I would like to extend my appreciation to the Municipal Council, Honourable Executive Mayor, Mayoral Committee, Audit and Performance Committee, Risk Management, Anti-Fraud and Anti-Corruption Committee, MPAC and section 79 committee for their advice, strategic direction and thought Leadership during the financial year.

In conclusion, I take the opportunity to appreciate the support, commitment, hard work and co-operation of General Managers, Managers, Divisional Managers with Unit Heads and the general administrative staff without which we would not have achieved our targets.



SKOSANA M M

MUNICIPAL MANAGER

1.12 STATUTORY ANNUAL REPORT PROCESS

The NDM Council streamlined its Annual Report process in accordance with the MFMA Circular 63. This is to ensure that the Annual Report as contemplated in terms of Section 127 of the MFMA is produced as soon as possible after year-end, namely, August in order to enhance oversight functions of Council. This further provides the NDM Council opportunity to take corrective decisions earlier where it is required to improve service delivery and accountability. The following table reflects the statutory annual report processes followed by the NDM:

Table 1.6: Annual Report Process

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	31 August 2024
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year Annual Report to Internal Audit and Auditor-General	31 August 2024
5	Audit committee considers draft Annual Report of Municipality	
6	Mayor tables the unaudited Annual Report.	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	31 August 2024
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
9	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	30 November 2024
10	Municipality receive and start to address the Auditor General's comments	15 December 2024
11	Executive Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	30 December 2024
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee (MPAC) assesses Annual Report	
14	Council adopts Oversight report	28 February 2025
15	Oversight report is made public	
16	Oversight report is submitted to relevant provincial Councils	

CHAPTER 2 – GOVERNANCE

INTRODUCTION

The governance structure of the NDM Council follows an Executive Mayoral System, which permits the election of an Executive Mayor. In turn, the Executive Mayor appoints a Mayoral Committee as mandated by Section 60(1)(a) of the Local Government Municipal Structures Act 117 of 1998. This section stipulates that if the Council has more than nine (9) members, its Executive Mayor must form a Mayoral Committee from among the Councillors to assist in carrying out the Mayor's responsibilities. Each member of the Mayoral Committee is assigned specific duties by the Executive Mayor under Section 60 of the Local Government Municipal Structures Act 117 of 1998. Moreover, when the Executive Mayor is burdened with multiple programs, she can delegate some of her powers to the respective members of the Mayoral Committee, in accordance with Section 60(1)(c) of the MSA 117 of 1998.

Additionally, the Council is led by a Speaker who presides over its meetings. To ensure effective execution of its Constitutional mandate, the NDM Council has established Oversight Committees in accordance with Section 79 of the Structures Act, as well as a Risk Management Committee and an Audit Committee in compliance with Section 166 of the Local Government Municipal Finance Management Act.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 GOVERNANCE STRUCTURE

The Nkangala District Municipal Council (NDM) derives its mandate to govern from Section 151(3) of the Constitution of Republic of South Africa, (Act 108 of 1996) which says, the Municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution.

The overall strategic mandate of NDM Council as derived from section 152 of the Constitution of the Republic, Act 108 of 1996, which gives the object of local government to be:

- To provide democratic and accountable government for local communities.
- To ensure the provision of services to communities in a sustainable manner.
- To promote social and economic development.
- To promote a safe and healthy environment.
- To encourage the involvement of communities and community organizations in matters of local government.

2.1.1 POLITICAL GOVERNANCE STRUCTURE

The executive and legislative authority of Nkangala District Municipality (NDM) is vested in its Municipal Council chaired by the Speaker. The responsibilities of the speaker amongst others are:

- To presides at the meetings of the Council.
- To ensure that Council meets as per the approved year planner and maintain order during meetings.
- To ensure that Councillors comply with the Code of Conduct set out in Schedule 1 to the Local Government: Municipal Systems Act 32 of 2000, and;
- To ensure that Council meetings and those of committees are conducted in accordance with the NDM Standing Rules and Orders and the annually approved year planner.

Local Government: Municipal Structure Act of 1998, Section 18(2) states that a Municipal Council must meet at least quarterly. However, the Nkangala Municipal Council resolved to hold 10 Council meetings in the terms 2023/2024-year planner to consider reports from the Mayoral Committee.

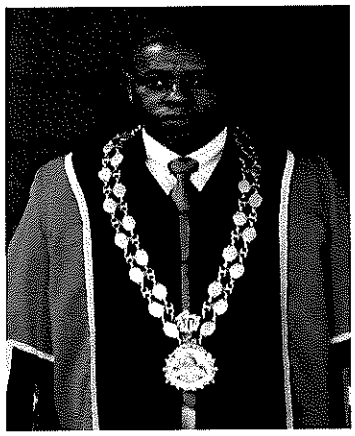
The Council in terms of the section 55 of the Local Government Municipal Structures Act appointed the Executive Mayor of the NDM. The Executive Mayor is the political head of the Municipality. The Executive Mayor must:

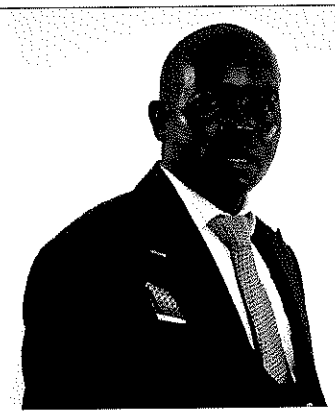
- Identify the need of the Municipality;
- Review and evaluate those needs in order of priority;
- Identify the needs of the Municipality;
- Review and evaluate those needs in order of priority;
- Recommend to the Municipal Council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and,
- Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

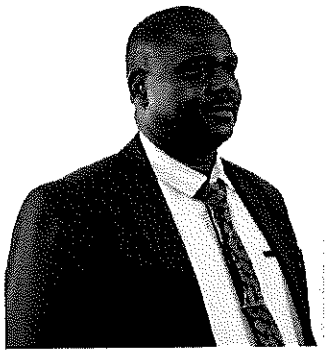
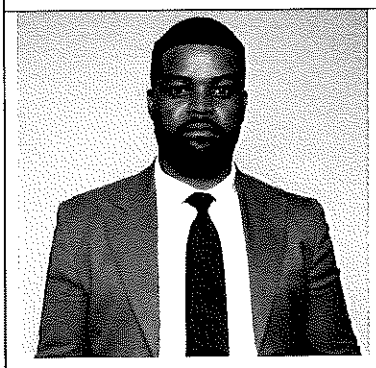
The Executive Mayor in performing the duties of his office, must-

- Identify and develop criteria in terms of which progress in the implementation of the strategies, programmes and services referred to in subsection (2) (c) can be evaluated, including key performance indicators which are specific to the Municipality and common to local government in general;
- Evaluate progress against the key performance indicators;
- Review the performance of the Municipality in order to improve-
  - (i) The economy, efficiency and effectiveness of the Municipality;
  - (ii) The efficiency of credit control and revenue and debt collection services; and
  - (iii) The implementation of the Municipality's by-laws;
- Monitor the management of the Municipality's administration in accordance with the directions of the Municipal Council;
- Oversee the provision of services to communities in the Municipality in a sustainable manner;
- Perform such duties and exercise such powers as the Council may delegate to the Executive Mayor in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000); [Para. (f) amended by s. 16 (a) of Act 51 of 2002.]
- Annually report on the involvement of communities and community organisations in the affairs of the Municipality; and
- Ensure that regard is given to public views and report on the effect of consultation on the decisions of the Council.

Table 2.1 Troika and Mayoral Committee Structure

PICTURE	POLITICAL STUCTURE	FUNCTIONS
	**EXECUTIVE MAYOR** **Cllr. T.D. Ngwenya**	Provide general political guidance over the fiscal and financial affairs of the Municipality as per MFMA 56 of 2003. Manages the drafting of the IDP as per the MSA 32 of 2000 as amended and performs duty. As per delegation by Council and as per Section 49 of the Municipal Structures Act (No. 117 of 1998).
	**SPEAKER OF COUNCIL** **Cllr. K J Boshomane**	Presides at meetings of the Council. Performs the duties and exercises the powers delegated in terms of section 59 of the MSA as amended and section 37 of the Municipal Structures Act (No. 117 of 1998).
	**COUNCIL WHIP** **Cllr C.N. Nkalintshana**	Performs duties as per Council resolution DM458/06/2017: on Council Whip: Institutionalization

	**Cllr J T Makwiting** Member of the Mayoral Committee – Infrastructure, Service Delivery, Water Sanitation Electricity Roads and Maintenance (MMC)	To advise the Executive Mayor on infrastructure development and service delivery issues that include water, sanitation, electricity, roads and maintenance. Plays an oversight role on the performance of the Department of Technical Services
	**Cllr. D Mahlangu** Member of the Mayoral Committee – Social Service, Disaster Management, Youth, Women, the Disabled, Sport, Arts and Culture, Health & Education (MMC)	To advise the Executive Mayor on Social Services, Disaster Management, Youth, Environment, Transversal, Sports, Arts and Culture, Health and Education. Plays an oversight role on the performance of the Department Social Services
	**Cllr. E Makhabane** Member of the Mayoral Committee Finance, Internal Audit and Risk Management (MMC)	To advise the Executive Mayor on financial and budget related issues. Plays an oversight role on the performance of the Department of Finance.

	**Cllr. T Pookgoadi** Member of the Mayoral Committee – Corporate Governance, Communication, Public Participation and Traditional Affairs (MMC)	To advise the Executive Mayor on Administration and HR and HRD issues, Legal Services, Occupational Health and Safety issues. Plays an oversight role on the performance of the Department of Corporate Services
	**Cllr. T Mathebula** Member of the Mayoral Committee – Municipal Planning, Land, Human Settlement and Transport. (MMC)	To advise the Executive Mayor on Rural Development, Agriculture, Public Safety and Transport issues. Plays an oversight role on the performance of the Departments of Planning.
	**Cllr. L Mahlangu** Member of the Mayoral Committee – Local Economic Development, Tourism, Rural Development and Agriculture (MMC)	To advise the Executive Mayor on Local Economic Development, EPWP, and Tourism issues. Plays an oversight role on the performance of the Department of LED.

2.2 COUNCIL COMMITTEES

NDM Council established and determined functions of six (6) committees in terms of Section 80 of the Local Government Municipal Structures Act 117 of 1998, to assist the Executive Mayor in discharging her duties. The Executive Mayor appointed chairpersons of these Mayoral Committees. These committees deal with matters delegated to them and report to the Executive Mayor as per the NDM delegation framework. The following are the Mayoral Committees, which are aligned to functions delegated to the Executive Mayor:

- Infrastructure and Service Delivery, Water, Sanitation, Electricity, Roads and Maintenance.
- Corporate Services, Human Resources Management and Development, Performance Corporate Governance, Communication, Public Participation and Traditional Affairs.
- Roads and Public Safety; Social Services, Disaster Management, Youth and Women, Disabled, Sports, Arts and Culture, Health and Education.

- Rural Development, Agriculture, Town planning, Human Settlement and Transport.
- Finance, Internal audit and Risk Management.
- LED, Expanded Public Works Programme and Tourism.

In line with Section 79 of the Local Government: Structures Act 117 of 1998, the NDM Council also established the following Council committees referred as Section 79 Oversight Committees, to assist Council to oversee the work of the Mayoral Committee and Management:

Table 2.2 Oversight Committee Structure

No.	Committee	Functions
1	Infrastructure and Service Delivery, Water, Sanitation, Electricity, Roads and Maintenance	To advise Council on infrastructure development and service delivery issues
2	Development, Planning, Human Settlement, Public Safety and Transport	To advise Council on roads, transport and public safety issues
3	Finance, Internal audit and Risk Management.	To advise Council on financial issues
4	Corporate Services, Corporate Governance, Communication, Public Participation and Traditional Affairs	To advise Council on administration and human resources issues
5	Local Economic Development, Rural Development, Agriculture and Tourism	To advise Council on local economic development issues
6	Social Services, Disaster Management, Youth, Women, The Disabled, Sport, Art and Culture, Health and Education	To advise Council on social, youth and women development matters, issues of disability, sport, Health, Arts and Culture
7	Rules and Ethics	To advise Council on the interpretation of any decision made in terms of Council's Standing Rules and Orders and the interpretation and application of the Code of Conduct applicable to Councillors
8	Municipal Public Accounts Committee (MPAC)	To advise Council on a number of financial and non-financial related activities executed by the Mayoral Committee and compliance with Municipal legislation

For the period under review, it can be reported that the oversight committees were functional and executed their responsibilities as required. Meetings of committees were held in line with the Municipality's approved year plan. The Committees exercised oversight to ensure that all Council resolutions in their respective departments were implemented.

The Municipal Public Accounts Committee (MPAC) is an oversight committee of council established in terms of Section 79A of the Local Government Municipal Structures Amendment Act (Act No. 03 of 2021) to assist council to oversee and hold the Mayoral Committee (executive) and management to account. The Nkangala District Municipality established its MPAC in December 2021 comprising eight (8) reflecting a fair representation of political parties represented in Nkangala District Municipal Council in line with Section 160(8) of the Constitution of the Republic of South Africa of 1996.

The MPAC was able execute all its activities contained in the 2023/2024 MPAC Work plan as follow:

1) Held twelve (12) meetings comprising four (4) ordinary and eight (8) special meetings.
2) Undertook two sets of project site visits in August 2023 and June 2024 to corroborate the reports given by the executive and management and reported findings with recommendations to Council.
3) Reviewed the 2022/2023 Annual Report and Annual Financial Statement and produced an Oversight Report that was adopted by Council on 21 February 2024.
4) Reviewed the 2023/2024 quarterly and mid-year performance assessment reports from the Mayoral Committee and Management and reported findings with recommendations to Council.
5) Tracked implementation of Council resolutions emanating from MPAC recommendations, the Action Plan on Auditor-General Findings and council resolutions emanating from recommendations of the internal audit unit and the Audit and Performance Committee.
6) Developed its 2024/2025 Financial Year Work Plan which is subsequently adopted by Council.
7) Finalised investigation on the interests and penalties paid to the Department of Labour and Employment and submitted a report with findings and recommendations to council.
8) Developed Terms of Reference of the Nkangala District Municipal Public Accounts Committee Forum and submitted them to council.
9) Assessed functionality of the internal unit and Audit and Performance Committee established in terms of Sections 165 and 166 of the Local Government: Municipal Finance Management Act (Act No 56 of 2003) and confirmed that both the unit and committee were discharging their responsibilities as required. The MPAC was impressed that all local municipalities within NDM formed part of the shared audit in 2023/2024 Financial Year.

Table 2.3 MPAC recommendations as adopted by Council on the 2022/2023 Oversight Report

Date of MPAC's presentation of the 2022/2023 Oversight Report to Council	Municipal Public Account Committee recommendations on Oversight Report during 2021/2022	Recommendations adopted (enter Yes) If not adopted (provide explanation)
21 February 2024	(a) Council to approve the 2022/2023 Oversight Report without reservations	YES
	(b) This the 2022/2023 Oversight Report with all its appendices be submitted to the Auditor General, the Provincial Treasury, and the Mpumalanga Provincial Department of Cooperative Governance and Traditional Affairs	YES
	(c) That the 2022/2023 Oversight Report of the Nkangala District Municipality be made public in terms of section 129(3) of the MFMA and be submitted to the Mpumalanga Legislature in terms of section 132(2) of the MFMA	YES
	(d) Those recommendations relating to the general findings of the MPAC on the 2022/2023 Annual Report be implemented and report be given to council on quarterly basis	YES

2.2.1 NDM COUNCILLORS

Nkangala District Municipality Council is constituted of fifty-seven (57) Councillors, with twenty-two (22) of whom being the directly elected Councillors and thirty-five (35) thereof, coming from the six (06) local municipalities, serving as representative councillors. The list of all municipal Councillors is attached as **Appendix A**. The municipality has established six (6) Section 80 Committees, and nine (9) Section 79 Oversight Council Committees and allocation of Councillors appears in the attached **Appendix B**, which sets out the committees in which Councillors are serving and the purpose for each committee.

2.2.2 POLITICAL DECISION-TAKING

Section 11 of the Local Government: Municipal Systems Act, as amended provides that the municipal Council has both the administrative and legislative powers, which it exercises by delegating some of its powers to Political Office Bearers and Administration in accordance with the provisions of Section 59 thereof.

Those delegated performs the functions on behalf of the Council and submit regular reports, i.e., monthly and/or quarterly reports to Council for monitoring and oversight by Section 79 Committees. All the Council Resolutions taken by Council in the 2023/2024 financial year have been implemented with a few of those being multiyear projects/programmes and as such the implementation thereof is over two (2) or more financial years.

During the 2023/2024 financial year, the Council of the municipality has maintained a remarkable record in resolution implementation. Out of a total of nine hundred and seven (907) Council Resolutions taken, all have been successfully implemented. As of the 30th of June 2024, the municipality's Council Resolution implementation rate stands at an impressive 100%. There have been no resolutions that the Council could not implement or found impossible to execute during this period. This demonstrates the Council's efficiency and commitment to carrying out its decisions effectively.

Table 2.4 Meeting held in 2023/2024

MEETINGS FOR 2023/2024 FY	NUMBER OF MEETINGS HELD
Council	14
Mayoral	15
DDM council	5
Budget steering committee	4
Section 80 committees	
Section 80: infrastructure and service delivery, water, sanitation, electricity, roads and maintenance	12
Section 80: development planning, human settlement, public safety and transport	12
Section 80: finance, audit and risk management	12
Section 80: corporate governance, communication, public participation and traditional affairs	12
Section 80: local economic development, rural development, agriculture and tourism	13
Section 80: community development services:	12
Section 79: committees	
Section 79: infrastructure and service delivery, water, sanitation, electricity, roads and maintenance	5
Section 79: development, planning, human settlement, public safety and transport	4
Section 79: finance, audit and risk management	4
Section 79: corporate governance, communication, public participation and traditional affairs	4
Section 79: local economic development, rural development, agriculture and tourism	4
Section 79: community development services	4
Section 79: rules and ethics	4

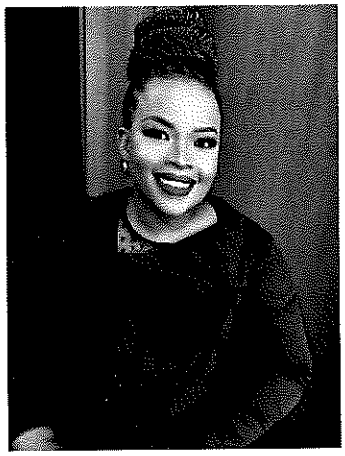
2.2.3 ADMINISTRATIVE GOVERNANCE STRUCTURE

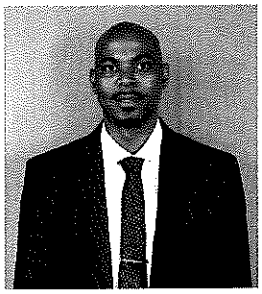
The Accounting Officer, also known as the Municipal Manager, holds the position of the administrative head of the institution. Within the framework of the Municipal Council's policy directions, the Municipal Manager is entrusted with the responsibility and accountability for establishing and developing an economical, effective, efficient, and transparent administration. The primary role of the administration is to facilitate the implementation of the Municipality's integrated development plan and to closely monitor its progress. The Municipal Manager plays a key role in ensuring that the administration is well-equipped to carry out these tasks successfully.

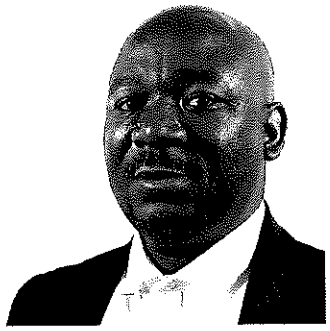
Additionally, the Municipal Manager is responsible for the appointment of staff, excluding those specified in section 56(a) of the Local Government: Municipal Systems Act 32 of 2000. All staff appointments are subject to compliance with the Employment Equity Act, 55 of 1998, to ensure fairness and equity. As the administrative head, the Municipal Manager serves as an advisor to the political structures and office bearers of the Municipality. Effective communication and coordination between the administration, political structures, and political office bearers fall under the purview of the Municipal Manager. This role helps facilitate a cohesive and well-coordinated governance approach within the Municipality.

The Municipal Manager is responsible and accountable for all income and expenditure of the Municipality, all assets and discharge of all liabilities of the Municipality; proper and diligent compliance with the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003), according to Section 55 (2) (a-c) of the Local Government: Municipal Systems Act, (Act No. 32 of 2000).

Table 2.5 Senior Management Structure

Picture	Organisational Role	Function
	**Municipal Manager** **Ms MM Skosana**	The Head of Administration and the Accounting Officer. Responsible for all administrative responsibilities as per chapter 8 and section 55 of the MFMA and MSA[1] respectively. Reports to the Executive Mayor and Council. Ensures that the annual budget of Council is spent according to the legislative stipulations. Advices the Executive Mayor and Council at all times.

	**Chief Financial Officer:** **Ms AL Stander**	Delegated to oversee the Council's annual budget, its preparation, adoption and its implementation. Reports to the National and Provincial Treasury according to the MFMA. Manages staff in the department. Advices the Accounting Officer on such matters and reports to the Accounting Officer.
	**General Manager: Planning and Economic Development** **Mr JP Mangani**	Responsible for strategic planning; facilitation of local economic development initiatives; monitor expanded public works programme; development and monitoring integrated transport planning; coordination of spatial planning and land use management; and trade and investment.
	**General Manager: Social Services** **Ms TE Zulu**	Delegated to head the Social Services department and oversee all its programmes, viz. Community Services, Disaster Management, Environmental Pollution Control and Municipal Health Services. Advice the Accounting Officer on such matters and reports to the Accounting Officer.
	**General Manager: Technical Services** **Ms SM Tseka**	Delegated to head the Technical Services department and oversee all its programmes, viz. water, electricity roads and project management section. Advices the Accounting Officer on such matters and reports to the Accounting Officer.

	**General Manager: Corporate Services** **Mr ML Mahlangu**	Delegated to head Corporate Services. Responsible for related issues of, amongst others, HR recruitment, development in accordance with the legislation governing Local Government. Develops and monitor the implementation of HR policies and adherence thereto. Keeps records for the entire Municipality and ensure that Council Committees are established and are functional.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

Section 41 of the Constitution of the Republic of South Africa, 1996, lays down the principles of co-operative government and intergovernmental relations, which are applicable to all spheres of government and all organs of state within each sphere. These principles serve to promote collaboration and effective communication among the various levels of government in the country. To give effect to these principles, the Intergovernmental Relations Framework Act (No.13 of 2005) was enacted. This act establishes a framework that governs the interactions and relationships between the three spheres of government (national, provincial, and local) and all organs of state within those governments. The primary objective is to facilitate coordination and cooperation in the implementation of policies and legislation across all levels of government.

The Act also outlines the establishment, composition, roles, and meetings of different intergovernmental structures. These structures act as platforms for government representatives to engage with one another, discuss matters of mutual interest, and find collaborative solutions to address challenges that may span multiple levels of governance. The aim is to ensure that government entities work together seamlessly to achieve common goals and effectively serve the needs of the citizens.

The Nkangala District Municipality as in compliance to the aforementioned pieces of legislation participates in various intergovernmental forums established by the different government spheres and organs of state. In compliance with Section 24 of the Intergovernmental Framework Act, the NDM furthermore established different District intergovernmental forums to promote co-operative governance and facilitate intergovernmental relations between the NDM and its six (6) Local Municipalities. These District Intergovernmental Forums assist the NDM to realise the Constitutional mandate of District Municipalities, which include among others the following:

1) Redistribute resources within a District according to need;
2) Assist and capacitate Local Municipalities to enable them to provide and sustain the provision of services in their areas; and
3) Promote economic development in the District.

The participation of the Nkangala District Municipality (NDM) in District Intergovernmental Forums has resulted in positive outcomes for both the NDM and its Local Municipalities. The table below illustrates the intergovernmental relations forums in which the NDM is actively involved:

Table 2.6 Intergovernmental Relations Forum

Forum	Composition	Role	Status
Mayors Forum	All Executive Mayors of the 6 Local Municipalities in the District, and the Executive Mayor of the NDM serves as the Chairperson of the forum	Deals with all developmental issues in the District relating to IDPs, Budget, Policy development and accountability	The District Mayors Forum is fully functional and performs efficiently and holds meetings on a quarterly basis.
Municipal Managers' Forum	All Municipal Managers from the Local Municipality and the Municipal Manager of the NDM serves as the Chairperson	Provides technical support to the Mayors' Forum	The Municipal Mayors Forum is fully functional, providing technical support to the District Mayors Forum and performs efficiently and holds meetings on a quarterly basis.
District Speakers' Forum	The Forum comprises all Speakers of Councils of Municipalities with the NDM	The forum is meant to coordinate all public participation activities and creating mass-based awareness on the government social cluster services	The District Speakers' Forum is fully functional and performs efficiently and holds meetings on a quarterly basis.
District Municipal Public Accounts Forum	The District MPAC Forum to comprise of all MPAC Chairpersons within the NDM.	The Forum will serve as a consultative forum for MPACs of municipalities within the NDM to discuss, consult and collaborate on matters of mutual interest including, sharing good practices, strategies, innovations, skills, experiences, and programmes in executing their oversight responsibilities.	The Terms of the District MPAC Forum were developed and approved by the council for consultation with local municipalities. These Terms of Reference will be implemented in the 2024/2025 Financial Year.
Nkangala District ICT Forum	The Forum comprises all IT Managers of Councils of Municipalities within the NDM jurisdiction, Provincial COGTA, Provincial Treasury and Provincial Legislature	The forum is meant to coordinate ICT Functionalities within the Local Municipalities and create shared services infrastructure	The ICT Forum within the Nkangala District Municipality is operating smoothly and efficiently. It is fully functional and holds meetings on a bi-annual basis. This regularity allows representatives from various departments and stakeholders within the municipality to come together to discuss and collaborate on matters related to information and communication technology. By being fully functional and effective, the ICT Forum helps ensure that the municipality's technology-related initiatives and projects are well-coordinated,

Forum	Composition	Role	Status
			aligned with the overall goals and strategies, and are implemented in a timely and effective manner. It serves as a platform for exchanging ideas, sharing best practices, and addressing challenges related to information and communication technology in the district. Through the bi-annual meetings, the ICT Forum keeps abreast of the latest technological advancements, explores opportunities for improvement, and enhances the municipality's capacity to deliver efficient and effective services to the community. The commitment to holding regular meetings indicates the importance placed on information and communication technology within the district, leading to enhanced digital governance and service delivery.
Road Freight Forum	The Road Freight Forum comprises of the Department of Public Works, Roads and Transport, District Municipalities, Department of economic development and tourism, National Department of Transport, TETA, MEGA, SAPS, Road Freight Associations, Bargaining Council for Road Freight, Home Affairs and the Department of Labour.	The forum is meant to discuss all road freight issues in the province and come up with solutions to resolve conflict within the industry.	The forum is functional and seats quarterly.
Nkangala District Transport Forum	The forum comprises of the Nkangala District, Local Municipalities (MMC and officials responsible for Transport), commuter organisation, Bus Industry, Taxi Industry, SAPS, Scholar Transport, Department of Public Works, Roads and Transport and the Provincial Regulatory Entity.	The forum is meant to discuss Public Transport issues at the district and come up with solutions to address challenges and conflict especially in the Taxi industry.	The forum is functional and seats quarterly.

Forum	Composition	Role	Status
Local Transport Forums	The forums comprise of the Nkangala District Municipality, Taxi Industry, Bus Industry, Scholar transport and the SAPS.	The forum is meant to discuss all public transport issues at a municipal level. Issues that cannot be resolved in this forum are sent to the District Forum for further discussion.	Dr JS Moroka and Emalahleni Local Municipalities' Local Transport Forums are functional and meet quarterly, while Thembisile Hani, Steve Tshwete, Victor Khanye, and Emakhazeni Local Municipalities' forums are currently not functional.

2.3.1 DISTRICT DEVELOPMENT MODEL (DDM)

DDM Background

The President in the 2019 Presidency Budget Speech (2019) identified the "pattern of operating in silos" as a challenge which led to "to lack of coherence in planning and implementation and has made monitoring and oversight of government's programme difficult".

The need for a new district-based coordination model was announced in the Presidency budget speech in 2019. The DDM was conceptualised and presented to the Joint Cabinet Committee on 13 August 2019 receiving overwhelming support. The Local Government Min MEC (Minister, MECs and SALGA) extended its support of the DDM.

The DDM was endorsed by the Presidential Coordinating Council (PCC) on 20 August 2019. The PCC supported the "One Plan" instrument proposed by the DDM and emphasized that the One Plan must express the National Development Plan and overlay the MTSF priorities, Provincial Priorities and Municipal IDP/SDBIPs. The PCC endorsed that resource allocation and budgeting must be aligned to supporting the implementation of the District Model. The DDM was subsequently approved by Cabinet on 21 August 2019.

The President further called for the rolling out of "a new integrated district-based approach to addressing our service delivery challenges and localised procurement and job creation, that promotes and supports local businesses, and that involves communities..." The President is cognizant of the fact that such an approach will require that "National departments have district-level delivery capacity together with the provinces provide implementation plans in line with priorities identified in the State of the Nation address". In line with the above, the Nkangala District Municipality has embarked on the implementation of the District Development Model.

The DDM Structures are operational models for improving cooperative governance aimed at building a capable, ethical and developmental State. It embodies an approach by which the three spheres of government and state entities work collaboratively in an impact-oriented way, and where there is higher performance and accountability for coherent service delivery and development outcomes.

The DDM is an intergovernmental approach focusing on the district spaces as IGR impact zones for more effective joint planning, budgeting and implementation over multi-year planning and electoral cycles. Although each sphere, sector or entity has its distinct constitutional powers, functions and responsibilities, they cooperate and undertake collaborative planning, budgeting and implementation processes converging developmental efforts at the district/metropolitan level. This joint work is expressed through the formulation and implementation of a "One Plan" which is a long-term strategic framework guiding investment, service delivery and development in relation to each of the district and metropolitan spaces.

Table 2.7 DDM Streams

DDM WORK STREAM	LEADER of the Stream	AREAS OF FOCUS	STATUS
Basic Services and Infrastructure Development	General Manager: Technical Services	➢ bulk infrastructure (external and internal engineering services) that support: ➢ Transforming spatial pattern and form. ➢ Meet the needs of a competitive local economy. ➢ Needs of integrated human settlements. ➢ Ensure demand for housing and ➢ Ensure demand for housing and services is met in a sustainable way over the long-term ➢ Functional, Efficient Infrastructure Network to Facilitate Growth	The committee sits on a quarterly basis, with its reports served before the Technical DDM and DDM Council quarterly. Four quarterly meetings were planned and attended by Local Municipalities and Sector departments.
Governance, administration, and ICT	General Manager: Corporates services	➢ coordinating the activities of governance related activities. ➢ To ensure an integrated approach in the development of institutional capacity ➢ To ensure that institutional transformation takes place. ➢ To engage and coordinate different sectors concerned with good governance issues	The committee sits on a quarterly basis, with its reports served before the Technical DDM and DDM Council quarterly. Four quarterly meetings were planned and attended by Local Municipalities and Sector departments.
Spatial Transformation and Sustainable Human Settlements	General Manager: Planning and Economic Development	➢ Land use management ➢ Spatial planning ➢ Managing urbanisation, growth and development ➢ Determining and managing spatial form, land release and land development ➢ Dealing will land invasion and informal Settlement. ➢ Deal with acquisition of land for human settlement and economic development	The committee sits on a quarterly basis, with its reports served before the Technical DDM and DDM Council quarterly. Four quarterly meetings were planned and attended by Local Municipalities and Sector departments.
Security and Social Services: Environmental and Disaster management	General Manager: Social Services	➢ Waste management ➢ Disaster management ➢ Safer, Caring Communities ➢ Dealing with District Covid 19 response plan/Strategy ➢ Fire services ➢ Environmental health ➢ Special programmes (youth, women, aged, people living with disabilities) ➢ Sports, Arts and culture ➢ Safety and security ➢ Education ➢ Health	The committee sits on a quarterly basis, with its reports served before the Technical DDM and DDM Council quarterly. Four quarterly meetings were planned and attended by Local Municipalities and Sector departments.

Economic Development, Growth and Job Creation Stream	General Manager: Planning and Economic Development	➢ Promote Vibrant Rural Communities, an Inclusive Rural Economy, and Food Security ➢ Local Economic Development (LED) supported by cooperatives, township and rural economies. ➢ Competitive edge must be created. ➢ Economic Development, poverty, job creation and infrastructural development ➢ Attract Regional Investment opportunities and these must be distributed equitably in Nkangala District.	The committee sits on a quarterly basis, with its reports served before the Technical DDM and DDM Council quarterly. Four quarterly meetings were planned and attended by Local Municipalities and Sector departments.

Work-streams are expected to provide regular updates to DDM Technical Teams on the implementation of DDM programmes and projects through the Dashboards and on development of One Plans.

Table 2.8 Intergovernmental Relations Forum through District Development Model (DDM) Processes

DDM structure	Composition and function	Who chairs	Meeting
The district development model council	The overall political structure that oversees the implementation of DDM in the District. It comprises National Minister, MEC in the province, Executive Mayors, Members of Mayoral Committee	Chaired by the Executive Mayor of the district	Quarterly
The district development model technical	Overall administrative responsibility for DDM Coordination. Municipal Managers and HOD of COGTA in the province as well as senior officials	Chaired by the Municipal Manager of the district	Quarterly
The district development model working groups	These are technical working groups that deal with various sectoral issues in terms of Key Performance Areas	Chaired by the senior managers in the district	Quarterly

DDM COUNCIL

DDM Council meetings were undertaken in the 2023/2024 financial year to consider reports from the DDM Technical as well as the Clusters and/or working groups.

Table 2.9 DDM Council meetings

Date	Time	Venue
19 September 2023	10:00am	NDM Council Chamber
21 November 2023	10:00am	NDM Council Chamber
26 March 2024	10:00am	NDM Council Chamber
20 June 2024	10:00am	NDM Council Chamber

Table 2.10 Additional NDM associates with national and provincial governance structures

Governance Structures	Purpose of the Governance Structures
Minister-Technical Working Group (MINTECH-WGII)	It is a Governance Structure where the DEA Air Quality Management Sub directorate, the Provincial Environmental Management Departments and Metropolitan and District Municipalities meet and engage on Air Quality Management issues.
Nkangala Implementation Task Team (ITT) Meeting	It is the forum where Nkangala District Municipality meet with DEA, Local Municipalities, DARDLEA and nongovernmental organizations to discuss Air quality issues.
Disaster Management Advisory Forum	It is to give the platform to different stakeholders an opportunity to interact on issues related to disaster management as required by Section 51 of the Disaster Management act 57 of 2002
Air Quality Officers Forum (AQOF) Meeting.	The purpose of this meeting is to give effect to the National Environment Management: Air Quality Act. This Forum serves as a platform where matters relating to air quality are discussed and resolved. Issues are also resolved via special Task Teams that are formed at the AQOF.
Integrated Environmental Management (IEM) Meeting.	This forum meeting is attended by the NKDM and local authorities to discuss issues of waste management services and sector development plans implementation e.g. IWMPs, Environmental Management Policy (EMP), State of Environment Report (SOER) and Climate Change Response Strategy.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 152 of the Constitution of Republic of South Africa, 1996 among others enlists the object of local government to include provision of democratic and accountable government for local communities and to encourage the involvement of communities and community organisations in the matters of local government. Similarly, Chapter 4 of the Local Government: Municipal Systems Act, (Act 32 of 2000) which is dedicated to Community Participation provides how a Municipality can develop a culture of community participation, mechanisms, processes and procedures for community participation, communication to local community, documents to be made public, and Municipal website. Accountability is a key requirement of good governance. In line with these legislative directives the NDM has adopted a Public Participation Policy and Communication Policy which outline strategies, mechanisms and procedures for community participation and communication. This is to ensure that the NDM is transparent in executing its activities and accountable to the public. Public participation strategies of the Municipality include:

(a) **Opening Council meetings and that of its committees to public as required by Section 180 (6) of the Constitution**
For the period under review all Council meetings and those of its committees were published to the public and opened to members of the public. Though members of the public did attend those meetings, this is an area which the NDM should work on to enhance representation of various stakeholders.

(b) **Mayoral outreach meetings**
The Mayoral outreach meetings formed the bedrock of the Municipality's consultation with communities on issues of development in the district, particularly the IDP and Budgets.

(c) **Making Municipal documents public**
All Municipal documents including policies, were made public in line with Section 21 of the Systems Act.

(d) **Municipal website**
Municipal reports, policy documents and any other documents that must be placed on the website in terms of Municipal Finance Management Act (MFMA) 2003, section 75 for public consumption.

2.5 PUBLIC MEETINGS

The information below depicts the public participation meetings that were held in the year under review:

(a) Mayoral Outreach Meetings

In the Spirit of Cooperative and Accountable Governance, the NDM has institutionalised a Community Outreach Programme that aims at improving communication, interaction and accountability between the District, the Local Municipalities and the Community at large on issues of service delivery and development.

Outreaches have been conducted twice per local municipality in the 2023/2024 Financial Year in September/October and April respectively to table projects that have been approved and budgeted for by the District and assimilate developmental issues for the subsequent Financial Year.

The main objectives of the Mayoral Outreaches are:

- To promote participatory democracy and public education on government's service delivery programs which involves both local government and sector departments.
- To involve communities in the compilation and Reviewal of the IDP so as to achieve expected outcomes on service delivery.
- To provide a two-way communication process which involves presentation of service delivery report and inputs by community members through radio interviews.
- To amend the IDP and subsequent budget.

Sector Departments are also given an opportunity to present their reports and communities engage with the reports as presented in the form of questions. It should be noted that the participation of sector department in the outreaches is inadequate and a source of grave concern as many do not respond as expected.

KEY ISSUES RAISED BY COMMUNITIES DURING THE OUTREACH MEETING HELDBY NKANGALA DISTRICT MUNICIPALITY ARE AS FOLLOWS:

The following are summarised key issues of concern raised by the community members during the 2023/2024 outreach meetings: -

Road maintenance • Lack of proper road infrastructure • Inaccessible roads especially during rainy seasons • Bus routes and internal roads should be paved.
Unemployed • Lack of job opportunities especially for the Youth
Water shortages • Lack of clean drinking water • Lack of JoJo tanks and water tankers especially in rural municipalities
Bursaries • Bursaries should be allocated equitably to all the municipalities
Clinics • Lack of health facilities • Some clinics do not work 24 hours • Lack of emergency vehicles /ambulances • Overcrowding in Kwa-Mhlanga hospital
Support to Young entrepreneurs • Support to young people should be made accessible and easier • Many young people do not have bank accounts and business plans in order to access funding
Housing • Some people are still waiting for RDP housing • Government should get rid of asbestos roofs
Agriculture • Masibuyele esibayeni / Hectors of land should be allocated to individuals not cooperatives • Land claims should be processed quickly in farm areas
LED • Support is needed to boost local economies by LED section
Amakhosi • Government should respect traditional leadership • Mines should negotiate with amakhosi for land
Schools • More schools should be built to accommodate the growing number of people in settlement areas • There needs to be an agricultural college in VKLM • Communities in farm areas need scholar transport
EPWP • Work should be open to everyone and not only those 35 or below • Officials should not exploit workers on payment of stipends
Electricity • The high cost of electricity is unsustainable, and municipalities should sunsidize people on pensions
Tuckshops • Tuckshops owned by foreigners should be closed as their investment is less than R5m • Most of them sell expired foods and they sleep in their shops.

Projects • 30% on projects should be allocated to the youth to encourage entrepreneurship
Disabled persons • Lack of employment for disabled persons in municipalities.
Mines • Mines cause a lot of pollution to our areas • Mines do not give back to the communities

Table 2.11 The Public Participation Meetings Held in 2023/2024 Financial Year

Nature and purpose of meeting	Date of events and Municipality	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Feedback on Issues submitted	Dates and manner of feedback given to community	Number of Participating Municipal Councillors & Community
Community Outreach meetings	07 September 2023 Dr JS Moroka	47	29	260	Presentation on projects implemented	07 September 2023 Community meeting	307
	17 September 2023 Steve Tshwete	32	31	207	Presentations on Projects implemented	17 September 2023 Community meeting	239
	22 September 2023 Thembisile Hani	42	34	267	Implementation on projects implemented	22 September 2023 Community meeting	309
	07 October 2023 Victor Khanye	28	33	403	Implementation on projects implemented	07 October 2023 Community meeting	431
	08 October 2023 Emakhazeni	19	24	230	Presentations on projects implemented	08 October 2023 Community meeting	249
	12 October 2023 Emalahleni	22	36	1137	Presentation on projects implemented	12 October 2023 Community meeting	1159
	05 April 2024 Dr JS Moroka	20	27	654	Mayoral budget public consultation	05 April 2024 Community meeting	674

	07 April 2024 Steve Tshwete	18	29	453	Mayoral budget public consultation	07 April 2024 Community meeting	471
	18 April 2024 Thembisile Hani	19	28	542	Mayoral budget public consultation	18 April 2024 Community meeting	561
	12 April 2024 Victor Khanye	17	21	592	Mayoral budget public consultation	12 April 2024 Community meeting	609
	21 April 2024 Emakhazeni	19	27	279	Mayoral budget public consultation	21 April 2024 Community meeting	298
	26 April 2024 Emalahleni	20	46	617	Mayoral budget public consultation	26 April 2024 Community meeting	637
Stakeholders Traditional leaders, local Speakers, Public participation managers, IEC, Home Affairs	03 November 2023	09	10	10	N/A	N/A	19
Moral Regeneration Movement	09 May 2024		23	459	N/A	N/A	482
Gender Based Violence	23 May 2024		25	401	N/A	N/A	426

2.5.1 IDP PROCESS

After the adoption of the District Framework Plan, a Local Municipality must prepare and adopt a Process Plan to guide the planning, drafting, adoption and review of its integrated development plan. The Process Plan, as anticipated **in Section 28 of the Systems Act**, must be 'set out in writing'. The Process Plan should seek to provide a mechanism that ensures certain minimum quality standards of the IDP process and a proper coordination between and within the spheres of government. The adopted Process Plan binds the Local Municipality. The **Process Plan** of a Local Municipality must be informed by the **District Framework Plan**.

The process followed by a Municipality to draft its integrated development plan, including its consideration and adoption of the draft plan must in terms of S29 (1):

- be in accordance with a predetermined programme specifying timeframes for the different steps;
- through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for:
- the local Community to be consulted on its development needs and priorities;
- the local Community to participate in the drafting of the integrated development plan; and
- Organs of state, including traditional authorities. and other role players to be identified and consulted on the drafting of the integrated development plan;

1. provide for the identification of all plans and planning requirements binding on the Municipality in terms of national and Provincial legislation; and
2. Be consistent with any other matters that may be prescribed by regulation.

The IDP process also provides an opportunity for the municipality to debate and agree on a long-term vision for the development of the municipality. The IDP also promotes intergovernmental co-ordination by facilitating a system of communication and co-ordination between local, provincial and national spheres of government.

Nkangala District Municipality undertakes its annual community outreach programme to consult with and give feedback to communities within the six constituent Local Municipalities therein on issues pertinent to their development towards 'a better life for all'. All local municipalities within the District's area of jurisdiction are visited twice per Financial Year. The meetings are attended by Councillors from the District and local municipalities, Provincial Sector Departments, Office of the Premier, traditional leadership, community members, service providers and parastatals as well as civil society at large.

The Community Outreach Programme aims at improving communication and interaction between the district, the local municipalities and the community at large on issues of service delivery and development. In a nutshell, the purpose of the meetings is therefore:

- To afford the community of the local municipalities an opportunity to guide the planning and budgeting process of Nkangala District Municipality through highlighting needs important for the development of their respective wards and municipality at large.
- To provide a platform for the community to participate and inform the IDP of the District.
- To assess the extent to which the current programmes/projects' initiatives implemented by Local Municipality, Nkangala District Municipality and Provincial Sector Departments address local developmental needs and concerns.
- To afford the municipalities an opportunity to present to their communities' programmes and projects that seeks to strategically address the developmental needs and concerns of our communities as identified in the proceeding engagements and IDPs.
- To afford the Municipality and the community an opportunity to appraise the implementation progress and challenges in terms of all projects that are implemented in local communities.

2.5.2 OUTREACH MEETINGS

Provide feedback to the community with the status/progress of the development that the Municipality has done in terms of responding to their service delivery and communities given the opportunity to raise key issues affecting them as a community.

Table 2.12 Community outreach meetings for the 2023/2024 financial year

Date	Local Municipality	Time	Meeting Venue
07 September 2023	Dr JS Moroka	11h00	GA Phaahla Community Hall
17 September 2023	Steve Tshwete	11h00	Somaphepha Community Hall
22 September 2023	Thembisile Hani	11h00	Kwaggafontein Community Hall
07 October 2023	Victor Khanye	11h00	Simon Gondwe Sports Center
08 October 2023	Emakhazeni	11h00	Wonderfontein Community Hall
12 October 2023	Emalahleni	11h00	Emalahleni Banquet Hall

Table 2.13 Second community outreach meetings for the 2023/2024 financial year, 3rd Quarter, IDP Outreach meetings

Date	Local Municipality	Time	Meeting Venue
05 April 2024	Dr JS Moroka	11h00	Nokaneng Community Hall
07 April 2024	Steve Tshwete	11h00	Sikhululiwe Community Hall
18 April 2024	Thembisile Hani	11h00	Vumabesala High School Sports Ground
12 April 2024	Victor Khanye	11h00	Simon Gondwe Sports Center
21 April 2024	Emakhazeni	11h00	Sikhululiwe Community Hall
26 April 2024	Emalahleni	11h00	Ga Nala Community Hall

2.5.3 ADVERTISEMENT

The Nkangala District Municipality published a notice of the adoption of the Draft 2024/25 IDP document in Newspapers (Sowetan (5th April 2024), Witbank News and Middelburg Observer (31st March 2024), Notice boards, Municipal website. The notice aimed to inform the public and stakeholders about the adoption of the Draft Reviewed 2024/25 Integrated Development Plan (IDP) document. To ensure broad accessibility, the notice was also displayed on notice boards within the municipality, posted on the municipal website, and made available at District offices. This multi-platform approach sought to reach all community members and relevant stakeholders, allowing them to be aware of the adoption of the draft document and providing an opportunity to submit their comments and feedback.

By actively engaging the public through these channels, the Nkangala District Municipality emphasizes its commitment to inclusivity and transparency in the development and decision-making processes. Soliciting comments and feedback from the community and stakeholders allows for their meaningful participation in shaping the IDP, ensuring that it reflects the needs and aspirations of the people it serves.

2.5.4 MUNICIPAL STRATEGIC LEKGOTLA

A Municipal Strategic Planning Session serves as a structured process where municipal leaders and stakeholders come together to define the long-term direction and goals for their community/Municipality. Here are some key purposes:

1. **Vision and Mission Development**: Establishing a clear vision and mission statement that reflects the community's aspirations and core values.
2. **Goal Setting**: Identifying specific, measurable, achievable, relevant, and time-bound (SMART) goals that the municipality aims to achieve.
3. **Priority Setting**: Determining the priorities among various potential projects and initiatives to allocate resources effectively.
4. **Resource Allocation**: Planning how to allocate financial, human, and physical resources to meet the identified goals and priorities.
5. The Municipality held its strategic planning session with, Political Leadership of all Municipalities withing the district, traditional leaderships, sector departs, key stakeholders and Municipal Administration Managers (s56 AND s57 Managers) on the 14-15 March 2024.

2.5.5 IDP/ BUDGET INDABA

After the adoption of the Draft Reviewed 2024/25 Integrated Development Plan (IDP), the Nkangala District Municipality organized a district IDP INDABA on the 11th of April 2024. The INDABA took place in a physical setting and served as a platform for various stakeholders, including representatives from all spheres of government, IDP stakeholders, district political leadership, and Traditional leadership, to come together and engage in discussions.

The main objectives of the INDABA were to:

- Facilitate discussions and alignment to ensure the development of an inclusive and comprehensive IDP that considers inputs from all relevant parties.
- Promote coordination and coherence among the plans and initiatives of different spheres of government and the private sector.
- Enable vertical and horizontal alignment of development plans across various levels of government.
- During the INDABA, participants collaboratively reviewed and refined the Draft Reviewed 2024/25 IDP to incorporate valuable insights and feedback from all stakeholders. This process aimed to ensure that the final IDP represents a collective vision and addresses the priorities and needs of the district's communities. The Nkangala District Municipality adopted the final version of the IDP on the 24th of May 2024. This adoption signalled the formal acceptance and approval of the IDP, setting the stage for its implementation in the forthcoming financial year.

2.5.5 IDP PARTICIPATION AND ALIGNMENT

The District has institutionalised its community and stakeholder participation consultation mechanisms for the 2023/2024. The following structures were used for IDP participation, development, alignment and Monitoring.

DDM COUNCIL/IDP- PMS FORUM

Quarterly, The Nkangala District Municipality conducts a DDM-Council and an IDP/PMS forum with Sector departments, Private sectors, Councillors, Municipal managers and IDP managers to discuss issues faced by the District and Local Municipalities during the planning process and sector department and private sectors given opportunity to present plans they have for our respective District and local municipality.

Other Participation Mechanisms that were used are the Municipal Strategic Planning Session/Lekgotla the IDP/Budget Indaba discussed above and the IDP/ PMS Technical Committee which was held as follows:

Date	Time	Venue
07 December 2023	10h00	Microsoft Teams Meeting
16 May 2024	10h00	Microsoft Teams Meeting
24 June 2024	09h00	Microsoft Teams Meeting

Table 2.14 IDP Participation and Alignment Criteria

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

COMPONENT D: CORPORATE GOVERNANCE

2.6 INTERNAL AUDIT

IAF appointed a panel of co-sourced auditors to assist with the implementation and support to the local municipalities the emphases its on ICT and Supply chain.

The co-sourced assisted the following municipalities with the implemented of their risk-based audit plan.

Municipality	Audit
Nkangala District Municipality	ICT and SCM
Emakhazeni Local Municipality	ICT and SCM
Dr JS Moroka Local Municipality	ICT and SCM
Victor Khanye Local Municipality	SCM

The total costs for the implementation of the above projects are as follows

Table 2.15 The total costs for the projects implemented for the financial year co-sourced

Type of projects	Amount
SCM Audit co-sourced	R798 291.86
ICT Audit co-sourced	R732 642.47
Total	**R1 530 934.33**

2.7 RISK MANAGEMENT

The district recognises risk management as one of the cornerstones of sound and responsible Municipal governance. Apart from complying with Section 62(1)(c)(i) of the MFMA that requires the Accounting Officer of a Municipality to maintains effective, efficient and transparent system of finance, risk management and internal control.

Led by the Chief Risk Officer, the Risk Management Unit is responsible for overseeing, guiding, facilitating and monitoring various system of governance, risk management, ethics, fraud and corruption in the Municipality.

The Risk Management, Anti-Fraud and Anti-Corruption Committee, comprising of independent external member and senior management continued to provide oversight over the entire system of governance, risk Management, compliance, internal control, ethics, fraud and corruption in the Municipality.

Key among the responsibilities of the unit is to facilitate, develop, monitor and report on the Municipality's strategic risk profile. Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) were key enablers of risk identification and assessment. Ten (11) strategic risks for 2023/2024 financial year were identified for Nkangala District Municipality which covers all strategic goals and objectives of the Municipality. The risk universe such as top-ten Country Risk as per the Institute of Risk Management South Africa's Risk report, Auditor General of South Africa and Internal Audit Reports were also taken to account. Risk treatment strategies were developed and implemented by management. Strategic risk profile incorporated the following top-six risks with progress report as at 30 June 2024.

Table 2.16 Strategic Risk profile

No	Risk No	Risks/ Threats to Achieving Objective or Planned Output	Root Cause/ Contributing Factors	Future Action/ Treatment Plan	Progress to date
1	SR1	Inadequate organizational performance	Low staff morale due to the low grading of the NDM council employees	Continue to engage the Bargaining Council to fast-track the grading of NDM employees	**Achieved**
			Incomplete Job Evaluations process	Continue to fast track Job evaluations by the provincial audit committee	**Achieved**
			Inadequate compliance with the PMS policy (1-3)	Continuous signing of Performance agreements within the stipulated time frame (Level 1-12)	**Achieved**
2	SR4	Business Continuity	• Systems Failure • Possible lack of maintenance of infrastructure • Impact of external factors on the Municipality (e.g. Load Shedding, water interruptions)	Periodic review of all systems	**Achieved**
				Maintain in house ICT infrastructure	**Achieved**
				Continuous the Implementation of the BCP	**Achieved**
				Maintenance of Municipal infrastructure	**Achieved**
				Maintenance of the UPS and generator	**Achieved**
3	SR5	Inadequate support to SMME's, Cooperatives and informal traders	Non-functionality of LED forums	Continuous Monitoring the functionality of LED forums at Local Municipalities	**Achieved**
			Inability to access funding (private sector /government Dept/DFIs) and non-financial support	Facilitate workshops for SMME's and Cooperatives on the available grants from provincial and national government and entities	**Achieved**
			Inability to access private sector market	Facilitate awareness of procurement opportunities with private sectors to SMME's and Cooperatives	**Achieved**

No	Risk No	Risks/ Threats to Achieving Objective or Planned Output	Root Cause/ Contributing Factors	Future Action/ Treatment Plan	Progress to date
4	SR8	Inadequate provision of Municipal Health Services	Inadequate implementation of MHS procedure manual and by-laws.	Implementation of MHS procedure Manual, by-laws	**Achieved**
			Insufficient MHS personnel	Training on communicable diseases	**Achieved**
				Sign MoU with the DoH for shared services	**Achieved**
				Continuous Implementation of the MHS by-law & fine list.	**Achieved**
5	SR10	Land invasion and mushrooming of Informal settlements	Unavailability of Municipal strategically owned land for human settlement	Continue to engage with the Department of rural development and Rural reform to transfer state owned land to Local Municipalities.	**Achieved**
			Ineffective IGR structures to coordinate human settlement initiatives	Continue to engage with the Department of Human Settlement and Housing Development Agency to assist with the procurement of suitable land in Urban areas	**Achieved**
			Lack of by-laws, resources &capacity to deal with land invasion and informal Settlements		

No	Risk No	Risks/ Threats to Achieving Objective or Planned Output	Root Cause/ Contributing Factors	Future Action/ Treatment Plan	Progress to date
7	SR11	Climate Change	Emissions noxious gases from coal power stations	Monitoring and enforcing of Atmospheric Emissions Licenses conditions	**Achieved**
			Mine blasting	Accept Risk (DMR function)	**Achieved**
			Excessive domestic fuel burning	Continue to conduct Air pollution awareness campaign	**Achieved**
			Agricultural Activities	Accept Risk (DEFF)	**Achieved**
			Lack of Environmental conservation	Continue reviewal of Municipal Spatial Development Framework & Climate change	**Not Achieved** The DBSA is not willing to fund the extra costs required by service provider. There will need to have engagements between NDM and the project steering committee

2.8 ANTI CORRUPTION AND FRAUD

Table 2.17 Ethics, Fraud and Corruption risks profile

Details	Number (2022/2023)	Number (2023/2024)
Under Investigation	23	91
Resolved	39	20

2.9 SUPPLY CHAIN MANAGEMENT

The District has established a fully effective, functional and Centralised Supply Chain Management Unit (SCM).

2.9.1 AMENDMENT AND OR REVIEW OF THE SCM POLICY

The NDM Policies were reviewed and approved through the Council resolution number DM-ND408/05/2024

2.9.2 COMPLIANCE AND REPORTING

- Twelve (12) monthly deviation reports were submitted in terms of the SCM policy for the procurement of goods and services.
- Four (4) quarterly reports and annual reports were submitted in terms of the SCM policy.

The Nkangala District Municipality has experienced an increase in the total amount of expenditure made on deviations in the 2023/2024 financial year compared to the previous year (2022/2023). In the 2022/2023 financial year, deviations amounted to R649 936.57, whereas in the 2023/20243 financial year under review, deviations reached R899 584.50. This indicates that there has been a significant rise in instances where procurement processes deviated from the normal procedures during the financial year.

Furthermore, the Bid Committees' performance and attendance have shown an improvement when comparing the 2023/2024 financial year to the previous year. In the 2022/2023 financial year, the average number of days from tender advertisement to Bid consideration days was 63.29. However, in the 2023/2024 financial year, this average decreases to 59.69 days.

The Bid Committees have been established and were functioning in accordance with the Supply Chain Management (SCM) Policies. To address the issues and improve Bid Committee performance, the members receive annual training on bid committee prescripts. The latest training took place on 18 and 20 March 2024, aiming to equip the committees with the necessary knowledge and understanding of SCM requirements to make informed decisions and ensure proper procurement practices.

On the 14 December 2023, National Treasury issued a communication with regarding Local Government: Municipal Finance Management Act, 2003 on amendments to regulations regarding supply chain management. The NDM SCM policy was then reviewed, and the amendments were incorporated on the NDM SCM policy during the reviewal of the Nkangala District Municipality policies and enabling documents during the month of May 2024.

2.10 BY –LAWS

Table 2.18 By-laws

BY-LAWS GAZETTED DURING 2023/2024			
NO	**NAME OF BY-LAWS**	**PUBLICATION DATE**	**GAZETTE NOTICE NO.**
EMALAHLENI LOCAL MUNICIPALITY			
1.	Public Nuisance by-laws	4 August 2023	Notice 3562
2.	Business Trading Control	11 August 2023	Notice 3564
3.	Liquor By-laws	23 February 2023	Notice 3637

Dr. JS MOROKA LOCAL MUNICIPALITY			
4.	Resolution for levying property rates	28 July 2023	Notice 3559
5.	Supplementary Valuation Roll and Lodging of Objections	28 July 2023	Notice 3559
6.	Tariff Structure	28 July 2023	Notice 3559
VICTOR KHANYE LOCAL MUNICIPALITY			
7.	Resolution for levying Rates	18 August 2023	Notice 3565
THEMBISILE HANI LOCAL MUNICIPALITY			
8.	Resolution of Property Rates	28 July 2023	Notice 3559
9	Street Trading By-laws	14 June 2024	Notice 3681
10	Business Trading By-laws	14 June 2024	Notice 3681
NKANGALA DISTRICT MUNICIPALITY			
11	List of Municipal Tribunal Planning Members	23 February 2024	Notice 3637
12	List of Municipal Tribunal Planning Appeal Members	23 February 2024	Notice 3637

2.11 WEBSITES

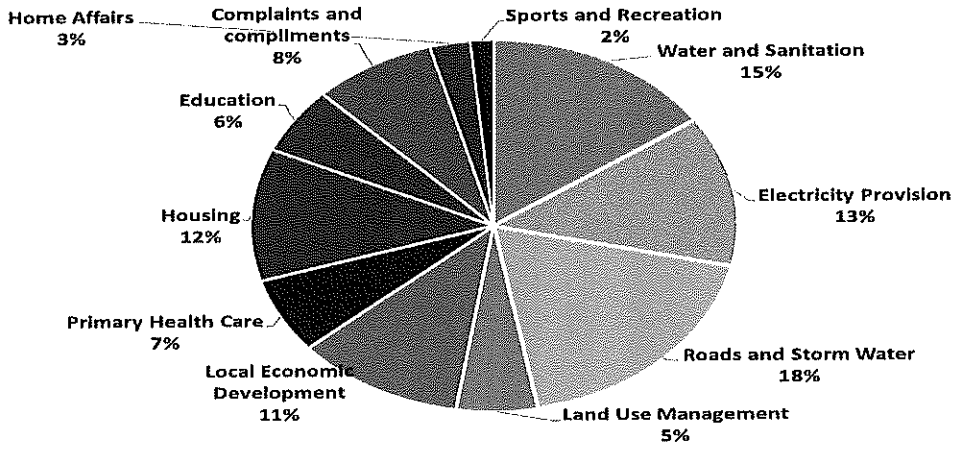
Table 2.19 Municipal website

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes/ No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	Yes	14 June 2023 and 17 February 2024
All current budget-related policies	Yes	14 June 2023
The Annual Report (2022/2023)	Yes	15 December 2023
All 2023/2024 Performance Agreements required in terms of Section 57(1)(b) of the Municipal Systems Act	Yes	07 July 2023
IDP 2024/2025	Yes	4 June 2024
2023/2024 Service Delivery and Budget Implementation plan	Yes	28 June 2023
All information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14(2) or (4) during 2023/2024	Yes	Quarterly
All quarterly reports tabled to Council in terms of Section 52 (d) of 2023/2024	Yes	Quarterly
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.		

2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Nkangala District Municipality conducted the last public satisfaction survey in 2018/2019 financial year. It is however important to mention that the political leadership interacts with the public using the IDP/Budget processes to gauge the level of satisfaction with Municipal services including those services provided by sector departments. Such work was undertaken in preparation for the 2023/2024 Integrated Development Plan and Budget processes.

Figure 2.1 Satisfaction with Municipal services



The above figure indicates that communities did raise a number of issues where they need government intervention across all spheres. It appears from the above that 8% of the frequency of issues raised were related to complaints and compliments. The other matters were related to areas where they need government to intervene. It is also true that Municipalities that experienced protests are Steve Tshwete as well as Victor Khanye and some of the issues raised by those communities are not necessarily survive delivery related but how they need their leadership to improve on governance processes and community engagement.

Table 2.20 Satisfaction Surveys Undertaken during: 2018/2019 Financial Year

Subject matter of survey	Survey method	Survey date 2018/19	Survey results indicating satisfaction or better (%) * 2016/17	Survey results indicating satisfaction or better (%) * 2018/19
Overall satisfaction with:				
Municipal Service Delivery	Quantitative	2018/2019	28.3%	45.2%
Satisfaction with:				
(a) Refuse Collection	Quantitative	2018/2019	32.7%	51.8%
(b) Road Maintenance	Quantitative	2018/2019	18.3%	42.0%
(c) Electricity Supply	Quantitative	2018/2019	33.1%	50.0%
(d) Water Supply	Quantitative	2018/2019	26.0%	56.0%

(e) Information supplied by Municipality to the public	Quantitative	2018/2019	29.0%	38.6%
(f) Opportunities for consultation on Municipal affairs	Quantitative	2018/2019	-	-
(g) Environmental Management	Quantitative	2018/2019	34%	41.4%
(h) Fire rescue Services	Quantitative	2018/2019	52%	57.2%
(h) Biodiversity	Quantitative	2018/2019	21%	24.2%
** The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory*				

CHAPTER 3 SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Nkangala District Municipality (NDM) is a category C Municipality that has executive and legislative authority in Nkangala which includes more than one (1) Local Municipality for which the District Council is responsible. Nkangala District Municipality (NDM) has been appointed as an Implementation Agent (IA) for Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant (WSIG) in some of its local municipalities. NDM is not directly responsible for basic services implementation. Basic services in NDM are primarily rendered by the Local Municipalities. These include water, sanitation, electricity, road and storm water and community services.

However, it supports all the Local Municipalities in the Nkangala District jurisdiction by implementing Infrastructure Investment Projects on behalf of Local Municipalities as part of capacity building and infrastructure development, and for purposes of eradicating service delivery backlogs across all six Local Municipalities. Therefore, Technical Services Department manages the implementation of infrastructure capital projects in compliance with the Expanded Public Works Programme (EPWP) guidelines.

The Technical Services Department focuses, inter alia, on the following areas:

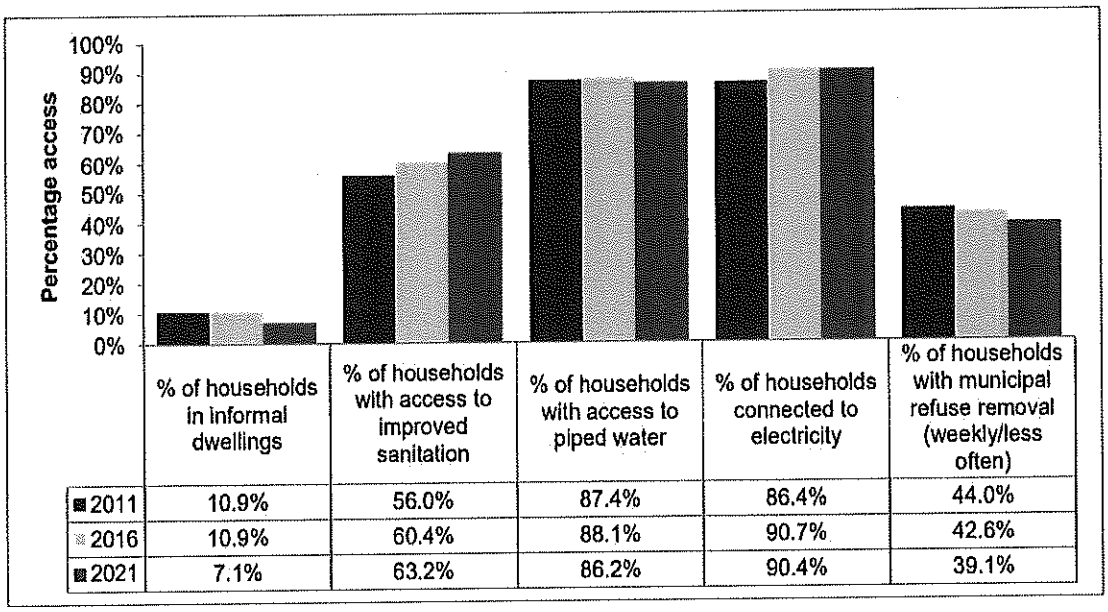
- *Issue 12 – Water & Sanitation*
- *Issue 13 – Electricity Supply*
- *Issue 14 – Roads & Storm water*

COMPONENT A: BASIC SERVICES

This component includes water; wastewater (sanitation); electricity and roads and stormwater.

Figure 3.1 indicate that in Mpumalanga, household with informal dwellings declined between 2016 (10.9%) and 2021 (7.1%). More households had access to improved sanitation (63.2%) in 2020 than in 2016 (60.4%). The proportion of Mpumalanga's households with access to piped water (86.2%) was lower in 2021 than in 2016, and the households connected to electricity declined slightly to 90.4%. Households with municipal refuse removal (39.1%) also declined from its 2016 level. ***(Socio-Economic Review & Outlook for Mpumalanga SERO- March 2023)***

Figure 3.1 Basic Service Delivery in Mpumalanga



	% of households in informal dwellings	% of households with access to improved sanitation	% of households with access to piped water	% of households connected to electricity	% of households with municipal refuse removal (weekly/less often)
2011	10.9%	56.0%	87.4%	86.4%	44.0%
2016	10.9%	60.4%	88.1%	90.7%	42.6%
2021	7.1%	63.2%	86.2%	90.4%	39.1%

Source: Socio-Economic Review & Outlook for Mpumalanga SERO- March 2023

Household of 193 081 in Mpumalanga still lacked access to piped water in any form and 99 563 households were still living in informal dwellings. The number of households that were not connected to electricity numbered 111 377, whereas 514 554 households did not have access to a hygienic toilet and 881 146 households indicated that it received no municipal refuse removal at least weekly or less often. The percentage of households in Mpumalanga with access to improved sanitation was 63.2% in 2021 and was the second lowest among the nine provinces. Table 3.1 further reveals that Mpumalanga had the second highest/worse share of households with unhygienic toilets (36.8%). *(Socio-Economic Review & Outlook for Mpumalanga SERO- March 2023)*

Table 3.1 Household services backlog number of 1.4 million households in Mpumalanga, 2021

Household service	Backlog number
Unhygienic toilets (i.e. pit toilet, open defecation & bucket)	514 554
Other sources of water for drinking (no piped water)	193 081
No electricity connection	134 532
Informal dwellings	99 563
No municipal refuse removal (weekly/less often)	851 938

Source: Socio-Economic Review & Outlook for Mpumalanga SERO- March 2023

3.1 WATER PROVISION

The NDM has made significant investments in Water and Sanitation infrastructure in the District during the past few years. NDM has commenced with the construction of Loskop Bulk Water Supply Scheme under RBIG, which will benefit Thembisile Hani Local Municipality and nearby villages in Elias Motsoaledi Local Municipality upon completion in September 2025. NDM is currently busy with Implementation Readiness Study for Western Highveld (Rust de Winter) Bulk Water Supply.

Western Highveld (Rust de Winter) Bulk Water Supply will provide sustainable water to thirteen villages (Masobe, Katjibane, Loding, Marapyane, Nokoneng Mantiole, Mmaduma, Mmamethlake, Phake, Ramantsho, Rankaile, Seabe and Semahlase villages) that are falling within 10 wards in Dr JS Moroka.

Access to water, Nkangala had a total number of 376 655 (or 78%) households that has access to regional/local water scheme (i.e. operated by municipality or other service provider) and 106 513 households with access to water through other sources e.g. borehole, water.

Table 3.2 Households by level of access to water

Nkangala District Municipality					
	Source of water for household use				
	2022				
Local Municipalities	Number household	Regional/local water scheme	Other	Regional/local water scheme(%)	Other(%)
Victor	33786	29500	4287	87%	13%
Emalahleni	164573	137234	27338	83%	17%
STLM	80052	72734	7318	91%	9%
Emakhazeni	19613	17972	1641	92%	8%
Thembisile	110563	83411	27152	75%	25%
Dr JS Moroka	74581	35804	38777	48%	52%
TOTAL	**483168**	**376655**	**106513**	**78%**	**22%**

Source: Census 2022: Provinces at a glance

The localities within Nkangala district with the highest number of households with access to regional/local water scheme is Emalahleni Local Municipality with 137234 or a share of 83% of the households due to its population, however, Emakhazani Local Municipality has 17 972 households that are being supplied water through the municipality water scheme which is the share of 92%. The region with the lowest number of households with access to regional/local water scheme is Dr JS Moroka Local Municipality with a total of 38 777 or a share of 48% of the total households with piped water inside the dwelling within Nkangala District Municipality.

Table 3.3 Status of Bulk Water Supply (Source – Local Municipalities)

Municipality	Sources	Total Measured Supply (Ml/ Day)	Total Demand (Ml/ Day)	Shortfall or Surplus (Ml/ Day)
Victor Khanye LM	Rand Water (Bloemendal, Modder Bee and Delmas WTW)	34	54	-20
Emalahleni LM	Witbank WTW, Package Plant, Anglo, Glencore, Rietspruit WTW and Ga-Nala WTW	130,01	183	-52,99
Steve Tshwete LM	Vaalbank WTW, Kruger WTW, Hendrina WTW and Presidentsrus	56,12	47,39	8,73
Emakhazeni LM	Elandsfontein River (Machadodorp Town), Belfast Dam, Elandsfontein River (Waterval Boven) and Crocodile River (Dullstroom)	11,7	12,4	-0,7

Thembisile Hani LM	Rand Water, City of Tshwane, Dr. JS Moroka and Bundu Weir WTW	42,26	99	-56,74
Dr. J.S. Moroka LM	Kameelrivier WTW (82%) and Boreholes (16%)	53	67	-14
Nkangala DM	-----	**327,09**	**462,79**	**-135,7**
Notes: Aged infrastructure resulting in high water losses, demand versus supply remains one the challenges experienced in the District with insufficient raw water available				

Table 3.4 Capital Expenditure Year 2023/ 2024 – Water Projects

Project No.	Project Description	Budget (R)	Expenditure (R)	% Exp.	Variance (R)	% Var.
57490	57490: Madubaduba & Moripe Gardens Water Supplu (CB)	R900 627,00	R675 645,30	75%	R224 981,70	25%
185527	185527: Bulk Water Supply and Storage at Hlanikahle & Ext 5	R6 000 000,00	R5 914 160,14	99%	R85 839,86	1%
173320	Western Highveld (Rust De Winter) Bulk Water Scheme	R5 500 000,00	R5 491 406,09	99.84%	R8 593,91	0.16%
150362	Loskop Regional Bulk Water Supply: THLM: Co- Fund	R22 147 000,00	R22 146 220,29	99.99%	R779,71	0.01%
150362	Loskop Regional Bulk Water Supply: Thembisile Hani LM	R495 000 000,00	R494 998 013,83	99.99%	R1 986,17	0.01%
176150	Installation of Water Tanks and or Drilling of Borehole for NDM	R5 700 000,00	R4 952 183,61	86.88%	R747 816,39	13.12%
TOTAL		**R535 247 627,00**	**R534 177 629,26**	**99,80%**	**R1 069 997,74**	**0.20%**

Table 3.5 Water Project Expenditure

Detail	2022/ 2023	2023/ 2024
Water Project Expenditure	R 203 272 562,60	R 534 177 629,26

3.2 WASTEWATER (SANITATION) PROVISION

In Mpumalanga Province all the category B Municipalities have been authorised for the Water Services Authority (WSA) function. However, some of the Local Municipalities within the Nkangala region do not have sufficient capacity to perform their WSA functions. The delivery of basic services is essential in improving the quality of life and sustainable development for communities. For a household to be considered to have adequate access to sanitation, the household should have proper, affordable, hygienic, and accessible sanitation. The Nkangala District Municipality (NDM) is performing its required and expected role in building capacity at local level and ensuring adequate sector planning and co-ordination.

NDM is currently implementing and upgrading Wastewater Treatment Works in Delmas – Victor Khanye Local Municipality from 4,5 ML/D to 12 ML/D.

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories as guided in the Census Report 2022:

- None - No access to proper sanitation any of the toilet systems.
- Other - Chemical toilet, Pit toilet with ventilation (VIP), Pit toilet without ventilation, Ecological toilet (e.g. urine diversion, enviroloo, etc.) A top structure over a pit.
- Flush toilet - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment (i.e. municipal sewer system). The tanks need to be emptied or the contents pumped elsewhere (i.e. septic tanks).

Nkangala district had a total number of 299 463 flush toilets (62% of total households) and 4215 (1%) without proper sanitation.

Table 3.6 Municipal Services on Access to Basic Services: Sanitation

Nkangala District Municipality							
	Sanitation facilitates						
	2022						
Local Municipalities	Number household	Flush toilet	Other	None	Flush toilet (%)	Other(%)	None(%)
Victor	33786	28650	4475	662	85%	13%	2%
Emalahleni	164573	129268	33984	1321	79%	21%	1%
STLM	80052	69718	10170	164	87%	13%	0%
Emakhazeni	19613	18243	1115	256	93%	6%	1%
Thembisile	110563	30616	78712	1235	28%	71%	1%
Dr JS Moroka	74581	22968	51036	577	31%	68%	1%
TOTAL	**483168**	**299463**	**179492**	**4215**	**62%**	**37%**	**1%**

Source: Census 2022: Provinces at a glance

The Municipality within Nkangala with the highest number of flush toilets is Emalahleni Local Municipality with 129 268 HH or a share of 79% of the flush toilets within Nkangala,however,Emakhazeni Local Municipality has 18243 households which is a share of 93% with connections to the muninicipal system. The Municipality with the lowest number of flush toilets is Dr JS Moroka Local Municipality with a total of 28% which is 78 712 HH of the total flush toilets within Nkangala District Municipality.

Table 3.7 Status of Sanitation Provision (Source – Local Municipalities)

Municipality	SANITATION		
	Total Measured Capacity (Ml/ Day)	Total Demand (Ml/ Day)	Shortfall (-) or Surplus (Ml/ Day)
Victor Khanye LM	12	15,5	-3,5
Emalahleni LM	67	80	-13

Steve Tshwete LM	40,54	55,54	-15
Emakhazeni LM	9,9	7,32	2,58
Thembisile Hani LM	2,5	1,5	1
Dr. J.S. Moroka LM	10	6	4
Nkangala DM	**141,94**	**165,86**	**-23,92**

Table 3.8 Capital Expenditure Year 2023/2024 - Sanitation Projects

Project No.	Project Description	Budget (R)	Expenditure (R)	% Exp.	Variance (R)	% Var.
57490	Honey Sucker Truck	R2 989 000,00	R2 989 000,00	100%	R0,00	0%
154193	Refurbishment & Upgrading Delmas WWTW (Co- Fund)	R9 735 579,00	R3 146 547,39	32%	R6 589 031,61	68%
154193	Refurbishment & Upgrading Delmas WWTW	R41 000 000,00	R39 785 339,20	97%	R1 214 660,80	3%
TOTAL		**R53 724 579,00**	**R45 920 886,59**	**85%**	**R7 803 692,41**	**15%**

Table 3.9 Overall Project Expenditure

Detail	2022/ 2023	2023/ 2024
Sanitation projects expenditure	R 103 208 450,00	R 45 920 886,59

3.3 ELECTRICITY

In Nkangala District Municipality, four (4) of our Local Municipalities, namely: Steve Tshwete, Emalahleni, Victor Khanye and Emakhazeni have been authorized for the electricity supply function, but the two (2) western Highveld Municipalities Thembisile Hani and Dr JS Moroka Local Municipalities are serviced by Eskom. The Nkangala District Municipality (NDM) performs its required and expected role in building capacity at local level and ensuring adequate sector planning, co-ordination, and support.

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

Nkangala District Municipality had a total number of 316 173 (65%) households with electricity, a total of 113 719 (24%) households utilising gas and total number of 52 705 (11%) utilising other method for energy i.e. Paraffin, Wood, Coal, Animal dung and Solar.

Table 3.10 Municipal Services on Access to Basic Services: Electricity

Nkangala District Municipality							
	Energy						
	2022						
Local Municipalities	Number household	Electricity	Gas	Other	Electricity (%)	Gas(%)	Other(%)
Victor	33786	21279	7852	4602	63%	23%	14%
Emalahleni	164573	97245	47467	19683	59%	29%	12%
STLM	80052	57116	15809	7051	71%	20%	9%
Emakhazeni	19613	9639	6032	3907	49%	31%	20%
Thembisile	110563	80520	24329	5548	73%	22%	5%
Dr JS Moroka	74581	50374	12230	11914	68%	16%	16%
TOTAL	**483168**	**316173**	**113719**	**52705**	**65%**	**24%**	**11%**

Source: Census 2022: Provinces at a glance

The Municipality within Nkangala with the highest number of households with electricity for lighting and other purposes is Emalahleni Local Municipality with 164 573 or a share of 59% of the households with electricity for lighting and other purposes within Nkangala District Municipality, however, Thembisile Hani Local Municipality has the highest percentage of household electrified. The Municipality with the lowest number of households with electricity for lighting and other purposes is Emakhazeni Local Municipality with a total of 9639 or a share of 49% of the total households with electricity for lighting and other purposes within Nkangala District Municipality.

Table 3.11 Capital Expenditure Year 2023/ 2024 – Electricity Projects

Project No.	Project Description	Budget (R)	Expenditure (R)	% Exp.	Variance (R)	% Var.
57490	Installation of Smart Meters Management and Solar	R14 926 132,00	R12 773 379,24	86%	R2 152 752,76	14%
154193	Upgrading 200KVA to 315KVA Transformers	R938 782,00	R837 298,81	89%	R101 483,19	11%
154193	Installation of Renewable Solar Energy	R10 737 298,00	R9 773 350,00	91%	R963 948,00	9%
TOTAL		**R26 602 212,00**	**R23 384 028,05**	**87,90%**	**R3 218 183,95**	**12.10%**

Table 3.12 Electricity projects expenditure

Detail	2022/ 2023	2023/ 2024
Electricity projects expenditure	**R 9 333 997,71**	**R 23 384 028,05**

3.4 WASTE MANAGEMENT

The mandate of a District Municipality in respect of waste management is covered in section 84 ® of the Local Government: Structures Act 117 of 1998, and it provides as follows, *"solid waste disposal sites in so far as it relates to the determination of the waste disposal strategy, the regulation of the waste disposal, the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one Local Municipality in the District"*.

3.5 FREE BASIC SERVICES AND INDIGENT SUPPORT

Communities within the jurisdiction of the NDM receive Free Basic Services (FBS) from their **respective** Local Municipalities as per their adopted indigent policy.

COMPONENT B: ROAD TRANSPORT

This component includes roads; transport; and wastewater (storm water drainage).

3.6 ROADS AND STORM WATER

The NDM does not have as a core function the responsibility of Municipal Roads in its jurisdiction and therefore does not have roads assets or infrastructure, but upgrade and implemented as per the requested from Local Municipalities. For the 2023/2024 financial year, design processes and construction of various roads in the District were conducted, off which some of the roads and stormwater projects are multi-year projects, notwithstanding procurement of roads and stormwater machinery and equipment.

The Nkangala District Municipality occupies an area of 16,758 km2 with a population of 1 588 684. The NDM is continuing Rural Roads and Assets Management System (RRAMS) assessment for the District, which will guide Local Municipalities on the prioritization of road network development and maintenance. The maintenance of roads and stormwater infrastructures is necessary to facilitate economic growth, social development, promote traffic safety, improve traffic flow and alleviate/ minimize the extent of the damage that is normally caused by heavy rain especially in the summer and spring season. Maintenance of surfaced roads is done through internal Municipal resource by patching of potholes and manual booming. Seriti Mine has donated Jet Patcher Truck to strengthen NDM on its support to assist Local Municipalities in terms road maintenance.

Table 3.13 Current Status of the Road Infrastructure

NETWORK EXTENT PER SURFACE TYPE				
SURFACE	FLEX	BLOCK	UNPAVED	TOTAL
TOTAL KMs	2384.25	266.62	6651.80	9302.67
%	26%	3%	72%	100%

Road Network Extent per Local Municipality and RCAM												
Local Municipality	RCAM Class											
Surface	R4	R5	R6B	U3	U5a	U5b	(blank)	U4a	U4b	R5B	U2	Grand Total
Dr JS Moroka						**376.87**			**2638.51**			**3015.38**
BLOCK									12.17			12.17
FLEX						364.06			8.63			372.69
UNPAVED						12.81			2617.71			2630.52
Emakhazeni						**107.55**	**0.42**		**150.69**			**258.66**
BLOCK						9.82			44.41			54.23
FLEX						8.35			95.13			103.48
UNPAVED						89.38	0.42		11.15			100.95
Emalahleni				**192.08**		**98.69**	**0.19**	**88.71**	**1274.69**			**1654.36**
BLOCK				1.12		27.51			60.57			89.2
FLEX				32.45		62.82		0.71	652.76			748.74
UNPAVED				158.51		8.36	0.19	88	561.36			816.42
Steve Tshwete		**6.87**		**65.73**	**0.06**	**832.53**	**8.25**		**185.87**			**1099.31**
BLOCK		0.68		1.09		28.25	0.53		20.11			50.66
FLEX		1.91		46.8	0.06	575.36	3.25		90.22			717.6
UNPAVED		4.28		17.84		228.92	4.47		75.54			331.05
Thembisile	**17.51**	**0.67**	**27.01**			**511.75**			**2261.35**	**0.17**	**0.21**	**2818.67**
BLOCK						0.49			40.98			41.47
FLEX						168.34			89.19			257.53
UNPAVED	17.51	0.67	27.01			342.92			2131.18	0.17	0.21	2519.67
Victor Khanye				**252.57**					**203.72**			**456.29**
BLOCK									18.89			18.89
FLEX									184.21			184.21
UNPAVED				252.57					0.62			253.19
Grand Total	**17.51**	**7.54**	**27.01**	**510.38**	**0.06**	**1927.39**	**8.86**	**88.71**	**6714.83**	**0.17**	**0.21**	**9302.67**

Table 3.14 Road and storm water

Local Municipality	Total km's of roads that Require surfacing	Total km's of roads that that Require Potholes Patching	Any Planned Programs for Operations and Maintenace of Roads and stormwater	
			Yes|No	Total OPEX(R)
Dr JS Moroka	2569	77	Yes	R 4 million
Emakhazeni	48	73	Yes	R 1 milllion
Emalahleni	295	536	Yes	R 25 million
Steve Tshwete	313	195	Yes	R 25 million
Thembisile Hani	2071	82	Yes	R 12 million
Victor Nkanye	148	60	Yes	R 2 million
Total	**5444km's**	**1023km's**		**R70 million**

Table 3.15 Gravel Road Infrastructure (Kilometres)

Year	Total Gravel Roads	New Gravel Roads Constructed (km)	Gravel Roads Upgraded to Surfacing	Gravel Roads Graded/ Maintained
2022/2023	0	0	3 020(3.02km)	0
2023/2024	0	0	0.812	0

Table 3.16 Surfaced Road Infrastructure (Kilometres)

Year	Total Surfaced Roads	New Surfaced Roads	Existing Surfaced Roads Re-Surfaced	Existing Surfaced Roads Re-Sheeted	Surfaced Roads Maintained
2022/2023	3.02km's	3.02km	0	0	0
2023/2024	0.812km's	0.812km's	0	0	0

Table 3.17 Cost of Construction/ Maintenance (excluding designs) (Rand)

Year	Gravel		Tar			
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained
2022/ 2023	0	38 650 307,29	0	0	0	0
2023/2024	**0**	**0.812**				

Note: Operation and maintenance are the competency of our Local Municipalities.

Table 3.18 Capital Expenditure Year 2022/2023 – Roads and Storm Water Projects

Project No.	Project Description	Budget (R)	Expenditure (R)	% Exp.	Variance (R)	% Var.
185487	King Mabhoko and Gogo Esther Mahlangu Road	R2 805 000,00	R702 950,78	25%	R2 102 049,22	75%
185531	Belfast Bookshop Street Road	R4 677 000,00	R1 347 596,27	29%	R3 329 403,73	71%
185521	Nazaret Stormwater Drainage	R1 360 000,00	R1 113 153,36	82%	R246 846,64	18%
174727	New Town Roads and Stormwater STLM	R6 410 000,00	R6 405 336,19	99.93%	R4 663,81	0.07%
156240	Kwaggafontein B and C Stormwater Drainage	R10 616 267,00	R10 175 626,83	96%	R440 640,17	4%
7302	Rural Road Asset Management	R2 341 000,00	R2 341 000,00	100%	R0,00	0%
185538	Nkangala Cross Boundary Roads - Jet Patcher Material	R5 000 000,00	R4 975 830,70	99.51%	R24 169,30	0.49%
185537	Jet Patcher Trailer	R109 650,00	R109 650,00	100%	R0,00	0%
185536	Machinery and Equipment Roads	R1 390 350,00	R1 179 998,80	85%	R210 351,20	15%
156239	Construction of Roads Victor Khanye ph 2	R8 710 000,00	R8 704 438,18	99.93%	R5 561,82	0.07%
TOTAL		**R43 419 267,00**	**R37 055 581,11**	**85,34%**	**R6 363 685,89**	**14.66%**

Table 3.19 Overall Roads and Stormwater Project expenditure

Detail	2022/2023 (R)	2023/ 2024 (R)
Roads and Stormwater Project Expenditure	R 48 669 582,84	R37 055 581,11

Table 3.20 Service Objectives and Indicators

Service Objectives / Service Indicators	Outline Service Targets	2018/ 2019 Actual	2019/ 2020 Actual	2020/ 2021 Actual	2021/ 2022 Actual	2022/ 2023 Actual	2023/ 2024 Actual
(i)	(ii)						
Support Local Municipalities in developing Roads infrastructure	3.02 Km of Municipal roads developed	21km	11km	7.5km	1.9km	3.02km	0.812km

3.7 TRANSPORT

INTRODUCTION

Transport planning unit is responsible for all activities related to transportation planning within the Nkangala District Municipality. The district is assisting all the six Local Municipalities in the development of transport planning strategic plans such as Integrated Transport Plans (ITP), Public Transport and Non- Motorised Transport by- laws to ensure that local Municipalities fulfil their transport planning related functions. Moreover, the District aims to achieve the national objectives of the NDP 2030 of an Integrated and efficient public transport system.

CHALLENGES

The district is still facing several transportation challenges, with the following being the most significant: a non-integrated transport system, poor road infrastructure, inadequate ranking facilities, and a lack of public transport, especially in the rural parts of the district. An Integrated Public Transport Network Plan (IPTN) was developed and approved by the district to address these transportation-related challenges. However, due to the unavailability of funding, the district is unable to implement this plan, including the District Integrated Transport Plan (DITP).

The six local municipalities still lack capacity in terms of transport planning. During the 2024 Strategic Planning Session, a resolution was taken that all municipalities should include Transport Planners in their organograms. Currently, the transport planning function is partially implemented by the law enforcement unit within the municipalities.

NDM also requested local municipalities to establish Local Transport Forums. Due to COVID-19 restrictions, the forums could not convene. After the pandemic, the forums were resuscitated; however, some municipalities are still struggling to hold meetings quarterly due to non-attendance of stakeholders.

Mini-bus taxi operations remain the dominant mode of transport for commuters across the district, with limited and aging formal public transport facilities (Taxi Ranks). The NDM and local municipalities face budgetary constraints that prevent them from adequately addressing the upgrades needed for public transport facilities. Transport planning functions remain unfunded in all local municipalities; hence, none of the municipalities have a dedicated transport planning unit or officials responsible for the implementation of transport planning functions.

ACHIEVEMENTS 2023/2024

Nkangala District Municipality is participating in the following Inter-government relations structure:

- *Road Freight Forum*: Road freight operations that are conducted on a monthly basis to improve stability in the freight industry. Meeting are held quarterly to discuss Road Freight related issues.

- *Nkangala District Transport Forum*: Meetings are held quarterly to discuss the transport related matters, challenges and to come up with solutions. The meetings include local municipalities, public transport stakeholders and other relevant sector departments. In the fourth quarter the district held a mass meeting whereby all associations within the district were invited.

- *Local Transport Forums:* NDM has assisted local municipalities within the district to establish transport forums and the District is participating in those Local Transport Forums.

The district participated in October Transport Month activities organised by the Mpumalanga Department of Public Works, Roads and Transport in the district.

CAPACITY BUILDING

The Nkangala District Municipality, in collaboration with Eskom, held a workshop to capacitate the taxi industry within the district on tendering processes. All taxi associations were invited and requested to send at least five members per association. The workshop was a success, with more than 100 members of various associations in attendance.

In partnership with the National Department of Transport, the district was able to send appointed interns to various training workshops to capacitate them on different aspects of transport planning and project management.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes planning, and local economic development.

3.8 PLANNING AND DEVELOPMENT

This includes all activities related to the formulation, monitoring, implementation, evaluation and review of strategic plans for the entire District. It also includes assistance to Local Municipality with processing of application to local land use planning and development. Amongst others the following are the key deliverables of development planning:

- To coordinate the planning, adoption and review of the District Integrated Development Plan (IDP).
- To develop, manage and regulate the built and natural environment through the implementation and review of the land use management system, the implementation of statutory planning legislation and maintenance of planning procedures in order to ensure a sustainable built environment for the District.
- To lead, manage and direct sustainable urban growth and spatial transformation through the preparation and implementation of short-, medium- and long-term spatial plans.

3.8.1 LAND DEVELOPMENT APPLICATIONS

The table below presents the land development applications received from 2022/23-2023/24 Financial year. The outline of Table 3.22 for Land Development applications received is as follows:

- The table is divided into high and low impact applications. Township Establishments and Rezoning applications accommodate for developments which are considered as "High Impact". "High Impact "Developments are developments contemplated in Section 81(3) of the SPLUM by Law, 2015. Contrarily 'Low Impact' Developments are developments which have minimal impact

- Section 93 (a) of the Spatial Planning and Land Use Management (SPLUM) By Law, 2015, states that *"The Municipality must record the receipt of an application in writing or by affixing a stamp on the application on the day of receipt and issue proof of receipt to the applicant*". Therefore, an application is considered as received when it has been submitted and stamped by Nkangala District Municipality.

- Once an application has been received, Section 93(b) of the SPLUM by Law, 2015 states that the municipality must notify the applicant in writing of any additional plans, documents and other information which is required for the application. Therefore, the below table categorise received applications into **Complete and Incomplete Applications.** If the municipality requires outstanding documentation, additional plans and information then the application is considered incomplete. Once the applicant as complied in terms of submission of all required information, then the application is considered complete

- NDM makes comments on applications which are submitted from municipalities that the district does not have functions for, i.e. Steve Tshwete LM and EmalahleniLM

- In terms of section 96(1) of the SPLUMA, applicants can withdraw applications prior to a decision being taken on written notice to the Municipality

- In terms of section 35(2) of the SPLUMA, a municipality may that certain land use applications be considered by an official in the employee of the municipality, therefore the table makes reference to exemption applications considered by the Authorised Official,

Detail	High Impact Applications				Low Impact Applications			
	Township establishments (including formalisations)		Rezoning		Built Environment (Consolidation ; Subdivision; Consent Use etc.)		Total Number of Applications	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Number of applications received within the financial year	**5**	**7**	**9**	**10**	**42**	**39**	**56**	**56**
Number of Incomplete applications within the financial year	0	1	6	5	27	21	33	27
Number of complete applications within the financial year	5	4	2	4	10	10	17	18
Number of Application submitted for Comments within the financial year	0	2	1	1	3	5	4	8
Number of Applications withdrawn within the financial year	0	0	0	0	0	0	0	0
Number of Exemption Applications considered by an Authorised Official within the financial year	0	0	0	0	2	3	2	3

T 3.10.2

Table 3.21 Land Development Applications Received for 2022/23 and 2023/24 Financial Year

The table below presents the land development applications considered by the decision-making body from 2022/23-2023/24 Financial year. The outline of Table 3.23 for Land Development applications considered for decision making is outlined as follows:

- In terms of section 35(1) of SPLUMA, 2013 a municipality must in order to determine land use and land development applications establish a decision-making body (MPT/LUC)
- Land Development and Land Use Applications which are ready, are submitted to the decision-making body for consideration. The table is divided into three possible outcomes of an application submitted for decision making.
- In terms of section 42 (3) of SPLUMA, 2013, an application may be approved, in whole or part, or be rejected by the decision-making body. The Decision-Making Body may also defer an application back pending the submission of additional information/documentation, to inform the final decision.

Table 3.22 Land Development Applications Submitted for Decision Making from 2022/23- 2023/24

Detail	High Impact Applications				Low Impact Applications			
	Township establishments (including formalisations)		Rezoning		Built Environment (Consolidation; Subdivision; Consent Use etc.)		Total Number of Applications	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Number of applications submitted for decision making within the financial year	**5**	**6**	**9**	**7**	**40**	**25**	**54**	**38**
Number of applications approved within the financial year	3	3	6	6	26	18	35	27
Number of applications rejected/refused within the financial year	0	0	0	0	0	0	0	0
Number of applications deferred back pending the submission of additional information	2	3	3	1	14	7	19	11

3.8.2 PROJECT OF THE DPU

The expenditure figures outline below are as per the appointment amounts. The remaining monies were directed to savings.

Table 3.23 Project Expenditure Year 2023/2024 Development Planning Programme

Expenditure Year 2023/2024 PED Services				
Projects	**Budget (R)**	**Project Expenditure Budget (R)**	**Variance (%)**	**Reason**
DR JS MOROKA LOCAL MUNICIPALITY				
Formalization/ Township Establishment on Portion of Portion 48 of the farm Valschfontein in Kwa-Phaahla Village	R 2 000 000.00	R 1 968 358.00	2%	The project was completed. therefore, the remaining amount is savings.
Land Surveying Project in Dr JS Moroka Local Municipality on the farm Valschfontein 33-JS (Mokopanong Township) and the farm Matjesgoedkuil 3 JS (Ramokgeletsane Township)	R 720 000.00	R 720 000.00	None	N/A
Opening Township Register	R 600 000.00	R 600 000.00	None	N/A

THEMBISILE HANI LOCAL MUNICIPALITY				
Formalization of Informal Settlements / Township Establishment Phase 2 of Mabhoko Village	R1 687 164.00	R1 687 164.00	None	N/A
EMAKHAZENI LOCAL MUNICIPALITY				
Establishment of a cemetery on an Identified Suitable Land in Entokozweni.	R 923 000.00	R907 600.00	2	The project was completed. therefore, the remaining amount is savings.
Opening Township Register	R 600 000.00	R 600 000.00	None	N/A
STEVE TSHWETE LOCAL MUNICIPALITY				
Township Establishment of Kwazamokuhle/Hendrina	R 930 000.00	R 927 940.00	15	The project was completed. therefore, the remaining amount is savings.

Table 3.24 Employees: Planning Services

Employees: Planning Services					
Job Level	**2022/2023**	**2023/2024**			
	Employees	**Posts**	**Employees**	**Vacancies (Fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No.	**No.**	**No.**	**No.**	**%**
0 – 3	2	3	3	0	00%
4 – 6	5	2	2	0	00%
7 – 9	2	1	1	0	00%
10 – 12	0	2	1	1	50%
Total	9	10	9	1	10%
In addition to the above employees, the development and planning division is having two development control interns					

3.8.3 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Within the district municipality, Local Economic Development (LED) serves as a cornerstone strategy for achieving sustainable economic progress. LED fosters a collaborative approach, bringing together various stakeholders such as residents, businesses, and the local government to leverage local assets and cultivate a thriving economic ecosystem. This collaborative spirit is instrumental in identifying the district's unique economic strengths, whether it be a burgeoning tourism industry, a rich agricultural heritage, or a growing manufacturing sector. By recognizing these strengths, LED initiatives can be tailored to capitalize on them. LED fosters a sense of community ownership within the district's economic development, ensuring a more inclusive and resilient economic landscape. Ultimately, successful LED programs strive to create a ripple effect, generating employment opportunities, improving the overall quality of life for residents, and propelling the district municipality towards a future of sustainable economic growth.

Section 153 of the Constitution stipulates the following developmental duties of all Municipalities:

- A Municipality must structure and manage its administration, budgeting and planning processes to give priority to the needs of the community, and to promote social and economic development.
- A Municipality must participate in national and provincial developmental programmes.

Nkangala District Municipality is the main economic hub in the Mpumalanga province. Investment attraction is a critical driving force for economic growth and development. Most advanced economies have experienced high level of capital accumulation or investment as a pre-cursor to their development. Investment is an underlying factor for increasing the productive capacity, providing job opportunities, reducing poverty & inequality and improving quality of life of people.

2023/2024 SUPPORT OF NKANGALA REGIONAL TOURISM ORGANISATION (RTO)

Nkangala District Municipality in partnership with Mpumalanga Tourism and Parks Agency (MTPA) supported five tourism SMMEs who attended the Annual Tourism Indaba in Durban in May 2024. The MTPA accommodated the district and the 5 SMMEs in the stand that was procured by the province under the " Mpumalanga Village". The support that the district provided to the five SMMEs was to provide three-nights' accommodation as well as flights from the OR Tambo to Durban and back. The Tourism Indaba provided the SMMEs who are tourism product owners with an opportunity to not only showcase their businesses but also what Nkangala has to offer as a potential tourist destination. This partnership between Nkangala District Municipality and MTPA demonstrates a commitment to supporting local businesses and promoting tourism in the region. By attending the Annual Tourism Indaba, these SMMEs were able to network with industry professionals, gain exposure for their businesses, and attract potential customers. This not only benefits the individual SMMEs, but also contributes to the overall economic growth and development of Nkangala District.

2023/24 FINANCIAL AND NON-FINANCIAL SUPPORT TO SMMES, COOPERATIVES AND INFORMAL TRADERS IN NKANGALA DISTRICT MUNICIPALITY

This initiative aims to contribute to the development of the local economy by empowering SMMEs to become more competitive and sustainable. By providing the necessary resources, such as tools and equipment, these businesses are able to improve their efficiency and productivity, ultimately leading to growth and expansion. Eighteen (18) SMMEs were provided with tools and equipment in the 2023/24 financial year. However, as per the contract requirements, the municipality successfully provided 5 SMMEs with 100% of the required tools, while 13 SMMEs received partial fulfilment of their tool requirements. Through continued support and investment in SMMEs, the district is creating opportunities for economic development and job creation, ultimately benefiting the entire community.

2023/24 EMERGING FARMERS SUPPORT PROGRAMME OF FARMING ENTITIES OPERATING WITHIN NKANGALA DISTRICT MUNICIPALITY

The support of emerging farmers is crucial in addressing the challenges faced by emerging farmers, such as limited access to resources and technical support. By providing necessary tools and equipment, the district is not only supporting the growth of individual farmers but also contributing to overall food security in the region. Through strategic partnerships and targeted support, the emerging farmers support program is making a tangible impact on the agricultural sector. The continued investment in emerging farmers will ensure a more sustainable and resilient food system for the future. In the 2023/24 financial year, NDM has supported 16 emerging farmers. However, as per the contract requirements, the municipality successfully provided 02 emerging farmers with 100% of the required tools, while 14 SMMEs received partial fulfilment of their tool requirements.

Table 3.25 Economic Employment by Sector

Sector	2019/2020 (%)	2020/2021 (%)	Year (%)	Year (%)	Year (%)
	4.2	4,1%	2021/2022	2022/2023	2023/2024
Agric, forestry and fishing	16,8	17,2	18	3.3	4.8
Mining and quarrying	7,9	7,8	8	30.1	16.1
Manufacturing	18,1	18,7	17	13.1	7.8
Wholesale and retail trade	11,8	12,2	13	10.6	18.5
Finance, property, etc.	15,0	15	12	13.9	11.8
Govt, community and social services	8,5	8	9	16.0	17.8
Infrastructure services	8,7	8,5	7	2.1	7.1
SERO Report, March 2024					

The Nkangala District Municipality, located in the Mpumalanga province of South Africa, makes a significant contribution to the overall economy of the province. Here are some key aspects of the Nkangala economy that bolster Mpumalanga:

- Mining and Energy: Nkangala's rich coal deposits are likely to still be a major contributor in 2024. Coal supplies local power generation and could be exported.
- Agriculture and Forestry: Favourable climate and land could see continued agricultural production and forestry contributing to food security and generating revenue.
- Manufacturing: Proximity to Gauteng province can potentially boost manufacturing to benefit from access to a larger market.
- Trade: As with most regions, trade likely remains important for the local economy.
- Community Services: This sector provides essential services and likely employs a sizeable portion of the population.
- Tourism: Nkangala's natural beauty and diverse ecosystems could see growth in tourism, especially if the Maputo Corridor facilitates development.

Table 3.26 Economic contribution & growth per municipal area

Local municipal area	% contribution to Mpumalanga economy in constant 2015-prices 2022	Average annual economic growth 1996-2022	Average annual economic growth 2019-2022	Average annual economic growth 2023-2027
City of Mbombela	24.8%	3.1%	-0.3%	1.0%
Emalahleni	17.4%	1.7%	0.3%	2.6%
Steve Tshwete	12.3%	2.0%	0.5%	2.1%
Govan Mbeki	10.6%	0.2%	-2.8%	0.8%
Bushbuckridge	4.9%	1.1%	1.6%	2.0%
Msukaligwa	4.3%	2.2%	1.2%	1.7%
Lekwa	3.6%	1.5%	2.5%	3.2%
Nkomazi	3.5%	1.7%	0.1%	1.9%
Thaba Chweu	3.5%	2.0%	0.5%	0.9%

Victor Khanye	2.5%	3.0%	3.9%	0.4%
Mkhondo	2.3%	2.2%	-1.0%	1.4%
Dr JS Moroka	2.3%	0.6%	0.0%	1.4%
Chief Albert Luthuli	2.3%	2.2%	-1.7%	1.0%
Thembisile Hani	1.9%	0.9%	0.2%	1.7%
Dr Pixley Ka Isaka Seme	1.4%	2.6%	4.6%	4.7%
Dipaleseng	1.1%	3.3%	3.0%	2.9%
Emakhazeni	1.1%	1.8%	1.9%	1.2%

The Nkangala District Municipality, located in the Mpumalanga province of South Africa, makes a significant contribution to the overall economy of the province. Here are some key aspects of the Nkangala economy that bolster Mpumalanga:

- Mining and Energy: Nkangala is known for its rich coal deposits and plays a vital role in the mining sector. Several major coal mining companies operate in the region, including Exxaro and South32. The extraction and processing of coal contribute significantly to the provincial economy, providing employment and generating revenue.
- Power Generation: Nkangala hosts two power stations, namely Kendal Power Station and Komati Power Station. These power stations produce a significant amount of electricity, contributing to the overall power supply in South Africa. The energy sector is crucial for sustaining industrial and economic development in Mpumalanga.
- Agriculture: Agriculture is another important sector in the Nkangala District. The fertile soils and favourable climate enable the production of crops such as maize, wheat, sunflower, and vegetables. The district serves as a major supplier of agricultural products, supporting the food industry and providing employment opportunities for local communities.
- Manufacturing and Industries: Nkangala has a diverse manufacturing sector, including the production of steel, textiles, and food products. Steel manufacturing, in particular, has flourished in the region, with the establishment of the Highveld Steel Mill. This sector adds value to raw materials extracted from the region and contributes to the provincial economy.
- Tourism: Nkangala District offers various attractions, including nature reserves, cultural heritage sites, and adventure activities.

Overall, the Nkangala economy plays a crucial role in Mpumalanga's economic growth. It benefits from its abundant natural resources, particularly coal, and drives sectors such as mining, power generation, agriculture, manufacturing, and tourism. The district's economic contributions provide job opportunities, generate revenue, and support the development of the province.

Table 3.27 Project Expenditure Year 2023/2024 Local Economic Development Programme

Expenditure Year 2023/2024 Economic Development Services				
Projects	**Budget (R)**	**Expenditure (R)**	**Variance (%)**	**Reason**
Support of Emerging Farmers in Nkangala District Municipality	5 500 000	3 722 655	32	Target for the financial year was met and the remaining amount is savings
Support to SMMEs, Cooperatives and Informal Traders	4 896 900	3 460 380	29%	Target for the financial year was met and the remaining amount is savings
Informal Economy Strategy	5 00 000	475 550	5	The project was completed. therefore the remaining amount is savings.
Just Energy Transition Implementation Plan	1 190 000	416 500	65	The Project Steering Committee (PSC) deemed the Final Just Energy Transition Plan insufficient and requested further refinement, with the Service Provider tasked with data collection and analysis before final approval.

EXPANDED PUBLIC WORKS PROGRAMME (EPWP) (ACHIEVEMENTS FOR 2023/24)

In the 2023/2024 the unit EPWP managed to train 100 youths of Nkangala District on Safety and Security SETA (SASSETA) and Agriculture SETA (AGRISETA) Learnership Programmes. The 100 learners managed to successfully complete their theory training and are currently busy with practical training in various sites around Gauteng and Mpumalanga Province.

The municipality allocated and spent R10,700,000.00 on the Learnership Programmes during 2023/2024. This budget covered payments for service providers' management fees, transportation of learners, training, catering for learners, protective clothing for learners, accommodation, and stipends for learners (R2,500 per month for each learner).

Table 3.28 Job Creation through EPWP Expanded Public Works Projects

Details	EPWP Projects No.	Jobs created through EPWP Projects
2022/23	20	390
2023/24	**19**	**479**
**Expanded Public Works Programme numbers includes work opportunities created in the year under review excluding full time equivalents from Municipal projects*		

Table 3.29 The projects that contributed to the work opportunities

Project No.	Project Description	Department	Total Days Employed	WO Created	FTEs.
7014/16	Routine Horticultural and Gardening	Corporate	2451	12	10,65652173913043
51665/17	Rendering of Cleaning Services at NDM, THLM, Dr JS Fire Stations	Corporate	6395	28	27,80434782608695
	Rendering of Security Services at NDM, THLM, Dr JS Fire Stations	Corporate	11827	60	51,42173913043478
	Rendering of Office and Building Maintenance at NDM	Corporate	511	2	2,221739130434782
51667	NDM – EPWP Data Capturer Project	PED	445	3	1,934782608695652
34377	EPWP Job Creation SASSETA Learnership Programme	PED	8498	70	36,94782608695652
185489	EPWP Job Creation AGRISETA Learnership Programme	PED	3981	50	17,30869565217391
150362/1	Construction of Loskop Regional bulkwater supply in THLM WP1	Technical	6400	45	27,82608695652173
150362/3	Construction of Loskop Regional bulkwater supply in THLM WP3	Technical	2365	10	10,28260869565217
150362/4	Construction of Loskop Regional bulkwater supply in THLM WP4	Technical	504	7	2,191304347826086
150362/5	Construction of Loskop Regional bulkwater supply in THLM WP5	Technical	6656	41	28,9391304347826
149743	Refurbishment and upgrading of the Delmas waste water treatment works	Technical	4983	28	21,66521739130434
185527	Construction of bulkwater supply and storage in Hlalanikahle Emalahleni	Technical	648	25	2,817391304347826
174727	Construction of roads and stormwater in Newtown in Steve Tshwete LM	Technical	500	9	2,17391304347826
156240	Construction of Kwaggafontein B/C stormwater drainage system	Technical	3033	25	13,18695652173913
156239	Construction of roads in Victor Khanye Local Municipality Botleng	Technical	2227	20	9,682608695652173
176149	Installation of solar panels and green energy for NDM	Technical	358	13	1,556521739130434
174730	Installation of smart electricity meters management and solar installations in Municip	Technical	248	6	1,078260869565217
2019/01	NDM- Internship Programme	Various	3824	25	16,62608695652173
	LGSETA 500 Learnership				
TOTAL			**65854**	**479**	**286,3217391**

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.8.4 LIBRARIES

The Nkangala District Municipality library plays a critical role in facilitating access to information and information resources. The main objective of the NDM library is to meet the information needs of the decision makers, policy makers, councillors and staff in general for the efficient and effective implementation of the organisations mandate and academic success. The main purpose of NDM library is to encourage the culture of reading for knowledge, life-long education and writing.

The NDM Library consists of books, periodicals, reference materials and CD's. The library procured 65 books and 14 reference materials during the 2023/2024 financial year. All the new books were catalogued and classified using the Dewey Decimal Classification System (DDC). All new employees were given library membership forms. According to library usage statistics; there are 377 library books that were circulated during the 2023/2024 financial year. The majority of NDM library users requested for academic books during this financial year. This is because of the increase in the number of employees that are studying in different institutions.

The NDM library has a Service Level Agreement with Lexis Nexis. This is an online research database package consisting of National legislation, local government legislation, IR network, case law (labour), current law, environmental law, property law, employment law journal, constitutional and administrative law, labour (public sector) and procurement. The library plays a very critical role in providing users with information that is relevant to their information needs.

CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Constitution of the Republic of South Africa, 1996 give a set of broad objectives that each Municipality must strive to achieve within its financial and administrative capacity, amongst them is to promote social and economic development.

Nkangala District Municipality in the IDP under issue 8 welfare indicates the challenges faced by the vulnerable persons in our communities which includes the elderly and children.

It integrates the needs of marginalised groups while striving for better integration of services across sectors and stakeholders ensuring that all parties take responsibility and ownership of relevant community programmes and projects. Through the coordination provided by SPU Intersectoral planning enhances service delivery:

- Children's Rights.
- People with Disabilities.
- HIV/AIDS Response.
- The Older Person Rights.
- Women Empowerment and Gender Development.
- Intergovernmental Relations
- Mandela Month Community programme

9.9.1 CHILDREN'S MONTH

Child Protection Month is commemorated in the country annually to raise awareness of the rights of children as articulated in the Constitution of the Republic of South Africa and Children's Act (Act No. 38 of 2005).

The programme is led by the Department of Social Development in partnership with key government departments and civil society organisations rendering child protection services ensuring a multi-sectoral response to issues concerning children. This year of 2024 the Child Protection Month will be 28 May – 30 June 2024, your valuable support will be appreciated with regards to the below schedule.

Table 3.30 Five (05) Children's rights Programmes

DATE	VENUE	MUNICIPALITY	PROGRAMME
04 June 2024	Botleng Ext 3 Community Hall	Victor Khanye LM	Cyber Bullying
06 June 2024	THLM Fire Station	Thembisile Hani LM	Children Fire and Safety
07 June 2024	Sy Mthimunye Stadium	Emalahleni LM	Young boys and girls Health & wellness
07 June 2024	Adelaide Tambo Community Hall	Steve Tshwete LM	Children Annual Rights Programme
13 June 2024	Sikhulile Secondary School	Emakhazeni LM	Young boys and girls Rights of the child

3.9.2 PEOPLE WITH DISABILITY RIGHTS

The Persons with Disabilities Programme offers empowerment programs, advocacy and rights, community development, educational support and health and wellbeing and skills development programs that provide opportunities to people with disabilities from the local community to develop and improve their skills.

Table 3.31 Seven (07) People with disability programmes

DATE	VENUE	MUNICIPALITY	PROGRAMME
29 February 2024	Ga Phahla Community Hall	Dr JS Moroka	People with Disability empowerment
15 April 2024	Siyabuswa Community Hall	Dr JS Moroka	National Youth Development Agency Disability Grant
16 April 2024	Siyabuswa Community Hall	Dr JS Moroka	National Youth Development Agency Disability Grant
17 April 2024	Siyabuswa Community Hall	Dr JS Moroka	National Youth Development Agency Disability Grant
18 April 2024	Siyabuswa Community Hall	Dr JS Moroka	National Youth Development Agency Disability Grant
19 April 2024	Siyabuswa Community Hall	Dr JS Moroka	National Youth Development Agency Disability Grant
22 April 2024	Siyabuswa Community Hall	Dr JS Moroka	National Youth Development Agency Disability Grant

3.9.3 HIV/AIDS RESPONSE

The aim of the HIV/AIDS Awareness Programme is to empower and increase the awareness to participants of HIV/AIDS, its impact, management and availability of support systems. This is to encourage early testing and lifestyle changes that will thereby reduce and prevent further infection.

Table 3.32: Thirty two (32) HIV/AIDS response programmes conducted to capacitate and build communities

DATE	VENUE	MUNICIPALITY	PROGRAMME
14 July 2023	Vaalbank Community Hall	Dr JS Moroka LM	HIV/AID'S Educational Awareness
15 August 2023	Rockdale Community Clinic	Steve Tshwete LM	HIV/AID'S Educational Awareness
23 August 2023	Langkoof	Thembisile LM	HIV/AID'S Educational Awareness
24 August 2023	City hall	Emalahleni LM	HIV/AID'S Educational Awareness
25 August 2023	Training Centre	NDM	HIV/AID'S Educational Awareness
24 September 2023	Kameelrevier B Stadium	Dr JS Moroka LM	HIV/AID'S Educational Awareness
27 September 2023	Avalon	Steve Tshwete LM	HIV/AID'S Educational Awareness
28 September 2023	Nokaneng Community Hall	Dr JS Moroka LM	HIV/AID'S Educational Awareness
13 October 2023	Empumelelweni	Emalahleni LM	HIV/AID'S Educational Awareness
14 October 2023	Komati	Steve Tshwete LM	HIV/AID'S Educational Awareness

19 October 2023	KwaFene Tribal Office Phola Park	Thembisile LM	HIV/AID'S Educational Awareness
20 October 2023	Council Chamber	Emalahleni LM	HIV/AID'S Educational Awareness
23 October 2023	Siyathuthuka Community Hall	Emakhazeni LM	HIV/AID'S Educational Awareness
31 October 2023	Ext 3 Community Hall	Victor Khanye	HIV/AID'S Educational Awareness
12 December 2023	Kwaggafontein Community Hall	Thembisile LM	HIV/AID'S Educational Awareness
13 December 2023	Kammerivier B	Dr JS Moroka	HIV/AID'S Educational Awareness
08 February 2024	Banquet Hall	Emalahleni LM	HIV/AID'S Educational Awareness
12 February 2024	Pungutsha Secondary School	Dr JS Moroka	HIV/AID'S Educational Awareness
16 February 2024	Ukukhanya Secondary School	Dr JS Moroka	HIV/AID'S Educational Awareness
28 February 2024	KwaFene Tribal Office Phola Park	Thembisile LM	HIV/AID'S Educational Awareness
28 February 2024	Eric Jiyane Community Hall	Steve Tshwete	HIV/AID'S Educational Awareness
29 February 2024	Botleng Ext 3 Communty Hall	Victor Khanye LM	HIV/AID'S Educational Awareness
04 March 2024	Reach for Life	Emalahleni LM	HIV/AID'S Educational Awareness
20 March 2024	Kwamhlanga Community Hall	Thembisile LM	HIV/AID'S Educational Awareness
07 April 2024	People's Freedom Church	Thembisile LM	HIV/AID'S Educational Awareness
13 April 2024	King Makhosoke Community Hall	Thembisile LM	HIV/AID'S Educational Awareness
22 April 2024	Council Chamber	Dr JS Moroka	HIV/AID'S Educational Awareness
26 April 2024	Vaalbank Stadium	Dr JS Moroka	HIV/AID'S Educational Awareness
23 May 2024	Clewer Community Hall	Emalahleni LM	HIV/AID'S Educational Awareness
19 June 2024	Reach for Life Centre	Emalahleni LM	HIV/AID'S Educational Awareness
25 June 2024	Belfast	Emakhazeni LM	HIV/AID'S Educational Awareness
27 June 2024	Waaikraal Open space	Victor Khanye	HIV/AID'S Educational Awareness

3.9.4 WOMEN EMPOWERMENT AND GENDER DEVELOPMENT

Every year, in August, our country marks Women's Month. The focus for the 2023 Women's Month programme was on acceleration of socio-economic programmes and activities that are undertaken across the different sectors to fast-track gender mainstreaming across these initiatives; create more opportunities for women's inclusion and empowerment; enable women to either take up employment in these sectors or develop their entrepreneurship or businesses.

The 2023 Women's Month will be commemorated under the theme "**Accelerating Socio- Economic Opportunities for Women Empowerment**"

3.32: Five (05) Women Empowerment and Gender Development programmes

DATE	VENUE	LOCAL MUNICIPALITY	PROGRAMME
16 August 2023	Council Chamber	Steve Tshwete LM	Women empowerment
23 August 2023	Langkloof	Thembisile LM	Women health talk
23 August 2023	Sydney Choma Banquet Hall	Steve Tshwete LM	Aquali Lifestyle guest
24 August 2023	City Hall	Emalahleni LM	Women empowerment
29 August 2023	Aquali Lifestyle guest	Emakhazeni LM	Women empowerment

3.9.5 GENDER BASED VIOLENCE (GBV) AWARENESS CAMPAIGN

The National Strategic Plan on Gender Based Violence and Femicide was launched on the background of a spike in cases during Covid-19 lockdown wherein there was a pronouncement by the President Cyril Ramaphosa declaring a state of emergency on the response to Gender Based Violence and Femicide in South Africa committing government to fight such crimes guided by six pillars namely;

Pillar 1 – Accountable, coordination and Leadership
Pillar 2 – Prevention and rebuilding social cohesion
Pillar 3 – Justice, safety and protection
Pillar 4 – Response, care, support and healing

Pillar 5 – Economic power
Pillar 6 – Research and information management

Under the theme "Accelerating actions to end gender-based violence & femicide: leaving no one behind".

Table 3.32 Ten (10) GBV programmes

DATE	VENUE	LOCAL MUNICIPALITY	PROGRAMME
15 August 2023	Rockdale Community Clinic	Steve Tshwete	Community
24 September 2023	Kameelrevier B Stadium	Dr JS Moroka	Community
07 October 2023	Kwaggafontein Hall	Thembisile	Community
17 October 2023	Banquet Hall	Steve Tshwete	Adolescent Girls and Young Women
08 December 2023	Blikpan Primary School	Steve Tshwete	Girls and boys
14 December 2023	God Never Fail Ministry	Emalahleni	GBVF survivor and perpetrator
20 March 2024	Klarinete Community Hall	Emalahleni	Community
13 April 202	King Makhosonke Community Hall	Thembisile	GBFV LGBTIQ+
09 May 2024	Vaalbank Hall Community	Dr JS Moroka	GBVF (Faith base organization)
19 June 2024	Reach for Life Centre	Emalahleni	GBVF Community

3.9.6 MEN SECTOR

The Takuwani Riime Programme of Action 2023-2025 aims to promote a vital step in our ongoing commitment to fostering positive masculinity in our society and addressing an issue of great importance: the role of men in shaping the future of our nation. It is equally crucial to recognize the pivotal role that men play in achieving the goals of gender justice and the importance of addressing the unique concerns of men in the broader context of gender equality.

Table 3.33 MEN SECTOR PROGRAMMES

DATE	VENUE	LOCAL MUNICIPALITY	PROGRAMME
25 August 2023	Training Room	Nkangala District Municipality	Traditional Leaders
07 September 2023	Ext 03 Community Hall	Victor Khanye	Young Boys & Men
28 September 2023	Nokaneng Community Hall	Dr JS Moroka	Traditional Leaders
14 October 2023	Koorofontein Hall	Steve Tshwete	Young Boys & Men
22 March 2024	Kwagga Community Hall	Thembisile	GBVF - Men Conference
25 March 2024	Rockdale Shalome Ministris	Steve Tshwete	GBVF – Young Boys
27 March 2024	Nokaneng Community Hall	Dr JS Moroka	GBVF – Men
23 May 2024	Mthunzini Vilakazi Community Hall Clewer	Emalahleni	Men Sector (GBVF)
12 June 2024	EXT 3 Ekukhanyeni Center	Victor Khanye	Men Sector (GBVF)
13 June 2024	Sikhulile Secondary School	Emakhazeni	boys and girls Rights of the child

3.9.7 OLDER PERSON RIGHT'S

The Older Person Programme focuses on initiating and promoting programs aimed at advancing the status, well-being, safety, and security of vulnerable and needy older persons.

Table 3.34 Older Person's programmes

DATE	VENUE	MUNICIPALITY	PROGRAMME
12 February 2024	Phake Old Age Centre	Dr JS Moroka	
31 May 2024	KwaMhlanga Stadium	Thembisile	Older Person (seedlings for poverty alleviation)
18 April 2024	Vezubuhle Community Hall	Thembisile LM	Older Person (seedlings for poverty alleviation)

3.9.8 MANDELA MONTH COMMUNITY PROGRAMME

Nelson Mandela Month was celebrated for the poor, vulnerable and marginalised, in addressing the scourge of poverty, suffering and deprivation under the theme: "It is in Your Hands." The programmes included the distribution of blankets, school schools, food parcels, dignitary packs, cleaning and painting materials

Table 3.35 Twelve (12) Mandela Month Community programmes

DATE	VENUE	MUNICIPALITY	PROGRAMME
07 July 2023	Lefiso	Dr JS Moroka	Mandela Month Community Programme
13 July 2023	KwaMhlanga Solomon Mahlangu Stadium	Thembisile	Mandela Month Community Programme
18 July 2023	Beestepan Secondary School	Steve Tshwete	Mandela Month Community Programme
18 July 2023	Nakekela NPO Centre (Tweefontein G)	Thembisisle	Mandela Month Community Programme
18 July 2023	Zamokuhle Disability Centre - Protective Workshop	Thembisisle	Mandela Month Community Programme
18 July 2023	Sele Secondary School	Dr JS Moroka	Mandela Month Community Programme
18 July 2023	Vaalbank Hall	Dr JS Moroka	Mandela Month Community Programme
18 July 2023	Katjibane	Dr JS Moroka	Mandela Month Community Programme
18 July 2023	Pine Ridge High	Emalahleni	Mandela Month Community Programme
21 July 2023	Botleng Old age Centre	Victor Khanye	Mandela Month Community Programme
21 July 2023	Ukhwezi Primary Schoo	Emakhazeni	Mandela Month Community Programme
21 July 2023	Ongesiens	Emakhazeni	Mandela Month Community Programme

3.9.9 MORAL REGENERATION MOVEMENT

The ultimate objective of the moral regeneration movement is to assist in the development of a caring society through the revival of the spirit of botho/ubuntu and the actualisation and realisation of the values and ideals.

Table 3.36 Twelve (12) Moral regeneration events

DATE	VENUE	MUNICIPALITY	PROGRAMME
04 August 2023	Tholulwazi	Thembisile LM	Moral Regeneration Movement
07 September 2023	Ext 3 Community Hall	Victor Khanye LM	Moral Regeneration Movement
26 September 2023	DEFSA	Emalahleni LM	Moral Regeneration Movement
16 November 2023	Doronkop Community Hall	Steve Tshwete LM	Moral Regeneration Movement
28 November 2023	Kwaggafontein Stadium	Thembisile LM	Moral Regeneration Movement
29 November 2023	Vaalbank Community Hall	Dr JS Moroka LM	Moral Regeneration Movement
01 March 2024	Digwale Secondary School	Dr JS Moroka LM	Moral Regeneration Movement
26 March 2024	Ext 3 Community Hall	Victor Khanye LM	Moral Regeneration Movement

28 March 2024	Aretswaraneng Old Age Centre	Thembisile LM	Moral Regeneration Movement
09 May 2024	Vaalbank Hall	Dr JS Moroka LM	Moral Regeneration Movement
10 May 2024	Boikhutsong	Dr JS Moroka LM	Moral Regeneration Movement
21 May 2024	Mmametlake	Dr JS Moroka LM	Moral Regeneration Movement

3.10 YOUTH DEVELOPMENT

South Africa's concept of youth development is greatly influenced by the historical conditions that have shaped the country, and its democratic goals. As such, contemporary policy and strategy documents dealing with youth development in South Africa are based on the principles of social and economic inclusion of the youth, rooted in deliberate empowerment to create active youth citizenship socially, politically and economically. Youth development is the cornerstone of South Africa's future, an important aspect of governments developmental mandate.

3.10.1 CAREER EXPO

Education and skills play a critical role in building a capable developmental state buttressed on technical competency and capability. Local government is positioned as the nucleus of service delivery and as a developmental tool for the Career expo programs for 2023/24 reaffirmed our strategic goals as the institution, which is to align the career choices of learners with the economic dictates of the district and promote the spirit continued upskilling and reskilling of the youth. This will enable the youth of the district to participate meaningfully in the mainstream economy particularly in the district. Eight career expo programs were conducted for the 2023/24 period.

3.10.2 BURSARIES

Nkangala District Municipality has identified as part of its social responsibility within its communities to establishment the District Mayoral Bursary with the aim of uplifting the previously disadvantaged communities and provide financial support to the needy students who are academically deserving.

The objective of the Mayoral bursary includes the following:

- To contribute to the achievement of the objectives of the skills development act.
- To address the employment equity targets in the relevant regulations and legislations by including the previously disadvantages group in the relevant scarce skills
- To fight poverty and enhancing development by giving the financial support to the needy students/learners to pursue the career in the rare skills within the district.

The 2023/24 intake has funded a total of 23 Existing students, 18 new students, totalling 41 students benefitting in the 2024 academic year. However, six (06) learners completed their respective courses by December 2023 and graduated before June 30, 2024.

Table 3.37 Number of beneficiaries per local municipality

Name of the Municipality	2022/2023	2023/2024
eMalahleni Local Municipality	7	7
Victor Khanye Local Municipality	4	7
Thembisile Hani Local Municipality	4	9
Dr JS Moroka Local Municipality	8	9
Steve Tshwete Local Municipality	4	6
Emakhazeni Local Municipality	3	3
Total	**30**	**41**

3.10.3 TEENAGE PREGNANCY CAMPAIGN

Teenage pregnancy undermines government`s effort to educate the nation in preparation for the wellbeing of society and its future, hence its contribution to the high rate of school dropouts. Teenage pregnancy is risky and dangerous to teenagers and their unborn child, there is a great chance that STI, STD, and HIV/AIDS can be transmitted to the teen mother or the unborn child.

Nkangala District Municipality has taken the positive and proactive approach in dealing with teenage pregnancy related challenges. We do this by promoting access to adolescent and youth friendly healthcare services and information related to sexual and reproductive sex. Our campaigns have since stretched to focus on families too with an intention of capacitating families and communities with skills to enable them to talk to adolescents about sexual and reproductive health in safe and friendly way using their home languages. We do this in partnership with schools, communities and various sector Departments such as Health and Social Development.

Nkangala District Municipality conducted eighteen (18) pregnancy awareness campaigns across the district in the 2023/24 financial year.

3.10.4 DRUGS AND SUBSTANCE ABUSE AWARENESS CAMPAIGN IN PARTNERSHIP WITH SANCA

The cost and consequences of alcoholism and drug dependence place an enormous burden on our society. As the nation's number one health problem, drug addiction strains the economy, the health care system, the criminal justice system, and threatens job security, public safety, marital and family life.

Drug and Substance addiction is across all societal boundaries a challenge which is increasingly recognized as detrimental to our social fibre that needs to be curbed and addressed, with awareness campaigns being important towards this objective. Drugs and substance abuse among the youth has severe effects on our communities and families and have many potential health effects for the users, such as increased risk of injury and death due to either violence or accidents; increased probability of engaging in unsafe sexual activities subsequently increasing the chances of teenage pregnancy and transmittable diseases. Substance and Drug abuse also increase the risk of suicidal behaviour and psychiatric disorders, increasing criminal activities by the drug users.

Nkangala District Municipality conducted twenty-two (22) awareness campaigns across the district in the 2023/24 financial year.

3.10.5 YOUTH SUMMIT AND YOUTH ENTREPRENEURIAL WORKSHOP

Nkangala District Municipality is a mining and energy sector-based economy; the District Municipality is encircled by mineral wealth which is not directly benefiting the youth of Nkangala as desired. The lack of skills, employment and access to business opportunities for the youth remains a national issue, therefore the District Municipality has a responsibility to engage all relevant local stakeholders in an attempt to find amicable response to the issues highlighted. Skills development and youth empowerment in South Africa is governed under the Skills Development Act 97 of 1998 and National Youth Development Agency Act 54 of 2008 respectively.

YOUTH SUMMIT

Youth Summits were held as follows:

- 22 May 2024 at Sinethemba Community Hall
- 28 June 2024 Dr JS Moroka Council Chamber

YOUTH SUMMIT RESOLUTIONS

- Implement the Presidential Youth Employment Initiatives within the district.
- Provide job seekers with access to basic package of support and job readiness training.
- Promotion of STEM subjects in schools, particularly amongst young women.
- Implement and monitor the 30% set-asides for employment of youth.
- Support healthy lifestyles through physical and mental health promotion.
- Forster leadership and active citizenry amongst the youth
- Establish Youth Advisory Councils which will be responsible for overall monitoring and evaluation of youth initiatives in the district.
- Build an effective and responsive Youth Development Machinery in the district.
- Facilitate recognition of youth development practice as a profession
- Improve reporting systems to improve accountability.
- Facilitate youth development trainings with youth centres to broaden the NYDA mandate.

3.10.6 MAYORAL ACADEMIC AWARDS

The 11th edition of the Mayoral Academic Awards received a delivery of results and performance from the District Director of Education Mr Maja which indicated a slight overall improvement for the overall performance of the district of 1,9% moving the district from 74,5 in 2022 to 76,4 in 2023. Furthermore, Nkangala District has significantly improved in the number of schools performing at 100% for 2023 boasting 4 schools out of 12 schools in the province. Nkangala District also boast having an overall performing learner in the province coming from Thembisile Hani, Phumzile Secondary School.

The also received an encouraging keynote address delivered by the Honourable Executive Mayor TD Ngwenya which recognised and applauded the steadfast resolve demonstrated by both the learners, teachers, and parents during the 2023 academic year. The address stressed the importance of integrated development approach in the delivery of services, buttressed on the District Development Model which puts an emphasis on maximizing scarce resources through working together through collaboration and partnerships with sector departments. The Executive Mayor also congratulated the District Director of Education for the sterling work in improving the district's pass rate from 74,5% in 2022 to 76,4% in 2023, His worship T.D Ngwenya further challenged the department to achieve the 80% pass mark for 2024, a challenge that was warmly received.

CATEGORIES AWARDED

CATEGORIES	AWARD GIVEN
Schools with 100% pass rate	Trophy
Most improved school in the district	Trophy
Top ten learners in the district	Trophy, Laptops and Smartphones
Best learners in key subjects	Trophies
Best learners in indigenous languages	Trophies
Best learner in the district	Trophy
Best educator teaching indigenous	Trophy

Table 3.38 Donations received

DONOR	DONATION DESCRIPTION
Standard Bank	R150,000.00
Glencore	20 Laptops and 10 smart phones
House for Girls Foundation	R20 000.00
Sanlam	10 Trophies for the Top 10 learners
Sasol	R150 000.00 and goody bags

COMPONENT E: ENVIRONMENTAL PROTECTION

3.11 ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environment is the surroundings in which a person, an animal or plant lives or operates in. Environmental management is management of interaction and impacts on the environment to avoid harm on human health and natural environment. For instance, people should avoid water pollution which affects fish and will end up affecting people who eat fish that come from contaminated water. Section 24 of the Constitution of the Republic of South Africa enshrines "environmental right" and this is where all environmental legislations come from. In short state, organ of state, private institution and individuals should ensure that their activities are not affecting other people or the biophysical environment. There are many sections of environmental management that are found at different spheres of government like water, biodiversity, waste management, air quality management, land and other environmental factors.

The function of this section focuses on air quality management. The National Environmental Management Air Quality Act gives the Metros and District Municipalities the function of atmospheric emission licensing, regulation of controlled emitters, air quality planning, air quality compliance monitoring and enforcement. Some of these functions are done jointly with other spheres of government like the local, provincial and national government. Nkangala District is carrying it functions in terms of the NEMAQA of 2004. These functions are primarily atmospheric emission licensing, air quality planning and compliance monitoring and enforcement of air quality matters.

3.11.1 NKANGALA AIR QUALITY MANAGEMENT PLAN AND THE HIGHVELD PRIORITY AREA AIR QUALITY MANAGEMENT PLAN

Nkangala District Municipality is working in collaboration with the Department of Environmental Affairs Forestry and Fisheries (DEFF) and other affected organs of state in the implementation of the HPA AQMP. In the past year the DEFF tasked the District Municipalities and the metropolitan in the Highveld Priority Area (HPA) to form Implementation Task Teams (ITTs) in the implementation of the HPA AQMP.

The NDM; three affected local municipalities which are Steve Tshwete, Emalahleni and Victor Khanye, private entities and Non-Governmental Organizations (NGOs) cooperatively are implementing the HPA AQMP

Table 3.39 ITT Meetings held

NO	DATE OF THE MEETING	MEETING VENUES
1.	26 September 2023	Ms Teams
2.	14 November 2023	Ms Teams
3.	19 February 2024	Ms Teams
4.	27 May 2024	Ms Teams

The NDM presents on its Atmospheric Emission Licensing (AEL) function, compliance enforcement inspection of the companies to their AELs and human resource capacity in air quality management; Industries and mines present their pollution reduction strategies, point source monitoring data, Fall-Out Dust Monitoring Results, ambient air monitoring results and their goals in emissions reduction;

The DFFE in collaboration with South African Weather Services (SAWS) present the ambient air quality monitoring results in the area and

The NGOs participate in the meetings and presents their projects on efforts to improve ambient air quality.

3.11.2 KANGALA DISTRICT AIR QUALITY MANAGEMENT FORUM

Nkangala District Municipality compiled its first Air Quality Management Plan (AQM) in 2015. This was done as per requirement of the NEMAQA of 2004. The AQMP is currently under review. This plan outlines the background, status quo and planning on air quality in the district. Three Local Municipalities in the District are found in the Highveld Priority Area which was declared in terms of Section 18 of the NEMAQA in 2007 by the then minister of environmental affairs. These Municipalities are Steve Tshwete, Emalahleni and Victor Khanye Local Municipalities. Jointly the local, provincial and national environmental departments and Nkangala District is implementing the Highveld Priority Area Air Quality Management Plan (HPA AQMP). This means that there is poor ambient air quality in the Highveld. Poor air quality was accumulatively caused by power generation, mining, industries, agricultural activities, veld fires, domestic use of coal for space heating and cooking, vehicle emissions and other activities that contribute to poor air quality.

Table 3.40 Nkangala District Air Quality Management Forum

NO	DATE	VENUE	PARTICIPATING AUTHORITY
1.	12 September 2023	Ms Teams	DFFE, DARDLEA, Local Municipalities & NDM
2.	01 November 2023	Ms Teams	DFFE, DARDLEA, Local Municipalities & NDM
3.	13 March 2024	Ms Teams	DFFE, DARDLEA, Local Municipalities & NDM
4.	10 June 2024	Ms Teams	DFFE, DARDLEA, Local Municipalities & NDM

3.11.3 POLLUTION CONTROL

COMPLIANCE AND ENFORCEMENT STRATEGIC INSPECTIONS

Facilities that are issued with Atmospheric Emission Licences (AELs) are inspected from time to time to monitor their compliance with the conditions of the AELs. Some of the inspections are done for the purpose of pre-licensing of the AEL. Pre-licensing inspections serves the purpose to confirm that the activities that are applied for are the activities that are being conducted on the ground. (37) facilities were inspected during 2023-2024 financial year

Table 3.36: Facilities inspected.

No.	Facility Name	Inspection Date	Local Municipality
1.	Makoya Siding	04 July 2023	Steve Tshwete
2.	Southern Proteins	20 July 2023	Victor Khanye
3.	Sephaku Cement	27 July 2023	Victor Khanye
4.	Columbus	02 August 2023	Steve Tshwete
5.	Much Asphalt	03 August 2023	Emalahleni
6.	CRS Highveld Park	17 August 2023	Emalahleni
7.	Federale Stene	25 August 2023	Steve Tshwete
8.	Thos Begbie	28 August 2023	Steve Tshwete
9.	HWJ Timbers	01 September 2023	Emalahleni
10.	Eskom Kriel Power Station	19 September 2023	Emalahleni

No.	Facility Name	Inspection Date	Local Municipality
11.	Samancor Middelburg Ferrochrome	20 October 2023	Steve Tshwete
12.	Emalahleni Crematorium	27 October 2023	Emalahleni
13.	Omnia Fertilizer Dryden	31 October 2023	Victor Khanye
14.	Bushveld Vanchem	10 November 2023	Emalahleni
15.	Shell South Africa Refinery	13 November 2023	Emalahleni
16.	Transnet Pipeline	16 November 2023	Emalahleni
17.	Hillpan	17 November 2023	Emalahleni
18.	Southern Proteins	24 November 2023	Victor Khanye
19.	Eskom Kusile Power Station	21 February 2024	Emalahleni
20.	PPC Cement Highveld	28 February 2024	Emalahleni
21.	Roadspan Surface Belfast	01 March 2024	Emakhazeni
22.	Bushveld Vanchem Ferrovanadium Plants (SAJV)	08 March 2024	Emalahleni
23.	National Asphalt Middelburg	11 March 2024	Steve Tshwete
24.	Corobrick Middelwit Factory	12 March 2024	Steve Tshwete
25.	Mafube Coal	18 March 2024	Steve Tshwete
26.	Siyanda Smelting and Refinery	20 March 2024	Steve Tshwete
27.	Independent Crematorium South Africa - Middelburg	26 March 2024	Steve Tshwete
28.	Corobrick - Eastbbrick Factory	12 April 2024	Steve Tshwete
29.	Eskom Arnot Power Station	15 April 2024	Steve Tshwete
30.	Eskom Hendrina Power Station	18 April 2024	Steve Tshwete
31.	Acerlomittal Highveld	29 April 2024	Emalahleni
32.	Eskom Kriel Power Station	06 May 2024	Emalahleni
33.	Shell Downstream South Africa -Witbank Terminal	17 May 2024	Emalahleni
34.	Infrabuild Cement	31 May 2024	Steve Tshwete
35.	Columbus Stainless	04 June 2024	Steve Tshwete
36.	Transalloys	05 June 2024	Emalahleni
37.	Black Bond	19 June 2024	Emalahleni

3.11.4 NUMBER OF ATMOSPHERIC EMISSION LICENSES PROCESSED

Table 3.41 A total number of (50) Atmospheric Emission Licenses were received and processed during the assessment period

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
1.	PPC Witbank	Emalahleni Local Municipality	Highveld Industrial park	5.4	Cement production	New	Issued	N/A	*Paid Date: 26 June 2023 Amount: R10 000 00	*Paid Date: 26 June 2023 Amount: R10 000 00
2.	Engen Witbank - Terminal	Emalahleni Local Municipality	Ferrobank, Emalahleni	2.4	Storage & handling of Petroleum Products	Renewal	Issued	N/A	R5 000.00	R5000.00
3.	Carbon Reductant Solutions	Emalahleni Local Municipality	Ferrobank, Emalahleni	3.4	Production of Char	New	Issued	N/A	R10 000.00	R10 000.00
4.	Columbus	Steve Tshwete Local Municipality	N11 Hendrina Road, Middelburg	4.2; 4.7; 4.20 & 7.2	Steel production	Variation	Issued	N/A	N/A	N/A
5.	Federale Stene	Steve Tshwete Local Municipality	Farm Rietfontein, Mhluzi	5.9	Production of Bricks	S22A	Issued	R1,205 00.00	R200 000.00	R200 000.00
6.	Thos Begbie	Steve Tshwete Local Municipality	6 Corner Mandela Drive and Hendrina road (N11)	4.10 & 4.19	Foundry	Renewal	Issued	N/A	R10 000.00	R10 000.00
7.	Tlowana Recourses	Emalahleni Local	Highveld industrial Pack,	5.6	Lime Production	New	Issued	N/A	R10 000.00	R10 000.00

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
		Municipality	Emalahleni							
8.	Roadspan Surfaces Belfast	Emakhazeni Local Municipality	Bhekumuzi Masango Dr, Belfast, Emakhazeni Local Municipality	5.10	Macadam Preparation	Renewal	Application sent back	N/A	R5 000.00	R5 000.00
9.	HWJ Timbers	Emalahleni Local Municipality	Ferrobank, Emalahleni	3.3	Tar production	Section 22A	Application sent back	R500 000.00	R 400 000.00	R400 000 00
10.	Eskom Duvha Power Station	Emalahleni Local Municipality	Old Bethal Road, Emalahleni	1.1; 2.4 and 5.1	Storage of ore and coal, solid fuel combustion installations and storage and handling of petroleum products	Renewal	Application sent back	N/A	R15 000 00	R15 000 00
11.	Eskom Matla Power Station	Emalahleni Local Municipality	21 Warbler, Kriel	1.1; 2.4 and 5.1	Storage of ore and coal, solid fuel combustion installations and storage and handling of petroleum	*Renewal	Application sent back	N/A	*Paid Date: 20 June 2023 Amount R15 000.00	*Paid Date: 20 June 2023 Amount R15 000.00

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
					products					
	TOTAL AMOUNT 1ST QUARTER								R 705 000.00	
12.	Southern Proteins	Victor Khanye Local Municipality	Delmas, Dryden	10	Animal Matter Processing	Renewal	Application sent back	N/A	Paid R5 000.00 Date: 23/11/2023	Paid R5 000.00 Date: 23/11/2023
13.	Shell South Africa Refinery	Emalahleni Local Municipality	Ferrobank, Emalahleni	2.4	Storage & handling of Petroleum Products	Variation	Draft	N/A	N/A	N/A
14.	Transnet Pipeline	Emalahleni Local Municipality	Ferrobank, Emalahleni	2.4	Storage & handling of Petroleum Products	Renewal	Draft	N/A	R5 000.00	Invoiced
15.	Samancor Middelburg Ferrochrome	Steve Tshwete Local Municipality	N11 Hendrina Road, Middelburg	4.1; 4.5 and 4.9	Production of ferro-alloys	Variation	Draft	N/A	N/A	N/A
16.	Bushveld Vanchem	Emalahleni Local Municipality	Ferrobank, Emalahleni	4.18	Vanadium Ore Processing	Variation	Draft	N/A	N/A	N/A
17.	Federale Stene	Steve Tshwete Local Municipality	Farm Rietfontein, Mhluzi	5.9	Production of Bricks	S22A	Issued	R1,205 00.00	Paid R300 000.00 Date: 29/09/2023 Date:	Paid R300 000.00 Date: 29/09/2023 Date: 31/10/

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
									31/10/2023 Date: 30/11/2023	2023 Date: 30/11/2023
18.	Much Asphalt	Emalahleni Local Municipality	Ferrobank, Emalahleni	5.10	Macadam Preparation	S22A	Application sent back	R1,205 00.00	Invoiced	Invoiced
19.	Hillpan	Emalahleni Local Municipality	Highveld industrial Pack, Emalahleni	5.2	Drying	S22A	Application sent back	R1,205 00.00	Invoiced	Invoiced
20.	HWJ Timbers	Emalahleni Local Municipality	Ferrobank, Emalahleni	3.3	Tar production	Section 22A	Application sent back	R500 00 0.00	Paid R50 000 Date: 31/10/2023	Paid R50 000 Date: 31/10/2023
21.	Eskom Duvha Power Station	Emalahleni Local Municipality	Old Bethal Road, Emalahleni	1.1; 2.4 and 5.1	Storage of ore and coal, solid fuel combustion installations and storage and handling of petroleum products	Renewal	Application sent back	N/A	*Paid R15 000 00	*Paid R15 000 00
22.	Eskom Matla Power Station	Emalahleni Local Municipality	21 Warbler, Kriel	1.1; 2.4 and 5.1	Storage of ore and coal, solid fuel combustion	Renewal	Application sent back	N/A	*Paid Date: 20 June 2023 Amount R15	*Paid Date: 20 June 2023

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
					installations and storage and handling of petroleum products				000.00	Amount R15 000.00
23.	Eskom Kusile Power Station	Emalahleni Local Municipality	R545 Kendal/ Palmoral Road, Haartebeesfontein Farm, Witbank, Emalahleni Local Municipality	1.1; 2.4 and 5.1	Storage of ore and coal, solid fuel combustion installations and storage and handling of petroleum products	Variation	Application sent back	N/A	N/A	N/A
	TOTAL AMOUNT 2ND QUARTER								**R 355 000.00**	
24.	Southern Proteins	Victor Khanye Local Municipality	Delmas, Dryden	10	Animal Matter Processing	Renewal	Issued	N/A	*Paid R5 000.00 Date: 23/11/2023	*Paid R5 000.00 Date: 23/11/2023
25.	Eskom Kusile Power Station	Emalahleni Local Municipality	R545 Kendal/ Palmoral Road, Haartebeesfontein Farm, Witbank	1.1; 2.4 and 5.1	Storage of ore and coal, solid fuel combustion installations and storage and handling of	Variation	Issued	N/A	N/A	N/A

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
					petroleum products					
26.	Bushveld Vanchem	Emalahleni Local Municipality	Ferrobank, Emalahleni	4.18	Vanadium Ore Processing	Variation	Issued	N/A	N/A	N/A
27.	Shell South Africa Refinery	Emalahleni Local Municipality	Ferrobank, Emalahleni	2.4	Storage & handling of Petroleum Products	Variation	Draft	N/A	N/A	N/A
28.	Transnet Pipeline	Emalahleni Local Municipality	Ferrobank, Emalahleni	2.4	Storage & handling of Petroleum Products	Renewal	Draft	N/A	Paid R5 000.00 Date: 29/02/2024	Paid R5 000.00 Date: 29/02/2024
29.	Samancor Middelburg Ferrochrome	Steve Tshwete Local Municipality	N11 Hendrina Road, Middelburg	4.1; 4.5 and 4.9	Production of ferro-alloys	Variation	Draft	N/A	N/A	N/A
30.	Federale Stene	Steve Tshwete Local Municipality	Farm Rietfontein, Mhluzi	5.9	Production of Bricks	S22A	Issued	R1,205 00.00	Paid R300 000.00 Date: 31/12/2023 Date: 31/01/2024 Date: 28/02/2024	Paid R300 000.00 Date: 31//12/2023 Date: 31/01 2024 Date: 28/02/ 2024

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
31.	Much Asphalt	Emalahleni Local Municipality	Ferrobank, Emalahleni	5.10	Macadam Preparation	S22A	Application sent back	R1,205 00.00	Invoiced	Invoiced
32.	Hillpan	Emalahleni Local Municipality	Highveld industrial Pack, Emalahleni	5.2	Drying	S22A	Application sent back	R1,205 00.00	Invoiced	Invoiced
33.	Eskom Matla Power Station	Emalahleni Local Municipality	21 Warbler, Kriel	1.1; 2.4 and 5.1	Storage of ore and coal, solid fuel combustion installations and storage and handling of petroleum products	Renewal	Draft	N/A	*Paid R15 000.00 Date: 20 June 2023	*Paid R15 000.00 Date: 20 June 2023
34.	Eskom Kusile Power Station	Emalahleni Local Municipality	R545 Kendal/ Palmoral Road, Haartebeesfontein Farm, Witbank	1.1; 2.4 and 5.1	Storage of ore and coal, solid fuel combustion installations and storage and handling of petroleum products	Renewal	Draft	N/A	Paid R15 000.00 Date:27/02/2024	Paid R15 000.00 Date:27/02/2024
35.	Corobrik	Steve Tshwete		5.9	Ceramic production	Renewal	Draft	N/A	R5 000.00	invoiced

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
	TOTAL AMOUNT 3RD QUARTER								R 320 000.00	
36.	Eskom Kusile Power Station	Emalahleni Local Municipality	R545 Kendal/ Palmoral Road, Haartebeesfontein Farm, Witbank	1.1; 2.4 and 5.1	Storage of ore and coal, solid fuel combustion installations and storage and handling of petroleum products	Renewal	Issued	N/A	Paid* R15 000.00 Date:27/02/2024	Paid* R15 000.00 Date:27/02/2024
37.	Shell Downstream South Africa (Pty) – Witbank Terminal	Emalahleni Local Municipality	17 Schonland Drive, Ferrobank, Emalahleni Local Municipality	2.4	Storage and Handling of Petroleum Products	Variation	Issued	N/A	N/A	N/A
38.	Transnet Pipelines – Witbank Depot	Emalahleni Local Municipality	9 Schonland Drive, Ferrobank, Emalahleni Local Municipality	2.4	Storage and Handling of Petroleum Products	Renewal	Issued	N/A	R5,000.00	Paid* R5,000.00 Date: 29 February 2024
39.	Corobrik (Pty) Ltd – Middelwit Factory	Steve Tshwete Local Municipality	285 JS Farm Mooifontei, Presidents Road, Middelburg	5.9	Ceramic Production	Renewal	Issued	N/A	R5,000.00	Paid R5,000.00 Date: 26 March 2024

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
40.	Federale Stene	Steve Tshwete	Farm Rietfontein, Mhluzi	5.9	Production of Bricks	Section 22A	Issued	R1,200,000.00	R5,000.00	Paid R100,000.00 Date: 02 April 2024 R100,000.00 Date: 30 April 2024 R100,000.00 Date: 31 May 2024
41.	Eskom Arnot Power Station	Steve Tshwete Local Municipality	Rietkuil No. 491JS	1.1; 2.4 & 5.1	Storage of ore and coal, solid fuel combustion installations and storage and handling of petroleum products	Renewal	Issued	N/A	R15,000.00	Paid R15,000.00 Date: 23 April 2024
42.	Hillpan (Pty) Ltd	Emalahleni Local Municipality	309-JS, Elandsfontein 1449, Emalahleni Highveld Industrial Park, Emalahleni	5.2	Drying	Section 22A	Issued	Fine reduced to R200,000.00	R5,000.00	Paid R21,667.00 Date: 29 April 2024 R16,667.00

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
			Local Municipality							Date: 31 May 2024
43.	Eskom Hendrina Power Station	Steve Tshwete Local Municipality	Farm Portion 162-IS, Pullenshope, 1096	1.1; 2.4 & 5.1	Storage of ore and coal, solid fuel combustion installations and storage and handling of petroleum products	Renewal	Issued	N/A	R15,000.00	Paid R15,000.00 Date: 23 April 2024
44.	Corobrik (Pty) Ltd – Eastbbrick Factory	Steve Tshwete Local Municipality	285 JS Farm Mooifontein, Presidentrus Road, Middelburg	5.9	Ceramic Production	Renewal	Issued	N/A	R5,000.00	Paid R5,000.00 Date: 30 April 2024
45.	Shell Downstream South Africa (Pty) – Witbank Terminal	Emalahleni Local Municipality	17 Schonland Drive, Ferrobank, Emalahleni Local Municipality	2.4	Storage and Handling of Petroleum Products	Renewal	Issued	N/A	R5,000.00	Paid R5,000.00 Date: 10 May 2024
46.	Samancor Middelburg Ferrochrome	Steve Tshwete Local	Hendrina Road, Middelburg, Steve Tshwete	4.1; 4.5; 4.9 & 5.1	Drying and Calcining	Variation (new Listed Activity 5.1)	Draft	N/A	R10,000.00 (new listed activity)	Paid R10,000.00 Date: 04 June

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
		Municipality	Local Municipality			and Renewal			and R20,000.00 (Renewal)	2024 R20,000.00 (Invoiced)
47.	Eskom Kriel Power Station	Emalahleni Local Municipality	Bethal/Ogies Road, Emalahleni, 2271	1.1; 2.4 & 5.1	Storage of ore and coal, solid fuel combustion installations and storage and handling of petroleum products	Renewal	Draft	N/A	R15,000.00	Paid R15,000.00 Date: 30 April 2024
48.	Infrabuild Cement (Pty) Ltd	Steve Tshwete Local Municipality	Hendrina Road, Middelburg, Steve Tshwete Local Municipality	4.1 & 5.4	Drying and Calcining, Cement production	Renewal	Draft	N/A	R10,000.00	Paid R10,000.00 Date: 13 June 2024
49.	Transalloys (Pty) Ltd	Emalahleni Local Municipality	Portion 34 and 25 of the Farm Elandsfontein, 309 JS,	4.5; 4.6; 4.9 & 4.11	Agglomeration Operations, Ferro-alloys	Variation-Renewal	Draft	N/A	R20,000.00	Invoiced

No.	Name of Facility	Location of Facility		NEMAQA Sec 21 Listed Activity	Description of Activity	Type of AEL Application	AEL Processing Progress	NEMAQA Sec 22A Fine	AEL Processing Fee	AEL Processing Fee Paid
		Local Municipality	Physical Address							
			Clewer Road, Emalahleni and Portion 20 and 24 of the Farm Schoongezicht, 308 JS, Clewer Road, Emalahleni Local Municipality		production, sinter plant					
50.	Much Asphalt	Emalahleni Local Municipality	70 Newton Road, Ferrobank, Witbank	5.10	Macadam Preparation	Section 22A	Processing	Fine reduced to R1,000,000.00	R5,000.00	Invoiced
	TOTAL AMOUNT 4TH QUARTER								**R 418,334.00**	
	TOTAL AMOUNT GENERATED 2023/2024								**R 1, 798 334.00**	

3.11.5 MHS AND ENVIRONMENTAL MANAGEMENT AWARENESS COMPAIGNS

Environmental awareness campaigns are done to make people aware and educate them on environmental issues like waste management, air pollution, and climate change. People are taught ways of waste minimisation and recycling. Illegal dumping of waste in open spaces is problematic throughout the District. In these campaigns, illegal dumping sports are cleaned and adopted for some use like establishing a car wash or a park.

During 2023-2024 financial year, the District Municipality have conducted (45) awareness campaigns.

Table 3.42 MHS and Environmental Management Awareness Campaigns

NO.	DATE	AREA/ VENUE	FOCUS OF THE AWARENESS	LOCAL MUNICIPALITY
1	07 July 2023	Rockdale U Save Supermarket	Waste management & Climate Change	Steve Tshwete
2	20 July 2023	Phumula - Near Tweefontein Industrial Site	Clean-up campaign	Thembisile Hani Local Municipality
3	01 August 2023	Sofunda Secondary School, Mhluzi	Air Quality and Climate Change	Steve Tshwete Local Municipality
4	30 August 2023	Dullstroom	Waste Management	Emakhazeni Local Municipality
5	31 August 2023	Lungisani Primary School Siyabuswa C	Clean-up campaign	Dr JS Moroka Local Municipality
6	01 September 2023	Emgwenya / Waterval Boven	Waste Management and Air Quality	Emakhazeni Local Municipality
7	04 September 2023	Thubelihle, Kriel	Clean-up campaign	Emalahleni Local Municipality
8	06 September 2023	Ward 5 Siyabuswa B	Waste Management & Air Quality	Dr JS Moroka Local Municipality
9	07 September 2023	Batlagae Primary School, Doornkop	Clean-up campaign	Steve Tshwete Local Municipality
10	07 September 2023	Emalahleni Local Municipality, Clewer	Air Quality & Climate Change	Emalahleni Local Municipality
11	19 September 2023	Delmas, Fundisisa Combined School	Air Quality & Climate Change	Victor Khanye Local Municipality
12	12 October 2023	Dullstroom Primary School	Waste Management & Air Quality	Emakhazeni Local Municipality
13	13 October 2023	Vaalbank B, Ward 16, Siyabuswa,	Clean-up campaign	Dr JS Moroka Local Municipality
14	19 October 2023	Ackerville, Emalahleni	Air Quality & Climate Change	Emalahleni Local Municipality
15	31 October 2023	Eastdene Combined School	Waste Management & Air Quality	Steve Tshwete Local Municipality
16	31 October 2023	Luthuli Village	Waste Management & Air Quality	Thembisile Hani Local Municipality
17	08 November 2023	Entokozweni/Emthonjeni	Clean-up campaign	Emakhazeni Local Municipality
18	09 November 2023	Reyno Ridge, Emalahleni	Waste Management & Air Quality	Emalahleni Local Municipality
19	29 November 2023	Middelburg ,Mhluzi Mall	Air Quality & Climate Change	Steve Tshwete Local Municipality
20	29 November 2023	Delmas, Khangela Primary School	Climate Change and Air Quality	Victor Khanye Local Municipality
21	11 December 2023	Magodongo, Ward 2, Moloto	Waste Management	Thembisile Hani Local Municipality
22	25 January 2024	Eipaso R544 Next to Caltex Garage, Emalahleni	Climate Change and Air Quality	Emalahleni Local Municipality
23	25 January 2024	Emalahleni CBD Local Bus Rank	Waste Management	Emalahleni Local Municipality
24	25 January 2024	Buhlebesizwe Ward 16	Clean-up campaign	Thembisile Hani Local Municipality
25	02 February 2024	Mareleng Primary School, Maganaubuswa	Waste Management	Dr JS Moroka Local Municipality
26	08 February 2024	Clewer (Emalahleni) Shongololo Pre-School	Climate Change and Air Quality	Emalahleni Local Municipality
27	15 February 2024	Emgwenya / Waterval Boven	Clean-up campaign	Emakhazeni Local Municipality
28	21 February 2024	Delmas, Melita Old Age Home	Air Quality and Climate Change	Victor Khanye Local Municipality
29	27 February 2024	Mthombeni Primary School	Waste Management & Climate Change	Steve Tshwete Local Municipality
30	06 March 2024	Nokaneng Community Hall	Clean-up campaign	Dr JS Moroka Local Municipality
31	14 March 2024	Bright Star Primary School – Eastdene	Climate Change and Waste	

NO.	DATE	AREA/ VENUE	FOCUS OF THE AWARENESS	LOCAL MUNICIPALITY
			Management	Steve Tshwete Local Municipality
32	15 March 2024	Belfast Higher Primary School – Siyathuthuka	Climate Change and Waste Management	Emakhazeni Local Municipality
33	26 March 2024	Middelburg, Adelaide Tambo Hall	Waste Management	Steve Tshwete Local Municipality
34	08 April 2024	Lehlaka Combined School, Rietspruit, Kriel	Climate Change and Waste Management	Emalahleni Local Municipality
35	22 April 2024	Newton Clinic, Mhluzi	Waste Management	Steve Tshwete Local Municipality
36	24 April 2024	Suncity A/ Kwamhlanga Taxi Rank	Clean-up campaign	Thembisile Hani Local Municipality
37	30 April 2024	Allemansdrift C	Clean-up campaign	Dr JS Moroka Local Municipality
38	08 May 2024	Tweenfontein B2	Clean-up campaign	Thembisile Hani Local Municipality
39	09 May 2024	GaPhaahla Community Hall	Clean-up campaign	Dr JS Moroka Local Municipality
40	15 May 2024	Evergreen Primary School	Climate Change	Steve Tshwete Local Municipality
41	15 May 2024	Dumizizwe Primary School	Waste Management	Emakhazeni Local Municipality
42	07 June 2024	Twizza Middelburg	Waste Management	Steve Tshwete Local Municipality
43	13 June 2024	Ukhwezi Lower Primary School and Siyathuthuka - Siyathuthuka/Emakhazeni	Air Quality	Emakhazeni Local Municipality
44	13 June 2024	Ninja Park Lynnville	Air Quality	Emalahleni Local Municipality
45	20 June 2024	Delmas	Waste Management	Victor Khanye Local Municipality

3.11.6 IMPLEMENTATION OF THE NEMA: ENVIRONMENTAL IMPACT ASSESSMENT (EIA) REGULATIONS 2010

The NDM participates as an interested and affected party in the Implementation of the NEMA: Environmental Impact Assessment (EIA) Regulations 2010 (as amended) otherwise called the Environmental Authorization. Hence, the NDM participated in the following Environmental Authorization throughout the District.

The purpose of commenting on development proposals is the ensure that negative impacts are minimized, and positive impacts are maximized. These developments are for mining, development of shopping complexes, residential complexes and other developments

Table 3.43 Environmental Authorizations

Project Description	Local Municipality	EAP/ consultant	Basic/Scoping Assessment (Listed or not listed activity –in terms of Section 21 of Air Quality Act 2004)	Date Received by NDM	Description of the property on which the activity is to be undertaken	Description of the environment that may be affected by the proposed activity	Action and or Comments of NDM
Draft Basic Assessment Report for the Proposed Manganese Sulphate Processing Plant eMakhazeni Local Municipality, Nkangala District Municipality, Mpumalanga Province.	eMakhazeni Local Municipality.	EnviroGistics (Pty) Ltd	Draft Basic Assessment Report.	20/07/2023	Situated on Portion 4 of the farm Schoongezicht 364JT, Remainder Extent of the farm Dalmanutha 376JT and Portion 6 of the farm De Kroon 363JT Emakhazeni Local Municipality, Nkangala District Municipality, Mpumalanga Province.	The proposed plant will not have potential significant emissions to the atmosphere hence all gases and vapours generated by the plant will be recycled through the process via various closed loop scrubbing system.	Nkangala District Municipality supports the proposed Manganese Sulphate Processing Plant at African Rainbow Minerals (ARM) Machadodorp Works.
Proposed establishment of a Solar Photovoltaic and battery energy storage system facility and associated infrastructure at the Komati Power Station, Mpumalanga Province.	Steve Tshwete Local Municipality.	Wsp environmental consultants	Environmental Impact Assessment Report	18/08/2023	Portion 0 of the farm Komati Power Station 56-IS in the Steve Tshwete Local Municipality located within the Nkangala District Municipality in Mpumalanga Province.	The operational phase of the facility will not result in potentially significant, detrimental point-source pollutant emissions into the atmosphere and the measures have been proposed to control fugitive emissions (PM_{10} and $PM_{2.5}$) associated with the project life cycle of the	Nkangala District Municipality supports the proposed establishment of a Solar PV and BESS facility at the Komati Power Station.

Project Description	Local Municipality	EAP/ consultant	Basic/Scoping Assessment (Listed or not listed activity –in terms of Section 21 of Air Quality Act 2004)	Date Received by NDM	Description of the property on which the activity is to be undertaken	Description of the environment that may be affected by the proposed activity	Action and or Comments of NDM
						facility.	
Proposed Industrial Development for OR Thambo Industrial Park (Pty) Ltd	eMalahleni Local Municipality	Labesh (Pty) Ltd	Draft Basic Assessment Report	14/09/2023	Portion 24 of the Farm Zeekoewater 311 JS eMalahleni Local Municipality within Nkangala District Municipality, Mpumalanga Province.	The proposed Industrial Development for OR Thambo Industrial Park will have significant fugitive emissions that will need to be management and monitored throughout the construction phase.	Nkangala District Municipality supports the proposed Industrial Development for OR Thambo Industrial Park (Pty) Ltd however, the comments are not yet finalised.
Draft Basic Assessment- Environmental Authorization Application for the Proposed Residential Development for Massyn Geboue (Pty) Ltd, eMalahleni Local Municipality, Mpumalanga	eMalahleni Local Municipality	Labesh (Pty) Ltd	Formal Notification letter for the Environmental Authorization Application and Background Information Document (BID)	15/09/2023	Portion 1 of Holding 32 of Riverview Agricultural Holdings project, eMalahleni Local Municipality, Mpumalanga Province.	None	Waiting for the Draft Basic Assessment Report.

Project Description	Local Municipality	EAP/ consultant	Basic/Scoping Assessment (Listed or not listed activity –in terms of Section 21 of Air Quality Act 2004)	Date Received by NDM	Description of the property on which the activity is to be undertaken	Description of the environment that may be affected by the proposed activity	Action and or Comments of NDM
Province.							
Proposed construction of Zibulo Colliery 132KV overhead powerline project within Victor Khanye Local Municipality, Nkangala District Municipality Mpumalanga Province.	Victor Khanye Local Municipality	Environmental Impact Management Services (EIMS)	Basic Assessment Report	02/10/2023	Farm Leeuwfontein 219 (Portions: 0 RE,12, 13, 21, 24,35); Olga 35 (Portion 0 RE); Rietvlei 64 (Portion: 0 RE, 1, 4, 7); Smithfield 44 (Portions: 1, 2, 3, 4, 5) Zondagsfontein 253 (Portions: 0 RE, 3, 4, 5, 6, 7, 8, 9,12, 13,14 15)	The proposed construction of the powerline will not have significant emissions to the atmosphere as most of the activities involves linear activities that have low impact on the environment.	Nkangala District Municipality supports the proposed construction of Zibulo Colliery 132KV overhead powerline project.
Draft Basic Assessment- Environmental Authorization Application for the Proposed Residential Development for Massyn Geboue (Pty) Ltd, eMalahleni Local Municipality, Mpumalanga	eMalahleni Local Municipality	Labesh (Pty) Ltd	Draft Basic Assessment Report	10/10/2023	Portion 1 of Holding 32 of Riverview Agricultural Holdings project, eMalahleni Local Municipality, Mpumalanga Province.	The proposed residential development during the construction phase, the risks will be the generation of dust by construction vehicles and as well as emissions from construction vehicles and will not have potentially significant emissions to the	Nkangala District Municipality supports the proposed Residential Development for Massyn Goboue (Pty) Ltd.

Project Description	Local Municipality	EAP/ consultant	Basic/Scoping Assessment (Listed or not listed activity –in terms of Section 21 of Air Quality Act 2004)	Date Received by NDM	Description of the property on which the activity is to be undertaken	Description of the environment that may be affected by the proposed activity	Action and or Comments of NDM
Province.						atmosphere because the implementation of dust suppression techniques will be undertaken.	
Environmental Impact Assessment process for the proposed expansion of the Weltevreden colliery mining Operations within Steve Tshwete Local Municipality, Nkangala District Municipality Mpumalanga Province.	Steve Tshwete Local Municipality.	NTC Group consultants	Environmental Impact Assessment Report	23/10/2023	Portion 13, 19 Farm Kafferstad 195 IS in the Steve Tshwete Local Municipality located within the Nkangala District Municipality in Mpumalanga Province.	Possible fugitive emissions resulting from movement of vehicles on the site and impact on land and air around.	Nkangala District Municipality supports the proposed expansion of the Weltevreden colliery mining operations.
Proposed expansion of Thungela Khwezela North Colliery Operations (Pty) Ltd for the Overburden	eMalahleni Local Municipality	Shangoni Management Services (Pty) Ltd	Drat Basic Assessment Report..	23/02/2024	Farm Blaauwkrans 323 JS eMalahleni Local Municipality, Nkangala District Municipality.	The proposed expansion of the overburden stockpile and Haul Road and the existing and proposed topsoil dumps will not	Nkangala District Municipality supports the proposed expansion of the Overburden stockpile, Haul Road and the

Project Description	Local Municipality	EAP/ consultant	Basic/Scoping Assessment (Listed or not listed activity –in terms of Section 21 of Air Quality Act 2004)	Date Received by NDM	Description of the property on which the activity is to be undertaken	Description of the environment that may be affected by the proposed activity	Action and or Comments of NDM
Stockpile, Haul Road and proposed Topsoil Dumps within eMalahleni Local Municipality, Nkangala District Municipality Mpumalanga Province.						have significant emissions to the atmosphere as most of the activities have low impact or the expansion poses relatively low environmental risks by diligently applying mitigation strategies, the expansion is expected to have a reduced environmental impact, thereby preserving the integrity of both the aquatic and surrounding ecosystems.	proposed topsoil dumps.
Draft Basic Assessment Report- Environmental Authorization Application for the Proposed Mixed-Use Commercial	eMalahleni Local Municipality	Labesh (Pty) Ltd	Draft Basic Assessment Report.	26/02/2024	Erf 827, Erf 828 and Erf 842 of Corridor Hill Extension 1 within eMalahleni Local Municipality of Nkangala District Municipality,	The proposed Mixed-Used Commercial development during the construction phase, the risks will be the generation of dust by construction vehicles	Nkangala District Municipality supports the proposed Residential Mixed-Used Commercial Development for M & F Giuricich Development

Project Description	Local Municipality	EAP/ consultant	Basic/Scoping Assessment (Listed or not listed activity –in terms of Section 21 of Air Quality Act 2004)	Date Received by NDM	Description of the property on which the activity is to be undertaken	Description of the environment that may be affected by the proposed activity	Action and or Comments of NDM
Development for M & F Giuricich Development (Pty) Ltd, eMalahleni Local Municipality, Mpumalanga Province.					Mpumalanga Province.	and as well as emissions from construction vehicles and will not have potentially significant emissions to the atmosphere because the implementation of dust suppression techniques will be undertaken.	(Pty) Ltd.
Basic Assessment Report for the proposed establishment of a Cemetery and associated infrastructure (Ablution facilities and admin or security structure within Emakhazeni Local Municipality in Nkangala District Municipality	Emakhazeni Local Municipality	Lebami Consulting and Projects (Pty) Ltd	Draft Basic Assessment Report.	05/06/2024	Portion 38, remainder (Portion 0) and remainder of portion 1 of the farm Geluk 348 JT in Entokozweni within Emakhazeni Local Municipality in Nkangala District Municipality Mpumalanga Province.	The nature of the impact on the environment it is said that increased dust generation due to clearing of vegetation and movement of vehicles will result and thus the dust-reducing mitigation measures would be put in place and strictly adhered to: A continuous dust	Nkangala District Municipality supports the proposed establishment of Cemetery and associated infrastructure of Portion 1 of the farm Geluk 348 JT in Entokozweni.

Project Description	Local Municipality	EAP/ consultant	Basic/Scoping Assessment (Listed or not listed activity –in terms of Section 21 of Air Quality Act 2004)	Date Received by NDM	Description of the property on which the activity is to be undertaken	Description of the environment that may be affected by the proposed activity	Action and or Comments of NDM
Mpumalanga Province.						monitoring process to be undertaken during construction.	
Draft Basic Assessment Report- For the proposed construction approximately 1.94km 132 KV Chickadee powerlines to supply boschmanskop traction substation within Steve Tshwete Local Municipality in Nkangala District, Mpumalanga Province.	Steve Tshwete Local Municipality	Naledzi Environmental Consultants (Pty) Ltd	Draft Basic Assessment Report.	07/06/2024	Portion 3,7,8 and 11 of farm Boschmanskop 154 IS, portion 13 and 18 of farm Roodepoort 151 IS and portion 11 of farm Hendrina Power station 162 IS within the jurisdiction of Steve Tshwete Local Municipality in Nkangala District Municipality, Mpumalanga Province.	The proposed construction of the powerline will have low risks as the preferred alternative (Alternative 1). This determination is based on the fact that it represents the shortest route, thus minimizing environmental impacts compared to longer routes, and it avoids crossing over any watercourses.	Nkangala District Municipality supports the proposed construction (1.94km 132 KV) Eskom Chickadee powerlines to supply boschmanskop traction substation.
Proposed expansion (expanded from 14m^{3}to 475 m^3) of a Diesel depot in	Emakhazeni Local Municipality	Ponye Trading and Projects (Pty) Ltd	Basic Assessment Report	11/06/2024	Portion 18 of the farm Wonderfontein 428 JS within Emakhazeni Local Municipality in Nkangala	The impact on the environment could be leaks from fuel tanks during the operation phase, and with that	Nkangala District Municipality supports the proposed expansion of a Diesel depot in

Project Description	Local Municipality	EAP/ consultant	Basic/Scoping Assessment (Listed or not listed activity –in terms of Section 21 of Air Quality Act 2004)	Date Received by NDM	Description of the property on which the activity is to be undertaken	Description of the environment that may be affected by the proposed activity	Action and or Comments of NDM
Wonderfontein village within Emakhazeni Local Municipality in Nkangala District Municipality Mpumalanga Province.					District Municipality Mpumalanga Province.	the proposed mitigation was that monitoring wells will be installed for the underground storage tank to serve as an avenue for leak detection and leak monitoring. Impact on contamination to soil through aboveground tank leaks during operation- Onsite the bunded area can contain spills/leaks from tanks and regular inspection of the storage tanks will be undertaken. Dust during construction- Use of water sprinkler to suppress dust will be implemented on site, maintain and attend to complaint register regarding onsite dust fallout.	Wonderfontein village.

Table 3.44 Employees: Pollution Control

Employees: Pollution Control					
	2021/2022	2023/2024			
Job Level	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	4	4	3	1	25%
7 – 9					
10 – 12					
Total	5	5	4	1	20%

*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.* *T 3.10.4*

COMPONENT F: HEALTH

In the context of Nkangala District Municipality, health refers to Municipal and Environmental Health Services.

3.12 INTRODUCTION TO HEALTH

In accordance with Section 84 (e) and (i) of the Local Government: Structures Act 117 of 1998 deals with planning and operation of the regional solid waste disposal sites and Municipal Health Services respectively as part of the mandate of a District Municipalities. The National Health Act 61 of 2003 describe Municipal Health Services (MHS) as including: - Water Quality Monitoring, Food Control, Waste Management, Health Surveillance of Premises, Surveillance and Prevention of Contagious Diseases, Vector Control, Environmental Pollution Control, Disposal of the Dead and Chemical Safety. Hence a number of the above-mentioned elements of MHS involve a lot of pollution control.

3.12.1 IMPLEMENTATION OF MUNICIPAL HEALTH SERVICES

National Health Act 61 of 2003, Section 32(1) determines that every metropolitan and District Municipality must render appropriate and effective Municipal Health Services in its respective area of jurisdiction. Hence the NDM conducts MHS and receives monthly MHS Reports from the six Local Municipalities and report quarterly to Council and Mpumalanga Department of Health. Some of MHS functions indicated on the SDBIP are as follows.

Table 3.45 Municipal Health Services

KPA	Financial Year 2020/2021	Financial Year 2021/2022	Financial Year 2022/2023	Financial Year 2023/2024
Water Quality Monitoring	3598 water samples collected	3693 Water samples collected	3662 Water samples collected	3749 water samples collected
Food control and safety	6082 food premises inspected	5590 food premises	5341 food premises	5547 food premises
Surveillance of Premises (Mortuaries)	395 funeral undertakers/ mortuaries inspected that includes exhumations	402 funeral undertakers	349 funeral undertakers	348 funeral undertakers
Surveillance of Premises Crèche's and ECD	986 creches and ECDs inspected	1076 creches and ECDs	1058 creches and ECDs	1132 creches and ECDs
Surveillance of premises- Schools	511 schools inspected	513 school inspected	519 school inspected	525 school inspected
Surveillance of premises- Old Age homes and disable centres	194 old age homes and disable centres inspected	232 old age homes and disable centres inspected	250 old age homes and disable centres inspected	266 old age and disable centres
Surveillance of premises- Accommodation facilities hotels, guesthouses	297 accommodation facilities inspected	293 accommodation facilities inspected	233 accommodation facilities inspected	256 accommodations inspected

3.12.2 MUNICIPAL HEALTH SERVICES TRAINING

Table 3.46 Nkangala District Municipality (NDM) Municipal Health Services (MHS) conducted training to business managers, owners or facility staff and other stakeholders around the District from 01 July 2023 – 30 June 2024

KPA	Year 2020/2021	2021/2022	2022/2023	2023/2024
MHS training conducted for facility owners and communities	58	57	68	79

3.12.3 MUNICIPAL HEALTH SERVICES JOINT OPERATIONS

Table 3.47 Nkangala District Municipality (NDM) Municipal Health Services (MHS) conducted joint operation with Sector Departments and Local Municipalities as part of compliance from 01 July 2023 – 30 June 2024

KPA	Year 2020/2021	Year 2021/2022	Year 2022/2023	Year 2023/2024
MHS joint operation conducted within communities and facilities	53	50	50	73

3.12.4 PREVENTION AND CONTROL OF COMMUNICABLE DISEASES

One of Environmental Health function is to prevent and control the spread of communicable diseases. South Africa experienced several cases of measles which are controlled and some few cases of cholera. EHPs conducted health education on measles and cholera.
The role of EHPs in the control of diseases

- To participate in Outbreak Response Team at Provincial, District and local level.
- To investigate the suspected cases and contact tracing.
- To ensure communities have access to safe water supply.
- To facilitate and monitor decontamination and disinfection of affected homes.
- To ensure effective waste management of health care risk waste.
- To conduct health education and awareness on public hygiene measures.

The District experienced one cholera case and suspected ones' results are still pending. The EHPs conducted health education of Cholera at the affected family and the communities around. Water samples were taken to laboratory, to test water sources for any possible contamination with Cholera bacteria. The MHS unit is working closely with other sector department to investigate any possibility of further cholera contamination within the district. All the District outbreak response teams have been activated and reporting daily to health department on the status of Cholera cases. It must be indicated that the source of Cholera cases has not been found nationally, only the imported cases from neighbouring countries were confirmed.

3.12.5 NKANGALA DISTRICT CHOLERA STATISTICS AS AT 30 JUNE 2024

Table 3.48 Cholera Statistics

Local municipality	Number of confirmed cases	Number of suspected cases	Number hospitalised	Number of water samples taken	Number of samples positive	Number of deaths
Dr JS Moroka	01	66	07	14	0	01
Steve Tshwete	0	01	01	02	0	0
Emakhazeni	0	0	0	10	0	0
Emalahleni	0	01	01	15	0	0
Victor Khanye	0	0	0	06	0	0
Thembisile Hani	0	01	1	10	0	0
NDM	01	69	09	57	0	01

Table 3.49 Projects: Municipal Health Services

Project No.	Project Description	Budget (R) Excl.	Expenditure (R)	% Exp.	Variance (R)	% Var.
Project No. 185480	Supply and installation of MHS water tank and stand for Dr JSMoroka office by 30 June 2024	R100 000	R77 550	78%	R22 450	22%
Project no. 18541	Supply and installation of MHS water tank and stand for Thembisile Hani office by 30 June 2024	R100 000	R77 550	78%	R22 450	22%
Project no. 185477	Replacement and repair of MHS Parkhome roof shelter at Dr JS Moroka office by 30 June 2024	R250 000	R84 900	34%	R165 100	66%
Project no. 185478	Replacement and repair of MHS Parkhome roof shelter at Thembisile Hani office by 30 June 2024	R250 000	R84 900	34%	R165 100	66%
Project no. 105605	Supply and installation of MHS information system for 36 months (Rollover)	R600 000	R598 857	99%	R1 143	1%
TOTAL		**R1 300 000**	**R923 757**	**71%**	**R376 243**	**29%**

Table 3.50 Employees: Municipal Health Services

Employees: Municipal Health Services					
Job Level	2021/2022	2023/2024			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	01	01	01	0	0%
4 – 6	36	36	36	0	0%
7 – 9	0	0	0	0	0%
10 – 12	0	0	0	0	0%
Comm Servers	2	2	2	0	0%
Total	39	39	39	0	0%

*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.*

T 3.10.4
It must be noted that NDM does not comply with national standard of EHPs that is 1:10 000
For the 2024/25 MHS unit received 31 community service EHPs for 12 – 24 months funded by LGSETA.

COMPONENT G: SECURITY AND SAFETY

3.13 Fire and rescue services

This component includes fire and disaster management.

3.13.1 FIRE SERVICES

Table 3.51 Incidents reported in 2023/2024

Local Municipality	Type of Incident	2019/2020 Total number of calls	2021/22 Total number of calls	2022/23 Total number of calls	2023/2024 Total number of calls
Thembisile LM	Motor Vehicle Accidents [MVA]	80	136	100	78
	Pedestrian Vehicle Accidents [PVA]	6	28	01	04
	Grass/Veld fires	94	122	87	85
	Other fires [structural; electric; vehicle etc.]	401 including disinfecting of schools building facilities due to Covid-19	87	83	71
Dr JS Moroka LM	Motor Vehicle Accidents [MVA]	73	91	97	96
	Pedestrian Vehicle Accidents [PVA]	8	13	04	07
	Grass/Veld fires	23	21	62	56
	Other fires [structural; electric; vehicle etc.]	44	24	79	59
Dr JS Moroka	Died on Accident Scene	14	09	23	18
Thembisile LM	Died on Accident Scene	33	85	24	23
Other services rendered by the fire department	Awareness Campaigns	51	336	716	262
	Fire extinguisher training	52	293	680	258
	Flammable certificates	08	48	26	42
	Hydrant inspections	02	5	102	48
	Drowning rescue	1	13	02	15
	Review of Business Plans	27	49	02	26
	Safety talks	119	293	00	-
	Special services	201	89	65	81

3.13.2 LAND ACQUISITION, DEVELOPMENT AND APPLICATION FOR ESTABLISHMENT OF NDM FIRE AND RESCUE TRAINING ACADEMY

The Municipal Structures Act 117 of 1998, Section 84 provides the functions of a District Municipality as follows:

Firefighting services serving the area of the district municipality, which includes-

(i) planning, co-ordination and regulation of fire services.
(ii) specialised firefighting services such as mountain, veld and chemical fire services.
(iii) co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures.
(iv) training of fire officers.

- NDM Officials engaged the Nkangala District Department of Agriculture, Rural Development, Land and Economic Affairs (DARDLEA) and visited the Marapyane Agricultural College at Marapyane on the 13th October 2023.
- The purpose of the visit was to understand the college infrastructure layout and establish the basis for possible co-corporation of the two government institutions to use the same facility, with the NDM establishing the Fire and Rescue Training Academy to train communities and professional career fire fighters already in fire and rescue services.
- On the other end the office of the Executive Mayor has written letters of request for meetings with the MEC B shiba for DARDLEA AND MEC for Education Mr Bonakele Majuba awaiting response.
- Follow up letter was sent by the office of the General Manager Community Development Services to Mr. Chunda to the department on the 07.06.2024 requesting to hold a meeting on any day between the 10th and 14th June 2024, and still no response was received

3.13.3 DISASTER MANAGEMENT

Emergency Services is reflected as Issue 11 in the NDM Integrated Development Plan and cater for both the Disaster Management as determined by the Disaster Management Act 2000.

The Nkangala Disaster Management Centre has been operating for 24 hours for the year under review. A full complement of eight (8) control room operators have been appointed. One of the infrastructural requirements necessary to enable the District Disaster Management Centre to operate optimally as outlined in the National Disaster Management Framework of 2005 is a 24-hour central communication for reporting, managing and coordinating response to events and disasters. The Centre also serves to disseminate early warning information in attempt to prevent disasters from occurring. The Emergency Number is **013 249 2800**.

EMERGENCY OPEN DAY

Nkangala District Municipality (NDM) held its 2023/2024 Emergency Services Open Day as per Service Delivery Budget Implementation Plan (SDBIP) in **SY Mthimunye stadium, Emalahleni Local Municipality** on the **23rd of April 2024**. The main objective of the event was to demonstrate the practical roles and responsibilities of the different emergency stakeholders during emergency operation and further educate the audience regarding the do's and don'ts in case of emergency.

The event was attended by a total number of 920 learners of Emalahleni as follows:

School Name	Total Number of Learners
Bonginsimbi Secondary School	190
Kopanang Secondary School	200
DM Motsausele Secondary School	100
Philip Ndimande Secondary School	80 (***Withdrawn due to other activities at the school)***
Hlalanikahle Primary School	100
Maloma Primary School	100
Sibukosethu Primary School	100
Khonzimfundo Primary School	70
Zachues Malaza Secondary School	60
Total number of learners	**920**

The following stakeholders participated in the event:

- Nkangala District Municipality Community Development Services MMC and officials
- Department of Education
- Disaster Management (NDM and Emalahleni)
- South African Police Services (SAPS) (K9, Squad Drill, Search and Rescue and SAPS Communications)
- Sasol
- Traffic (Local and Provincial)
- ER24 ambulance services
- Mpumalanga Department of Health
- Fire and Rescue Services (NDM and Emalahleni)
- Law Enforcement
- Working on Fire
- NDM Municipal Health Services

Nkangala District Municipality Disaster Management Center conducted a total number of thirty (30) Disaster Risk Reduction Awareness Campaign for the 2023/24 financial year as listed in the table 3.51 below:

Table 3.52 Disaster Risk Reduction Awareness Campaigns

First quarter		
11 August 2023	Victor Khanye LM	Rietkol Primary School, Eloff
22 August 2023	Emalahleni LM	Elpaso Informal Settlement
13 September 2023	Emakhazeni LM	Siyathuthuka Clinic
20 September 2023	Emakhazeni LM	Machadodorp Clinic
20 September 2023	Emalahleni LM	Komdraai Informal Settlement
21 September 2023	Emalahleni LM	Mpondozankomo Informal Settlement
29 September 2023	Victor Khanye LM	Fundisisa Combined School, Dryden
Second quarter		
18 October 2023	Emalahleni LM	Thabo Mbeki Informal Settlement
19 October 2023	Emalahleni LM	Kamgewane Informal Settlement
19 October 2023	Dr JS Moroka LM	Digwale Community Hall (Digwale village)
15 November 2023	Emalahleni LM	Kantariyane/Sizanane Informal settlement
20 November 2023	Thembisile Hani LM	Bundu Clinic (Bundu Village)
30 November 2023	Dr JS Moroka LM	Pankop community Hall
11 December 2023	Thembisile Hani LM	Moloto Village
Third quarter		
06 February 2024	Dr JS Moroka LM	Nokaneng Community Hall
09 February 2024	Emakhazeni LM	Ukhwezi Primary School, Siyathuthuka
13 February 2024	Steve Tshwete LM	Somaphepha Community Hall, Somaphepha Village
16 February 2024	Steve Tshwete LM	Koornfontein Primary School, Komati
27 February 2024	Emalahleni LM	Sinqobile Community Hall (Vosman)
12 March 2024	Emalahleni LM	Hlalanikahle Ext. 2
19 March 2024	Emalahleni LM	Tasbet Park (Ward 21)
19 March 2024	Steve Tshwete LM	Kwazamokuhle ext.7 (Hendrina)
27 March 2024	Steve Tshwete LM	Middelburg Care Village
Fourth quarter		
03 May 2024	Emakhazeni LM	Zwartkoppiespruit farm, Watervalboven
08 May 2024	Steve Tshwete	Kwazomokuhle Stadium
14 May 2024	Emakhazeni LM	Groovie Provincial Hospital, Belfast
16 May 2024	Thembisile Hani LM	Mangadisa Primary School, Lankloof Village

12 June 2024	Emakhazeni LM	Siyathuthuka Edu-Care
19 June 2024	Emakhazeni LM	Department of Roads and Transport, Belfast
26 June 2024	Steve Tshwete LM	Thungela Mine Goedehoop (Middelburg)

Stakeholders participated in the above-mentioned awareness campaigns include the following:

- Disaster Management officials both from the district and local municipalities.
- Municipal Health Services.
- Fire and Rescue Services.
- South African Police Service.
- Department of Health
- Department of Social Development
- South African Social Security Agency
- Provincial Emergency Management Services (Prov. EMS)
- Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA)
- South African Police Service (SAPS) and South African National Defence Force (SANDF)
- Steve Tshwete Traffic Department
- Steve Tshwete Environmental and Solid Waste Department
- Steve Tshwete Communications Department
- Working on Fire (WoF)
- Department of Forestry, Fisheries and Environment (DFFE)
- eMalahleni Disaster Management Center
- Thembisile Disaster Management team
- Thungela Goedehoop Colliery
- Netcare 911

MAJOR INCIDENTS

Nkangala District Municipality experienced the following incidents that occurred due to heavy rains in the third quarter.

Table 3.53 Major Incidents

Nkangala District Municipality did not declare any state of the local disaster as outlined in section 55 of Disaster Management Act 57 of 2002. However, four local municipalities experienced incidents as a result of natural hazards and the details are as follows:

Municipality	Date	Number of affected household	Cause	Nature of damage	intervention
eMalahleni	13/11/2023	36	Hailstorm	House roof structure	Tarpaulin
Emakhazeni	13/11/2023	17	Hailstorm	House roof structure	Tarpaulin
Dr JS Moroka	02/11/2023	3	Thunderstorm	House roof structure	Blankets, mattress, bio stove and gel.
	8/11/2023	3	Thunderstorm	House roof structure	Blankets, mattress, bio stove and gel.
	09/11/2023	1	Thunderstorm	House roof structure	Blankets, mattress, bio stove and gel.
	27/11/2023	18	Thunderstorm	House roof structure	Blankets, mattress, bio stove and gel.
Steve Tshwete	13/11/2023	373	Hailstorm	House roof structure	Tarpaulin sheet

The incidents reported on **Emalahleni and Steve Tshwete** were further escalated to the National Department of Human Settlement for assistance with the roof repairs both in informal and formal settlements. The department has already actioned the following:

- A team from the Emergency Housing section was dispatched to do assessments in both local municipalities.
- A full report of the affected households was submitted to the department as per their request on the form issued to NDM.
- The department indicated that support will be in form of Building Materials for Informal Settlements and Roof Repairs for Formal Settlements.
- The municipality is currently waiting for the department to finalize its processes, all beneficiaries will be reported to council once approved.

DECLARED DISASTERS

No Declared Disasters in the 2023/24 financial year.

3.14 DISASTER MANAGEMENT ADVISORY FORUM

The Disaster Management Act 57 of 2002, section 51 (1) indicates that metropolitan or district may establish a Municipal disaster management advisory forum (DMAF). According to indicated provision and content of the Act, NDM has established the DMAF which is active and sits on the quarterly basis. In the financial year under review, 4 quarterly DMAF were held.

Table 3.54 DMAF Meetings

VENUE	MUNICIPALITY	DATE
NDM Disaster Management Centre	NDM	14 September 2023
NDM Disaster Management Centre	NDM	28 November 2023
NDM Disaster Management Centre	NDM	26 March 2024
NDM Disaster Management Centre	NDM	11 June 2024

Table 3.55 Disaster Management Projects

Project No.	Project Description	Budget (R) Excl.	Expenditure (R)	% Exp.	Variance (R)	% Var.
Project No. 530	Appointment of a panel for the Supply and Delivery of Disaster Relief Tents and Tarpaulins for a period of three (3) years by 30 June 2024	R1 000 000	R726 400	72.64%	R273 600	27.36%
Project no. 185529	Appointment of Service Provider For The Supply, Delivery And Registration Of Foam Fender For Thembisile Hani Local Municipality	R5 000 000	R4 190 117	83.80%	R809 883	16.19%
	TOTAL	**R6 000 000**	**R4 916 517.21**	**81.9%**	**R1 083 482.79**	**18.1%**

Table 3.56 Employees: Disaster Management Services

Employees: Disaster Management Services					
Job Level	2021/2022	2023/2024			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	2	2	2	0	0%
7 – 9	8	8	7	1	12.5%
10 – 12	-	-	-	-	-
Total	11	11	10	1	9%

*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. T 3.10.4*

3.14.1 CONSOLIDATED CALLS WITHIN THE DISTRICT

Emergency Services is reflected as Issue 11 in the NDM Integrated Development Plan and cater for both the Disaster Management as determined by the Disaster Management Act 2000.

The Nkangala Disaster Management Centre has been operating for 24 hours for the year under review. A full complement of eight (8) control room operators have been appointed. One of the infrastructural requirements necessary to enable the District Disaster Management Centre to operate optimally as outlined in the National Disaster Management Framework of 2005 is a 24-hour central communication for reporting, managing and coordinating response to events and disasters. The Centre also serves to disseminate early warning information in attempt to prevent disasters from occurring. The Emergency Number is **013 249 2800**.

Table 3.57 Consolidated calls within the district

Local Municipality	Type of Incident	2022/2023 Total no. of calls	2023/2024 Total no. of calls
Thembisile LM	Motor Vehicle Accidents (MVA)	73	78
	Pedestrian vehicle accident (PVA)	03	04
	Grass/Veld fires	75	85
	Other fires (structural; electric; vehicle etc.)	68	71
	Special services	26	35
Dr. JS Moroka LM	Motor Vehicle Accidents (MVA)	87	96
	Pedestrian vehicle accident	04	07
	Grass/Veld fires	42	56
	Other fires (structural; electric; vehicle etc.)	55	59
	Special services	52	46
Steve Tshwete LM	Motor Vehicle Accidents (MVA)	378	728
	Pedestrian vehicle accident	23	72
	Grass/Veld fires	57	405
	Other fires (structural; electric; vehicle etc.)	137	212
	Special services	12	50
eMalahleni LM	Motor Vehicle Accidents (MVA)	195	382
	Pedestrian vehicle accident	11	19
	Grass/Veld fires	105	107

	Other fires (structural; electric; vehicle etc.)	98	128
	Special Services	27	42
	Motor Vehicle Accidents (MVA)	59	81
Victor Khanye LM	Pedestrian vehicle accident	00	02
	Grass/Veld fires	76	91
	Other fires (structural; electric; vehicle etc.)	55	72
	Special services	16	15
	Motor Vehicle Accidents (MVA)	207	103
Emakhazeni LM	Pedestrian vehicle accident	04	0
	Grass/Veld fires	82	232
	Other fires (structural; electric; vehicle etc.)	25	25
	Awareness campaign	13	25
	Special Services	00	00

3.14.2 EMERGENCY EVACUATION DRILL AND CAPACITY BUILDING

To ensure that all individuals in the building are familiar with escape routes, emergency exits and safety protocols during the emergency whereby they can be able to evacuate safely. A fire drill educates and prepares occupants for a swift evacuation in the event of an Emergency as an institution we normally targets government institutions

Table 3.58 Evacuation drills conducted within the district

NO.	FIRE STATION	VENUE	DATE
1.	Thembisile Fire station	Zamani Primary School, Tweefontein	02/08/2023
2.	Thembisile Fire station	Kwamhlanga Hospital, Kwamhlanga	15/08/2023
3.	Thembisile Fire station	Rhenosterkop Clinic, Makometsane	10/08/2023
4.	Thembisile Fire station	Nkangaladistrict Municipality Head Offices, Middleburg	18/03/2024
5.	JS Moroka Fire station	Maganagubuswa Clinic, Maganagubuswa	23/05/2024
6	JS Moroka Fire station	Katale Square Mall, Marapyane	03/05/2024
7.	JS Moroka Fire station	Moripe Filling Station, Maphothla	24/06/2024

Table 3.59 Employees: Fire Services

Employees: Fire Services					
Job Level	2022/2023	2023/2024			
	Employees	Posts	Employees	Vacancies (Fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	2	02	2	00	0
4 – 6	2	02	2	00	0
7 – 9	11	30	27	03	10%
10 – 12	84	47	50	03	6%
Total	99	81	81	06	7%

*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.*
T 3.10.4
NDM has 12 positions for Fire Reservists, and 8 positions filled by June 2024.

Table 3.60 Capital Expenditure Year 2023/2024 – Fire Services

Project No.	Project Description	Budget (R)	Expenditure (R)	% Exp.	Variance (R)	% Var.
	Supply, delivery and registration of response vehicle for NDM 30 JUNE 2024	R3 000 000,00	R3 000 000,00	100 %	R0	0%
	Supply, delivery, and registration of (1) medium fire engine for Dr JS Moroka fire station by 30 June 2024	R5 000 000,00	r0	0%	R5 000 000,00	100 %
	Supply, delivery and registration of (1) foam fender for Dr JS Moroka fire station by 30 June 2024	R5 000 000,00	R4,846 000,00	96,92 %	R154 000	3.08%
	Development/installation of fire and rescue information management system	R250 000,00	R0	0%	R250 000,00	100 %
	Supply and delivery of fire & rescue uniform and PPE for a period of thirty six (36) Months.	R700 000,00	R0	0%	R700 000,00	100 %
	TOTAL	**R13 950 000,00**	**R7 846 000**	**56.24 %**	**R6 104 000,00**	**43,76 %**

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.15 EXECUTIVE COUNCIL

Nkangala District Municipality has got four high offices namely, the office of the Executive Mayor, Office of the Speaker, Office of the Council Whip and Office of the Municipal Manager. The office of the Executive Mayor is responsible for the Mayoral Committee members whilst the office of the Speaker is responsible for (amongst others) ensuring that the Council business is conducted in an orderly manner. On the other hand, the office of the Council Whip ensures that all Councillors including the members of the Mayoral Committee attend Council, Mayoral and other Council Committees they are delegated to serve on. The office of the Municipal Manager is responsible for the general administration and the NDM staffs well-being, which includes the provision of a job description for each post, attach remuneration and other conditions of service to each post as may be determined in accordance with any applicable labour legislation and establish a process or mechanism to regularly evaluate the staff establishment and, if necessary, review the staff establishment and the remuneration and the conditions of service.

3.16 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Information and Communications Technology (ICT) Division has the mandate to deliver services, and support and maintenance of ICT infrastructure for the Nkangala District Municipality for the afore mentioned to realise its goals and objectives. Summarily, ICT serves as a vehicle and an enabler for service delivery:

- NDM has reviewed the Municipal Corporate Governance of ICT Framework Policy and the implementation imperatives are being implemented continuously.
- The Nkangala District Municipality ICT Forum is functional and sits biannually to recommend and advise the local municipalities that are within the Nkangala region.
- ICT Steering Committee for Nkangala District Municipality has been formed, sits quarterly, and is fully functional as part of ICT Governance requirements. Its main function is to appraise Council on the governance of ICT.
- Furthermore, NDM fully complies with the relevant legislations inter alia ECT Act (Electronic and Communications Transactions Act) and MISS (Minimum Information Security Standards).
- The Disaster Recovery Plan requirements are fully met with the establishment of the Disaster Recovery Remote Site.
- NDM has also deployed IP Telephony through the installation of the VoIP (Voice over Internet Protocol) system.
- Deployment of a collaborative solution viz MS Teams which is fully functional i.e. file sharing, virtual meetings, and telecommunications.
- Continuous reviewal of the ICT policies.
- Facilitates communication between NDM and the citizenry through the usage of social media platforms such as Facebook, Twitter, and YouTube.

3.17 ACHIEVEMENTS

In the Financial Year 2023/2024 the Information and Communication Technology unit implemented, enhanced, and/or developed the following systems:

Table 3.61 Capital Expenditure Year 2023/2024 – Information and Communications Technology (ICT)

Project No.	Project Description	Budget (R) Excl.	Expenditure (R)	% Exp.	Variance (R)	% Var.
54364	The development, maintenance and monitoring of enterprise business continuity plan and disaster recovery	R7 925 400.00	R7 925 400.00	100%	0.00	0

Project No.	Project Description	Budget (R) Excl.	Expenditure (R)	% Exp.	Variance (R)	% Var.
118326	Provisioning of district wide ICT disaster recovery as a service (DRAAS)	R27 353 908.45	R12 328 752.27	45%	R15 025 156.18	55%
	TOTAL	**R35 279 308.45**	**R20 254 152.27**	**57%**	**R15 025 156.18**	**43%**

3.17.1 OVERALL PERFORMANCE OF ICT SERVICES:

The ICT services have been functioning optimally, as assessed via Service Desk Management, with a system uptime of 98%. Additionally, ICT obtained a clean audit for the year under review.

COMPONENT J: 2023/2024 ANNUAL PERFORMANCE REPORT

1.0 PURPOSE

The purpose of this report is to provide feedback on the performance of the Nkangala District Municipality, as mandated by The Municipal Systems Act No. 32 of 2000, section 41(e), and the Municipal Finance Management Act 56 of 2003, section 52(d). The information presented in this report is founded on the Integrated Development Plan (IDP) for the fiscal year 2023/2024. The scorecard was designed to capture cumulative performance, thus indicating the overall level of performance achieved to date.

METHODOLOGY USED IN COMPILING THE REPORT

In accordance with Section 46 of the Municipal Systems Act 32 of 2000, municipalities are obligated to prepare an annual performance report for each fiscal year. This report must encompass:

(a) The performance of the Municipality and external service providers during the financial year.

(b) A comparison of the performances mentioned in (a) with the targets established for and performances in the preceding financial year.

(c) Measures taken to enhance performance.

As stipulated by the Municipal Systems Act, municipalities must track and gauge their performance progress by producing quarterly, mid-year, and annual performance reports in accordance with Chapter 6 of the MSA. These quarterly and mid-year reports form the Municipality's annual performance reports (Section 46 report), which are subject to auditing by the Auditor-General, along with the Annual financial statements.

This report is grounded in information obtained from each department, evaluating performance for the financial year 2023/2024, concluding on June 30, 2024. It is a comprehensive report that relies on scores derived from a process that compares actual information per Key Performance Area (KPA), Strategic Objective, Programme, and the corresponding Key Performance Indicators (KPIs) with the approved 2023/2024 IDP and SDBIP scorecards.

The overall performance assessment for the Nkangala District Municipality is based on the Departmental Performance scorecard, which encompasses the IDP and SDBIP KPIs and projects relevant to each department based on their respective contributions.

Details pertaining to the Key Performance Indicators (KPIs) are presented in individual tables within each department's performance section. The results are expressed as scores, as outlined below, and have been calculated using an automated system, adhering to the guidelines provided in Regulation 805, titled "Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers" from the year 2006.

2.0 EXECUTIVE SUMMARY

Overview

Nkangala District Municipality, the commitment to robust performance management is reflected in its adherence to legislative requirements and proactive adjustments to plans and strategies. The Service Delivery and Budget Implementation Plan (SDBIP) serves as a cornerstone of this commitment, translating the municipality's budget into tangible, measurable outcomes. The timely approval and adjustment of the SDBIP underscore the municipality's dedication to responsive and adaptive governance. According to Section 53 (1) (c) (ii) of the Municipal Finance Management Act (MFMA), the Service Delivery and Budget Implementation Plan (SDBIP) was approved on June 28, 2023, meeting the requirement to approve the SDBIP within 28 days after the budget approval. During the adjustment period, the municipality made two adjustments to the 2023/2024 SDBIP. The first adjustment was finalized and approved on March 27, 2024, and the second adjustment on April 16, 2024.

This executive summary presents the Annual Institutional Performance Report for the 2023/2024 fiscal year, concluding on June 30, 2024. It delivers a comprehensive and insightful evaluation of our performance in comparison to the targets established in the IDP and SDBIP Scorecards. Where performance falls short, we identify concerns and offer explanations, along with the actions taken to address these challenges. During the financial year under review, the municipality experienced various changes in Key Performance Indicators (KPIs) and project budgets due to virements. These adjustments can occur due to multiple reasons, such as unanticipated expenditures, shifting priorities needs in different areas.

The Nkangala District Municipality's overall performance assessment is determined by a combined Performance Scorecard encompassing every department, along with the indicators and projects specified in the IDP and SDBIP.

The Nkangala District Municipality's performance was evaluated across six Key Performance Areas (KPAs) for the financial years 2022/2023 and 2023/2024. This summary highlights key achievements, areas of improvement, and comparative performance across both years to provide a comprehensive overview of the municipality's performance.

1. Institutional Development and Transformation

- **2022/2023:** 15 KPIs assessed, 10 targets achieved (67%).
- **2023/2024:** 15 KPIs assessed, 11 targets achieved (73%).
- **Summary:** Improvement in target achievement from 67% to 73%. Consistent number of KPIs assessed each year with no projects included in the assessment.

2. Good Governance and Public Participation

- **2022/2023:** 28 KPIs assessed, 25 targets achieved (89%); 2 projects assessed, 1 target achieved (50%); overall 87% target achievement.
- **2023/2024:** 29 KPIs assessed, 23 targets achieved (79%); 2 projects assessed, 2 targets achieved (100%); overall 81% target achievement.
- **Summary:** Decrease in KPI targets experienced from 89% to 79%. Significant improvement in project target achievement from 50% to 100%.

3. Local Economic Development

- **2022/2023:** 8 KPIs assessed, 6 targets achieved (75%); 3 projects assessed, 3 targets achieved (100%); overall 82% target achievement.
- **2023/2024:** 8 KPIs assessed, 3 targets achieved (37.5%); 4 projects assessed, 3 targets achieved (75%); overall 50% target achievement.
- **Summary:** Decline in KPI targets achieved from 75% to 37.5% and project target achievement from 100% to 75%.

4. Municipal Financial Viability and Management

- **2022/2023:** 16 KPIs assessed, 14 targets achieved (87.5%); 3 projects assessed, 3 targets achieved (100%); overall 89% target achievement.
- **2023/2024:** 16 KPIs assessed, 14 targets achieved (87.5%); 3 projects assessed, 3 targets achieved (100%).
- **Summary:** The overall success rate remained stable at 89% in both financial years.

5. Basic Services Delivery

- **2022/2023:** 30 KPIs assessed, 21 targets achieved (70%); 39 projects assessed, 25 targets achieved (64%); overall 67% target achievement.
- **2023/2024:** 33 KPIs assessed, 30 targets achieved (91%); 37 projects assessed, 29 targets achieved (78%); overall 84% target achievement.
- **Summary:** Significant improvement in KPI targets achieved from 70% to 91% and project targets achieved from 64% to 78%.

6. Spatial Development

- **2022/2023:** 3 KPIs assessed, 3 targets achieved (100%); 6 projects assessed, 6 targets achieved (100%); overall 100% target achievement.
- **2023/2024:** 2 KPIs assessed, 2 targets achieved (100%); 7 projects assessed, 7 targets achieved (100%); overall 100% target achievement.
- **Summary:** Consistent and perfect performance with all targets achieved in both years. Slight decrease in KPIs assessed but an increase in projects assessed.

Chapter 4 Summary of Overall Performance: Comparison of Institutional Performance Levels (2021/2022 – 2023/2024)

The performance of the institution has shown a steady improvement over the three-year period from 2021/2022 to 2023/2024, as indicated by the key performance indicators (KPIs) and projects assessed.

- **KPIs**:
  - In 2021/2022, 80 KPIs were assessed, with 59 targets achieved, resulting in a 74% achievement rate.
  - In 2022/2023, the number of KPIs assessed increased to 100, with 79 targets achieved, improving the achievement rate to 79%.
  - In 2023/2024, 103 KPIs were assessed, and 83 targets were achieved, further raising the achievement rate to 81%.
- **Projects**:
  - In 2021/2022, 70 projects were assessed, with 54 targets achieved, resulting in a 77% achievement rate.
  - In 2022/2023, 53 projects were assessed, with 38 targets achieved, leading to a slight decline in the achievement rate to 72%.
  - In 2023/2024, the same number of projects (53) were assessed, but with an improved outcome of 44 targets achieved, raising the achievement rate to 83%.
- **Overall Performance**:
  - In 2021/2022, the total number of assessments (KPIs and projects combined) was 150, with 113 targets achieved, equating to a 75% overall achievement rate.
  - In 2022/2023, 153 assessments were made, with 117 targets achieved, leading to a slightly improved overall achievement rate of 76.47%.
  - By 2023/2024, the total assessments increased to 156, with 127 targets achieved, further improving the overall achievement rate to 81.4%.

This data indicates a positive trend in institutional performance, with consistent improvements in both KPI and project target achievements over the three years.

Recommendations

1. **Focus on Local Economic Development:** Identify barriers to achieving KPI targets and develop strategies to address them.
2. **Maintain Project Performance:** Leverage successful strategies from consistently high-performing areas like Spatial Development.
3. **Enhance Good Governance and Public Participation:** Develop initiatives to improve KPI target achievements.
4. **Sustain Gains in Basic Services Delivery:** Continue to build on the improvements to ensure long-term sustainability.

3.0 ACKNOWLEDGEMENT

In my capacity as the Municipal Manager, I wish to convey my profound gratitude to the Honorable Executive Mayor, Mayoral Committee, MPAC, Section 79, Section 80, Audit and Performance committee, Risk Management Committee, and Councilors for their outstanding strategic guidance and leadership that they consistently demonstrated throughout the fiscal year.

I am deeply appreciative of the direction and foresight exhibited by the Heads of Departments and all members of the staff, and I recognize their contributions with immense appreciation. I would also like to convey my heartfelt thanks to all my colleagues for their unwavering dedication and invaluable support, which have played a pivotal role in our shared accomplishments.

Sincerely,

MS. MM SKOSANA

MUNICIPAL MANAGER

4.0 VISION, MISSION, VALUE, KEY PERFORMANCE AREAS AND ORGANISATIONAL STRATEGIC GOALS

The district convened its Annual Strategic Lekgotla on the 1-2 March 2023. As legislated in MSA act 32 of 2000- chapter 5 Section 25(1), (2) and 3(b). Furthermore, is to evaluate the District's Developmental achievements, challenges and agree on corrective actions which is aligned with our vision and mission of the district.

The Vision, Mission, Values and Strategic goals were review and recommended as follows:

Vision	**District of Excellence and Climate Smart Innovation**
Mission	***NDM is committed to the improvement of the physical, socio-economic and institutional environment in order to address social and economic infrastructure challenges through*** ***sustainable development and service excellence, with emphasis on being a renewable energy*** ***hub.***
Values	• To promote and pursue key national, Provincial and local development goals as enriched • in vision 2030 • To be inclusive and caring organization • To be democratic transparent, accountable and participative in pursuance of our objectives • To be responsive to the needs of citizens and Partner-Local Municipalities • To cultivate a work ethic focused on performance, achievement and results • To be democratic in the pursuance of our objectives • To show mutual respect, trust and ensure high levels of co-operation and discipline in our dealing with one another
Municipal Priorities	1. Basic Services and Infrastructure Development 2. Economic development, growth and job creation 3. Spatial Transformation and Sustainable Human settlements 4. Security and Social Services, environment and disaster management 5. Financial management and systems 6. Governance, Administration and ICT

Strategic Goals

Strategy is about those broad priorities that are to be pursued in order to achieve the vision and mission. Once the high-level strategic goals are developed.

1. **Positioning Nkangala in the Region and Southern Africa (SADC)**
2. **Enhancing Environmental Sustainability and Protecting Natural Resources**
3. **Spatial Transformation and Sustainable Human Settlements**
4. **Promoting Vibrant Rural Communities, an Inclusive Rural Economy and Food Security**
5. **Inclusive Economic Growth and Decent Employment for a Skilled Workforce**
6. **Functional, Efficient Economic Infrastructure Network to Facilitate Growth**
7. **Improving Education, Training and Innovation**
8. **Promoting Health Care for All**
9. **Providing Social Protection (Welfare) to the Vulnerable**
10. **Building Safer, Caring Communities**
11. **Building a Capable, Financially Sustainable and Developmental Governance Sy System**
12. **Promoting Nation Building and Social Cohesion through Participative Planning**

The strategic goals are aligned to developmental objectives that were developed by the municipality and are depicted in the table below:

The Developmental Objectives

Strategic Goals	Developmental Objectives
Positioning Nkangala in the Region and Southern Africa (SADC)	Integrated Sustainable Human Settlements and improved quality of household life
Building a Capable, Financially Sustainable and Developmental Governance System	Efficient, competitive and responsive economic infrastructure network
Inclusive Economic Growth and Decent Employment for a Skilled Workforce	Decent employment through inclusive economic growth
Building a Capable, Financially Sustainable and Developmental Governance System	Inculcate and improve financial sustainability and management
Building a Capable, Financially Sustainable and Developmental Governance System	Responsive, accountable, effective, efficient and sound Governance System
Building a Capable, Financially Sustainable and Developmental Governance System	Skilled and capable workforce supportive of inclusive growth
Promoting Vibrant Rural Communities, an Inclusive Rural Economy and Food Security	Vibrant, equitable and sustainable rural communities and food security
Enhancing Environmental Sustainability and Protecting Natural Resources	Protection and enhancement of environmental assets and natural resources

The District Municipality must ensure that it aligns its strategic goals with the National and Provincial goals and priorities. The table underneath reflects the Nkangala strategic goals' alignment to Local Governments Key Performance Areas.

NDM Strategic Goals' Alignment to LG KPA

Key Performance Areas	Nkangala Strategic Goals
KPA 1: Institutional Development and Transformation	Building a Capable, Financially Sustainable and Developmental Governance System
KPA 2: Good Governance and Public Participation	Promoting Nation Building and Social Cohesion through Participative Planning
KPA 3: Local Economic Development	Promoting Vibrant Rural Communities, an Inclusive Rural Economy and Food Security. Inclusive Economic Growth and Decent Employment for a Skilled Workforce
KPA 4: Financial Viability and Financial Management	Building a Capable, Financially Sustainable and Developmental Governance System
KPA 5: Basic Service Delivery and Infrastructure	Functional, Efficient Economic Infrastructure Network to Facilitate Growth. Improving Education, Training and Innovation Promoting Health Care for All. Providing Social Protection (Welfare) to the Vulnerable. Building Safer, Caring Communities
KPA 6: Spatial Rationale	Positioning Nkangala in the Region and Southern Africa (SADC). Enhancing Environmental Sustainability and Protecting Natural Resources. Spatial Transformation and Sustainable Human Settlements

The Strategic Goals' Alignment to the NDP & 2030 Developmental Goals

Strategic Goal	Outcome
• **Functional, Efficient Economic Infrastructure Network to Facilitate Growth** • **Improving Education, Training and Innovation** • **Promoting Health Care for All** • **Providing Social Protection (Welfare) to the Vulnerable** • **Building Safer, Caring Communities**	Improved quality of life, effective and efficient service delivery
• **Promoting Vibrant Rural Communities, an Inclusive Rural Economy and Food Security** • **Inclusive Economic Growth and Decent Employment for a Skilled Workforce**	Diversified and sustainable regional economy by 2030
• **Building a Capable, Financially Sustainable and Developmental Governance System**	Financial sustainability

Strategic Goal	Outcome
• **Functional, Efficient Economic Infrastructure Network to Facilitate Growth**	Deliver various infrastructure projects for sustainable economic growth and service provision to communities
• **Positioning Nkangala in the Region and Southern Africa (SADC)** • **Spatial Transformation and Sustainable Human Settlements**	Integrated economic space and sustainable human settlements by 2030
• **Building a Capable, Financially Sustainable and Developmental Governance System**	Clean Audit results and satisfied and participative communities
• **Building a Capable, Financially Sustainable and Developmental Governance System**	High performing and effective employees

5.0 INSTITUTIONAL AND DEPARTMENTAL PERFORMANCE

The following tables illustrate the Institutional performance for each Key Performance Area (KPA), encompassing both Key Performance Indicators (KPIs) and Projects. These tables encompass all the KPIs, and Projects outlined in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) scorecards. This section of the report offers insights into the contribution of each KPA to the overall performance achieved by the Nkangala District Municipality during the year concluding on June 30, 2024.

KPIs

2023/2024 Annual Institutional Performance – KPA's (KPIs')	YTD Annual 2021/22	YTD Annual 2022/23	YTD Annual 2023/24
Overall Attainment	**74%**	**79%**	**81%**
KPA 1: Institutional Development and Municipal Transformation	89%	67%	73%
KPA 2: Good Governance and Public Participation	73%	89%	79%
KPA 3: Local Economic Development	50%	75%	50%
KPA 4: Municipal Financial Viability and Management	75%	88%	87.5%
KPA 5: Service Delivery and Infrastructure Development	70%	70%	91%
KPA 6: Spatial Analysis and Rationale	100%	100%	100%

PROJECTS

2023/2024 Annual Institutional Performance – KPA's (Projects)	YTD Annual 2021/22	YTD Annual 2022/23	YTD Annual 2023/24
Overall Attainment	**77%**	**72%**	**83%**
KPA 1: Institutional Development and Municipal Transformation	N/A	N/A	N/A
KPA 2: Good Governance and Public Participation	80%	50%	100%
KPA 3: Local Economic Development	100%	100%	75%
KPA 4: Municipal Financial Viability and Management	100%	100%	100%
KPA 5: Service Delivery and Infrastructure Development	69%	64%	78%
KPA 6: Spatial Analysis and Rationale	100%	100%	100%

COMPARISON OF INSTITUTIONAL PERFORMANCE LEVELS 2021/2022 – 2023/2024

	Annual 2021/22			Annual 2022/23			Annual - 2023/24		
Type	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved
KPIs	80	59	74%	100	79	79%	103	83	**81%**
Projects	70	54	77%	53	38	72%	53	44	**83%**
Total	150	113	75%	153	117	76,47%	156	127	**81.4%**

NB: During the financial year under review, the municipality experienced various changes in Key Performance Indicators (KPIs) and project budgets due to virements. Virements refer to the reallocation of funds from one budgetary item to another within the same department or organization. These adjustments can occur due to multiple reasons, such as unanticipated expenditures, shifting priorities needs in different areas.

Some of transfer and subsidies, operational and capital budgets were affected by virements during the financial year under review. The percentage of actual performance were calculated using the total adjusted budget including virements.

RATING FOR NOT ACHIEVED, ACHIEVED AND OVERACHIEVED.

The Evaluation criteria are based on a scale of 1-5 and each of aspects (KPIs, projects and Services provider) will be rated as follows:

5	Outstanding performance	Performance far exceeds the standards expected of an institution at this level. The appraisal indicates that the organisation has achieved above fully effective results against all performance criteria and indicators as specified in Plan and maintained this in all areas of its responsibility. The appraisal indicates that the organisation has achieved above fully effective results against more than 100% of the performance criteria and indicators and fully achieved all others throughout the year.

4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the organisation has achieved above fully effective results against more than half (151%) of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the organisation has fully achieved effective results against all significant performance criteria and indicators as specified in the Plan.
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the organisation has achieved below fully effective results against almost all performance criteria and indicators as specified in the Plan. The organisation has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

The following section contains a comprehensive breakdown of the Key Performance Area (KPA).

5.1 KPA 1: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

15 KPI's were eligible for assessment during the financial year. The table below shows statistics for the respective KPA.

TABLE: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION STATISTICS

Type	2022/2023 Annual			2023/2024 Annual				
	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets NOT Achieved	% Target NOT Achieved
KPIs	15	10	67%	15	11	73%	4	24%
Projects	0	0	0%	0	0	0%	0	0%
Total	**15**	**10**	**67%**	**15**	**11**	**73%**	**4**	**27%**

There was an improvement in the achievement of targets from the 2022/2023 financial year to the 2023/2024 financial year. The percentage of targets achieved increased from 67% in 2022/2023 to 73% in 2023/2024.

In summary, the Nkangala District Municipality showed a positive trend in achieving its KPIs for Institutional Development and Transformation, with a 6% increase in the percentage of targets achieved from the 2022/2023 to the 2023/2024 financial year.

KPA 1: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024								
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
M_01	Percentage of individual performance evaluation conducted with all employees for 2022/2023 annual (Cascading of PMS to all NDM Employees) (filled positions) by 30 June 2024	100%	100%	100%	Achieved	None	None	Consolidated Performance Evaluation report	OPEX	OPEX	3
M_02	Number of new/reviewed policies approved by Council by 30 June 2024	65	67	70	Achieved	None	None	Council resolutions (stating all the policies) and item to council	OPEX	OPEX	3
M_03	Percentage of KPIs and projects attaining organisational targets (Total Organisation) by 30 June 2024	76,47%	100%	81.4%	Not Achieved	18.6% of the KPIs and projects were not implemented. The challenges for each unachieved KPI and project are outlined in detail on each KPI and project that are not achieved	18.6% KPIs and projects are to be implemented by 30 December 2024.	Quarterly Institutional Performance Report	OPEX	OPEX	2
M_04	Percentage on litigation matters resolved by 30 June 2024	57%	44%	43%	Not Achieved	The Municipality had a total of seven litigation matters in its register for the 2023/2024 financial year, including two new matters served in May 2024, which are in the early stages of litigation. Out of the seven matters, three (43%) were finalized. A total of four matters (57%) will proceed to the new 2024/2025 financial year. The two new matters were served by the Sheriff on May 4	Four matters to be included in the next financial year plan and finalised by 30 June 2025.	Litigation registers and report	R4 000	R3 621	2

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024								
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
						and May 17, 2024, and are still in the early stages of court processes, hence they were not concluded. The other two matters are still awaiting court dates					
M_05	Percentage of vacant posts filled within 3 months (circular 88) by 30 June 2024	95%	95%	93%	Not Achieved	One position, Divisional Manager of Climate Change, could not be filled on time because the selected candidate rejected the offer. As a result, the post had to be re-advertised. The post was re-advertised during September 2023. Interviews were conducted on the 09th February 2024.The successful candidate was given an appointment letter in June 2024.	The position of Divisional Manager of Climate Change is to be filled by July 1, 2024	Progress Vacancy Rate Report	OPEX	OPEX	2
M_06	Maximum acceptable percentage of Staff vacancy rate (circular 88) per quarter	9.50%	10% or below	8%	Achieved	None	None	Progress Vacancy Rate Report	OPEX	OPEX	3
M_07	Percentage of findings on health and safety incident implemented by 30 June 2024	100%	100%	100%	Achieved	None	None	Quarterly OHS report	OPEX	OPEX	3
M_08	Percentage of employees from previously disadvantaged groups appointed in the three highest levels of management (level 0 to 3) as per the approved EE plan (GKPI) by 30 June 2024	90%	90%	98%	Achieved	None	None	EE Annual Report	OPEX	OPEX	3

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
M_09	Percentage of allocated budget spent implementing the Workplace Skills Plan (GKPI) by 30 June 2024	100%	99%	97%	Not Achieved	The number of employees registered for studies was lower than the anticipated number, as employees took longer to register	3 % of the remaining budget is to be spent by June 30, 2025	Training report and WSP (include budget spending report)	R2 500	R2 415	2
M_10	Number of Medium-Term Revenue and Expenditure (MTREF) report submitted to CoGTA aligned with circular 88 of the MFMA per quarter	4	4	4	Achieved	None	None	Progress MTREF reports and proof of submission (email)	OPEX	OPEX	3
M_11	Percentage of councillors who have declared their financial interests (Circular 88) by 30 June 2024	74%	100%	100%	Achieved	None	None	Report on Declarations by Councillors	OPEX	OPEX	3
M_12	Number of active suspensions longer than three months (circular 88) per quarter	1	0 (not above)	0	Achieved	None	None	Quarter Personnel report	OPEX	OPEX	3
M_13	Quarterly salary bill of suspended officials (circular 88) per quarter	R124,655	R0 (not above)	0	Achieved	None	None	Quarterly salary bill report	OPEX	OPEX	3
M_14	Percentage of administrative staff who have declared their financial interests (circular 88) by 30 June 2024	91%	100%	100%	Achieved	None	None	Report on declarations (filled positions)	OPEX	OPEX	3
M_15	Percentage of compliance with the required attendance time for structural firefighting incident (circular 88) within 40 minutes	100%	70%	100%	Achieved	None	None	Quarterly Fire and rescue services report	OPEX	OPEX	3

5.2 KPA 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

29 KPI's and 2 project were eligible for assessment during the financial year. The table below shows statistics for the respective KPA.

TABLE: GOOD GOVERNANCE AND PUBLIC PARTICIPATION STATISTICS

Type	2022/2023 Annual			2023/2024 Annual				
	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets NOT Achieved	% Target NOT Achieved
KPIs	28	25	89%	29	23	79%	6	21%
Projects	2	1	50%	2	2	100%	0	0%
Total	**30**	**26**	**87%**	**31**	**25**	**81%**	**6**	**19%**

Comparison:

- **KPIs Performance:** There was a slight decrease in the percentage of KPIs targets achieved from 89% in 2022/2023 to 79% in 2023/2024.
- **Projects Performance**: The achievement of project targets improved significantly from 50% in 2022/2023 to 100% in 2023/2024.
- **Overall Performance:** The total percentage of targets achieved (both KPIs and projects) decreased from 87% in 2022/2023 to 81% in 2023/2024.
- **Targets Not Achieved:** There was an increase in the number of targets not achieved from 2022/2023 to 2023/2024, with the overall percentage of targets not achieved being 19% in 2023/2024 compared to 13% in 2022/2023.

In summary, while there was a notable improvement in project performance in the 2023/2024 financial year, there was a decline in the achievement of KPI targets, leading to an overall decrease in the percentage of targets achieved. Despite this, the municipality maintained consistent project assessments and demonstrated an ability to improve project outcomes year-over-year.

KPA 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024								
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
M_16	Maintain clean audit opinion by 30 December 2023	1	1	1	Achieved	None	None	AG's Audit Report	OPEX	OPEX	3
M_17	Number of repeat audit findings (circular 88) by 30 December 2023	0	0 (not above)	0	Achieved	None	None	AG's Audit Report	OPEX	OPEX	3
M_18	Action Plan on issues raised by the Auditor General tabled to Council by 30 December 2023	1	1	1	Achieved	None	None	Action Plan and Council resolution	OPEX	OPEX	3
M_19	Percentage of AG Management Letter findings resolved (Total organization) by 30 June 2024	100%	100%	100%	Achieved	None	None	Action Plan progress report	OPEX	OPEX	3
M_20	Final IDP tabled for approval to Council by 31 May 2024	1	1	1	Achieved	None	None	Final IDP Document & Council Resolution	OPEX	OPEX	3
M_21	Annual Report tabled to Council by 30 December 2023	1	1	1	Achieved	None	None	Approved Annual Report and council resolution	OPEX	OPEX	3
M_22	Submission of Oversight Report by MPAC to Council by 28 February 2024	1	1	1	Achieved	None	None	Oversight Report and council resolution	OPEX	OPEX	3
M_23	Final SDBIP approved by Executive Mayor within 28 days after approval of Budget	1	1	1	Achieved	None	None	Approved and signed SDBIP	OPEX	OPEX	3

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
M_24	Adjusted SDBIP approved within 28 days after the approval of the Adjusted Budget.	1	1	2	Achieved	None	None	Approved and signed Adjusted SDBIP	OPEX	OPEX	3
M_25	Percentage of action plans implemented to address Strategic Risks Identified per quarter (Total organisation)	100%	100%	85%	Not Achieved	The following departments did not achieve their targets as planned Corporate Services, Planning and Economic development, ICT, and Technical Services	All the targets that are not achieved be incorporated in the new financial years' risk register and be implemented by 30 September 2024	Quarterly Strategic Risk report	OPEX	OPEX	2
M_26	Percentage of action plans implemented to address Operational Risks Identified per quarter (Total Organisation)	98%	100%	97%	Not Achieved	The following departments did not achieve their targets as planned: ICT, Corporate Services, Community Development Services and Technical Services.	All the targets that are not achieved be incorporated in the new financial years' risk register and be implemented by 30 September 2024	Quarterly Operational Risk report	OPEX	OPEX	2
M_27	Percentage of action plans implemented to address Fraud and corruption Risks Identified per quarter (Total	100%	100%	95%	Not Achieved	The following departments did not achieve their targets as	All the targets that are not achieved be incorporated in the new financial years' risk	Quarterly Fraud and corruption Risk report	OPEX	OPEX	2

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
	Organisation)					planned: Finance Services, Corporate Services, Technical Services and Community Development Services	register and be implemented by 30 September 2024				
M_28	Developed and approved Risk based audit plan by 30 June 2024	1	1	1	Achieved	None	None	Approved Risk based audit plan	OPEX	OPEX	3
M_29	Percentage of internal audit recommendations implemented per quarter (Total organization)	81%	100%	74%	Not Achieved	The Following matters are still outstanding: Corporate Services Biometrics system not functional, Lack of water supply for fire-fighting during water outages, Employment equity plan not updated for the 2023/24 FY, Annual leave balances not accurate/correct, Outdated ICT framework	Plans are in place to address all the outstanding issues and all outstanding matters are planned to be implemented by 30 September 2024	Quarterly IA report	OPEX	OPEX	2

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
						policy and Planning and economic development NDM- township economy strategy last updated in 2018					
M_30	Developed and approved Strategic Risk Register by 30 June 2024	1	1	1	Achieved	None	None	Approved Strategic Risk Register	OPEX	OPEX	3
M_31	Number of Audit Committee reports submitted to Council by 30 June 2024	4	4	4	Achieved	None	None	Quarterly Audit Committee reports and council Resolution	R3 000	R4 384	3
M_32	Percentage implementation of audit committee resolutions adopted by council per quarter	100%	100%	68%	Not Achieved	Implementation of APAC resolution is at 68% with the following matters in progress: Acceleration plan for incomplete projects; Fast tracking of the signing of declarations by councillors; Amendments of the policy	Management has since made a commitment to address all the outstanding APAC resolutions by 30 December 2024	Audit committee resolution register	OPEX	OPEX	2

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024								
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
						regarding the changing of bank details; Follow-ups to be conducted on long outstanding insurance claims; Assisting of Local Municipalities with revenue enhancements processes; Matter regarding the establishment of the fire Academy					
M_33	Percentage on implementation of Council resolutions resolved (Total organization) per quarter	100%	100%	100%	Achieved	None	None	Quarterly report on implementation of Council resolutions	OPEX	OPEX	3
M_34	Number of agenda items deferred to the next council meeting (circular 88) per quarter	0	0 (not above)	0	Achieved	None	None	Quarterly report on implementation of Council resolutions	OPEX	OPEX	3
M_35	Percentage of ICT Steering Committee Recommendations as	100%	100%	100%	Achieved	None	None	Quarterly report on implementation	OPEX	OPEX	3

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
	adopted by Council implemented per quarter							of ICT Steering Committee Recommendations as adopted by council			
M_36	Number of quarterly District Municipal Manager's Forum meetings held	4	4	4	Achieved	None	None	Agenda, Signed Minutes and Attendance Registers	OPEX	OPEX	3
M_37	Number of quarterly District Mayoral Forum meetings held	4	4	4	Achieved	None	None	Agenda, Signed Minutes and Attendance Registers	OPEX	OPEX	3
M_38	2024/2025 IDP Final Framework Plan approved by 30 August 2023	1	1	1	Achieved	None	None	Final Framework Plan and Council resolution	OPEX	OPEX	3
M_39	Strategic Lekgotla report tabled to Council by 30 April 2024	1	1	1	Achieved	None	None	Strategic Lekgotla report and Council resolution	R770	R461	3
M_40	Number of Nkangala District One Plan (DDM) report generated and submitted to council by 31 March 2024	3	3	3	Achieved	None	None	Reports and council resolutions	OPEX	OPEX	3
M_41	Percentage of strategic lekgotla resolutions implemented by 30 June 2024	78,26%	100%	91%	Not Achieved	The only non-achievement we have are as follows: Corporate Services - Non training of section 79 committee and	the corrective measure is to strengthen the relations with the Disability Desk in the office of the Premier. For Training: an arrangement with SALGA and National Treasure be done.	Strategic Lekgotla reports	OPEX	OPEX	2

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
						2 percent of employment of people with disabilities, Community Development-fire academy, signing of SLA between NDM and LMs in relation to the implementation of MHS and Implementation of community safety programmes	Community Development-Finding alternative place to accommodate the fire academy establishment, ensure that LM's to sign SLA's by 30 December 2024				
M_42	Number of Public Participation meetings held by 30 June 2024	12	12	12	Achieved	None	None	Public participation reports	R1 865	R 1 821	3
M_43	Number of Local Labour Forum (LLF) meetings held by 30 June 2024	6	6	7	Achieved	None	None	Agenda, Minutes and attendance registers	OPEX	OPEX	3
M_44	Number of learners appointed through LGSETA learnership by 30 June 2024 (plumbing, road work, welding, building and civil contraction)	New	500	500	Achieved	None	None	Appointment letters	R24 050	R11 769	3

PROJECT

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_01	08 (100%) By-Laws gazetted by 30 June 2024	District wide	Stage 1 planning: Submit documents for gazetting to Government Printing Works and Published Gazette (08 BY-LAW) (100%)	Not applicable	Not applicable	Stage 1 planning: Receive request for gazetting services from Local Municipalities / Internal Departments/ Units and confirmation; Obtain a Purchase Order and complete a Z95 for purposes of gazetting (100%)	Stage 1 planning: Submit documents for gazetting to Government Printing Works and Published Gazette (08 BY-LAW) (100%)	12 (150%) by-laws have been gazetted	Achieved	None	None	Published Gazettes	R250	R073	3
P_02	Project 53681: appointment of a Microsoft accredited service provider to supply Microsoft software licenses	District wide	Stage 2: Appointment of a Service Provider (100%)	Stage 1: Planning and Design Stage (100%): BSC Resolution And Stage 2: Procurement Stage: (40%) Tender	Stage 2: Procurement Stage: (100%) BEC and BAC Resolutions & appointment of services provider	Not applicable	Not applicable	100% appointment of services provider	Achieved	None	There was an error with opening some of the attachments on the system. The	BSC Resolution; Tender Advert, BEC and BAC Resolutions & appointment of services provider	R4 697	R4 354	3

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
	renewal for Nkangala district municipality for a period of 36 months (as and when required)			Advert							affected files have been removed and the correct POE has been resubmitted. The expenditure and the invoice for the Licenses have been attached. see Altron Invoice 1 and Altron Invoice 2				

5.3 KPA 3: LOCAL ECONOMIC DEVELOPMENT

8 KPI's and 4 projects were eligible for assessment during the financial year. The table below shows statistics for the respective KPA.

TABLE: LOCAL ECONOMIC DEVELOPMENT

Type	2022/2023 Annual			2023/2024 Annual				
	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets NOT Achieved	% Target NOT Achieved
KPIs	8	6	75%	8	3	37.5%	5	62.5%
Projects	3	3	100%	4	3	75%	1	25%
Total	**11**	**9**	**82%**	**12**	**6**	**50%**	**6**	**50%**

*M-47: Eighteen (18) SMMEs were provided with tools and equipment in the 2023/24 financial year. However, as per the contract requirements, the municipality successfully provided 5 SMMEs with 100% of the required tools, while 13 SMMEs received partial fulfilment of their tool requirements.

Comparison:

- **KPIs Performance:** There was a decrease in the percentage of KPIs targets achieved from 75% in 2022/2023 to 37.5% in 2023/2024.
- **Projects Performance**: The achievement of project targets decreased from 100% in 2022/2023 to 75% in 2023/2024.
- **Overall Performance:** The overall percentage of targets achieved (both KPIs and projects) decreased from 82% in 2022/2023 to 50% in 2023/2024.

In summary, the performance in Local Economic Development showed a decline in the percentage of targets achieved from 2022/2023 to 2023/2024. This decrease was observed in both KPIs and project targets, leading to an overall reduction in performance.

KPA 3: LOCAL ECONOMIC DEVELOPMENT

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024								
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
M_45	Number of EPWP Full Time Equivalent (FTE's) job opportunities provided (GKPI) by 30 June 2024	203	164	286,3217391	Achieved	None	None	Employment Contracts, PROGRESS reports and monthly attendance registers	OPEX	OPEX	4
M_46	Number of EPWP Work Opportunities jobs created (GKPI) by 30 June 2024	390	376	482	Achieved	None	None	Employment Contracts, PROGRESS reports and monthly attendance registers	OPEX	OPEX	3
*M_47	Number of SMME's provided with tools and equipment by 30 June 2024	42	18	5 achieved. 13 partially achieved	Not Achieved	services provider was appointed late in March 2024 due to the complexity of program	13 SMM's to be supported with outstanding equipment / tools by 30 December 2024	List of beneficiaries, Delivery notes and signed agreement between NDM and SMMEs	R5 000	R3 461	2
M_49	percentage of companies owned by designated group (disabilities, women, and youth) benefited from NDM subcontracting by 30 June 2024	43% (disability 5%; women 26%; youth 12%)	90%	41%	Not Achieved	The different methodology each Local Municipality utilizes to procure and appoint sub-contractors	NDM will develop a standardized advertisement outlining the requirements for designated groups to ensure their benefit by July 1, 2024	Quarter Report on designated groups, Appointment letters (main contractor to subcontractor) and BEE certificate (disabilities 30%, women 30% and youth 30%)	OPEX	OPEX	2

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
M_50	Number of emerging farmers (EM) in Nkangala District Municipality supported tools by 30 June 2024	22	16	02 achieved 12 partially achieved	Not Achieved	services provider was appointed late in March 2024 due to the complexity of program	12 emerging farmers to be supported with outstanding tools by 30 December 2024	List of beneficiaries, Delivery notes and signed agreement between NDM and EM	R5 000	R3 723	2
M_51	Number of LED roadshows convened by 31 March 2024	6	6	6	Achieved	None	None	Attendance registers and report	R300	R291	3
M_103 (B)	Number of SMMEs supported in tourism by 30 June 2024 (NEDA)	New	12	10	Not Achieved	NEDA initially planned to include 12 SMMEs, with 6 participating in the WTM and 6 in the ATI. However, our partner, the Mpumalanga Tourism Parks and Agency (MTPA), informed us that due to space limitations in the designated stand, only 5 SMMEs can be accommodated per event.	The number of supported SMMEs will be revised in the new financial year in line with the recommendations of our stakeholders by 30 December 2024	2 Attendance registers and 2 reports (6 World travel market and 6 Africa Travel Indaba)	R2 082	R141	2
M_104	Number of stakeholder workshops convened by 30 June 2024 (NEDA)	New	3	1	Not Achieved	The agency managed to convene one workshop, and the two remaining were put in abeyance to conclude stakeholder engagement and analysis to ensure that all relevant stakeholders are consultant.	To conclude stake holder engagement and convene the 2 workshops by 30 December 2024	Attendance registers and report			1

PROJECTS

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_03	Informal Economy Strategy by 30 June 2024	District Wide	Stage 3: implementation stage (100%) Final informal economy strategy	Stage 1: planning stage (100%) BSC	Stage 2: procurement stage: (100%) advert, BEC, BAC and appointment of services provider	Stage 3: implementation stage (60%) Draft informal economy strategy	Stage 3: implementation stage (100%) Final informal economy strategy	100% Stage 3: implementation stage (100%) Final informal economy strategy	Achieved	None	None	BSC, advert, BEC, BAC, appointment letter and Final informal economy strategy	R500	R476	3
P_04	Just Energy Transition Implementation Plan by 30 June 2024	District Wide	Stage 3: implementation stage (100%) final Just Energy Transition Implementation Plan	Stage 1: planning stage (100%) BSC,	Stage 2: procurement stage: (100%) advert, BEC, BAC and appointment of services provider	Stage 3: implementation stage (60%) Draft Just Energy Transition Implementation Plan	Stage 3: implementation stage (100%) final Just Energy Transition Implementation Plan	60% Draft Just Energy Transition Implementation Plan	Not Achieved	The Project Steering Committee (PSC) found the Final Just Energy Transition (JET Plan) lacking concrete data and returned it to the Service Provider for further refinement. The PSC emphasized	Finalise the JET Plan by 30 September 2024	BSC, advert, BEC, BAC, appointment letter and Just Energy Transition Implementation Plan	R 1 200	R417	2

Syste m IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
										the need for a more evidence-based approach to ensure effectiveness in meeting project goals. The Service Provider was tasked with collecting relevant data and conducting a thorough analysis to strengthen the JET Plan before presenting it to the NDM for final approval. This feedback was seen as an opportunity to enhance the JET Plan					

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
										and increase its chances of success.					
P_05	30 SASSETA Learnership (Security) recruited and trained by 30 June 2024	District Wide	Stage 3: implementation (100%) Practical Training	Stage 2: procurement stage: (100%) advert, BEC, BAC and appointment of services provider	Stage 3: implementation (50%) Recruitment of 30 learners	Stage 3: implementation (75%) Theory Training	Stage 3: implementation (100%) Practical Training	50 Learners recruited (166.67%)	Achieved	None	None	Advert, BEC, BAC, Appointment Letter, Contracts, Site Visit Reports	R6 700	R6 701	4
P_06	30 AGRISETA Learnership recruited and trained by 30 June 2024	District Wide	Stage 3: implementation (100%) Practical Training	Stage 2: procurement stage: (100%) advert, BEC, BAC and appointment of services provider	Stage 3: implementation (50%) Recruitment of 30 learners	Stage 3: implementation (75%) Theory Training	Stage 3: implementation (100%) Practical Training	50 Learners recruited (166.67%)	Achieved	None	None	Advert, BEC, BAC resolutions Appointment Letter, Contracts, Site Visit Reports	R4 000	R4 070	4

5.4 KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

16 KPI's and 3 projects were eligible for assessment during the financial year. The table below shows statistics for the respective KPA.

TABLE: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT STATISTICS

Type	2022/2023 Annual			2023/2024 Annual				
	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets NOT Achieved	% Target NOT Achieved
KPIs	16	14	87.5%	16	14	87.5%	2	12.5%
Projects	3	3	100%	3	3	100%	0	0%
Total	**19**	**17**	**89%**	**19**	**17**	**89.5%**	**2**	**10.5%**

Comparison:

- **KPIs Performance**: The municipality has shown consistent performance across both financial years in terms of KPI achievement, with an 87.5% success rate.
- **Projects Performance**: The performance in project execution has been excellent, with a 100% success rate in both years.
- **Overall Performance**: The overall success rate has slightly improved from 89% to 89.5%, indicating a marginal enhancement in performance.

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024								
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
M_52	Percentage of procurement plan implemented per quarter	95%	100%	83%	Not Achieved	Out of 53 projects. 45 projects were implemented and 08 are outstanding. * Full details of challenges are on page22	08 project to be included in 2024/2025 procurement plan and implemented by 30 June 2025	Quarterly Procurement plan	OPEX	OPEX	2
M_53	Submission for approval of MTREF Budget by 31 May 2024	1	1	1	Achieved	None	None	Approved MTREF Budget and council resolution	OPEX	OPEX	3
M_54	Annual Financial Statements (AFS) submitted by 31 August 2023 to Auditor General	1	1	1	Achieved	None	None	Annual Financial Statements (AFS) and proof of submission to Auditor General's office	OPEX	OPEX	3
M_55	Section 72 (midyear) MFMA report submitted to Executive Mayor within legislative timeframes by 25 January 2024	1	1	1	Achieved	None	None	Section 72 (midyear) MFMA report and proof of submission to Executive Mayor's office	OPEX	OPEX	3
M_56	Number of quarterly SCM reports submitted to the Executive Mayor	4	4	4	Achieved	None	None	Quarterly SCM report and proof of submission to Executive Mayor's office	OPEX	OPEX	3

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
M_57	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area (circular 88) by 30 June 2024	73% (693/954*100)	10%	34%	Achieved	None	None	Appointment letter with physical address of awarded contractors	OPEX	OPEX	5
M_58	Average number of days from the point of advertising to the letter of award per 80/20 procurement process (circular 88) by 30 June 2024	63	120	59	Achieved	None	None	Average number of days SCM report	OPEX	OPEX	4
M_59	Number of quarterly section 52(d) MFMA reports submitted to Executive Mayor within legislative timeframes	4	4	4	Achieved	None	None	Quarterly section 52(d) MFMA report and proof of submission to Executive Mayor's	OPEX	OPEX	3
M_60	Current Ratio expressed as current assets / current liabilities (GKPI) per quarter	3.98:1	2	3.37	Achieved	None	None	AFS	OPEX	R0.00	3
M_61	Number of monthly section 71 MFMA reports submitted to Executive Mayor within legislative timeframes by 30 June 2024	12	12	12	Achieved	None	None	Section 71 MFMA reports and proof of submission to Executive Mayor's	OPEX	R0.00	3
M_62	Percentage spent on Rural assets management grant by	100%	100%	100%	Achieved	None	None	Rural assets management grant Expenditure	R2 341	R2,341	3

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
	30 June 2024							progress report			
M_63	Percentage of transfer and subsidies budget actually spent on projects (local Municipalities projects) by 30 June 2024	108,79% (457 069/420 121 *100)	90%	102%	Achieved	None	None	Transfer and subsidies Expenditure progress report	R712 167	R724 849	3
M_64	Percentage of operational budget actually spent by 30 June 2024 (circular 88)	100,29% (795654/793381 *100)	90%	97%	Achieved	None	none	Operational Expenditure progress report	R1 123 909	R1 094 557	3
M_65	Percentage of total capital expenditure funded from own funding (internally generated funds + borrowing) circular 88) by 30 June 2024	79,91% (35619/44576 *100)	90%	65%	Not Achieved	Non implementation of some of the capital projects.	Revised dates and acceleration of the procurement plan and spent 90% by 30 June 2025	Capital expenditure progress report	R52 521	R34 465	2
M_66	Percentage spent on Financial Management Grant (FMG) by 30 June 2024	100%	100%	100%	Achieved	None	None	Financial Management Grant expenditure progress report	R1 000	R1 000	3
M_67	Percentage of municipal payments made to service providers who submitted complete forms within 30-days of invoice submission (circular 88)	100%	100%	100%	Achieved	None	None	Expenditure Report	OPEX	OPEX	3

*NB: the challenges for not implementing procurement plan

Department	Outstanding	Name of project	Route cause
Corporate Services	**02**	Appointment of an additional panel of accredited training service providers to render various training interventions and/ programme to Nkangala District Municipality for a period of 36 months	The project was advertised once according to the scheduled dates on the procurement plan and a service provider was appointed. The re-advertisement aims to include additional service providers in the panel to offer various training interventions and programs. The project was re-advertised on the 28th May 2024 and closed on 01st July 2024. The project is currently in the pre-evaluation stage at SCM.
		Project No: 53036- Appointment of a service provider for the provision, maintenance and support of an electronic signature system for a period of thirty-six (36) months	The project was re-advertised once according to the scheduled dates on the procurement plan. Due to the non-responsiveness of received bidders for the project, it was therefore approved for re-advertisement. The project was re-advertised on the 28th May 2024 and closed on 01st July 2024. The project is currently in the pre-evaluation stage at SCM.
CDS	**03**	Development/installation of fire and rescue information management system	The project was submitted for consideration by the Bid Specifications Committee (BSC). However, it was not approved for advertisement due to budget constraints. The project was re-submitted to the BSC for consideration in April 2024, following a budget adjustment in March 2024. The project was advertised on 17 April 2024, and closed on 14 May 2024. Due to the non-responsiveness of the received bidders, it was approved for re-advertisement. Currently, the project is with the CDS Department, which indicated that they need to revise the scope, taking into consideration the other fire stations.
		Supply, delivery, and registration of (1) medium fire engine for Dr JS Moroka fire station by 20 June 2024	The project was advertised once according to the scheduled dates on the procurement plan. However, due to faulty vehicles supplied by the recommended bidders in a previous project, it was resolved to put the project on hold pending the outcome of the investigation into the faulty vehicles. The municipality held a meeting with the service provider on 02 March 2024, to finalize the investigation, and a conclusion was reached. However, the validity period of the project lapsed on the 20th November 2023, which required the project to be re-advertised in terms of the NDM

			SCM policy. The project has been advertised on the 11th July 2024 and closing on the 31st July 2024.
		Supply and delivery of fire & rescue uniform and PPE for a period of thirty-six (36) months	The project was submitted for consideration by the Bid Specifications Committee (BSC). However, it was not approved for advertisement due to budget constraints. The project was re-submitted to the BSC for consideration in April 2024, following a budget adjustment in March 2024. The project was advertised on 17 April 2024 and closed on 14 May 2024. Due to the non-responsiveness of the received bidders, the project was referred back to the BSC and approved for re-advertisement. Currently, the project is being considered by the BSC.
TS	**01**	Appointment of the panel of consulting engineering firms for the implementation of infrastructure investment projects for Nkangala District Municipality (as and when required) for financial years 2024/25, 2025/26 and 2026/27	The project was re-advertised once on the 31st March 2024 and closed on the 30th April 2024 according to the scheduled dates on the procurement plan. A recommendation for appointment for the project was taken by Bid Committees and approved by the Municipal Manager. Currently, the project is with the Department to finalize appointments.
ICT	**02**	Data Centre and ICT solar backup power maintenance (Appointment of a qualified and compliant service provider for the data centre infrastructure maintenance for a period of three (3) years)	The project was submitted to the BSC after the scheduled date in July 2023 and was approved for advertisement in November 2023. Due to the non-responsiveness of the received bidders, it was approved for re-advertisement. The project was re-advertised for the second time in February 2024. Again, Due to the non-responsiveness of the received bidders, it was approved for re-advertisement. The project was re-advertised for the third time in June 2024 and closed on 09 July 2024. Currently, the project is in the pre-evaluation stage at SCM.
		Supply and delivery of ICT equipment for Nkangala District Municipality for a period of 36 months (as and when required)	The project was advertised once according to the scheduled dates on the procurement plan. However, due to the non-responsiveness of the received bidders, it was approved for re-advertisement. The project has been advertised on the 11th July 2024 and closing on the 26 July 2024.
TOTAL	**08**		

PROJECTS

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_09	AFS Assistance and Review by 31 January 2024	NDM	100%	75% completion Appointment and Final AFS Review Report	100% completion Assistance report during Audit	100% completion and payment	Not applicable	100% AFS Assistance and Review by 31 January 2024.	Achieved	None	None	Reviewable report and Final AFS	R400	R450	3
P_10	SCM/Debtors verification system paid by 30 June 2024	NDM	100%	15% spending as per Finance Related Projects Report	40% spending as per Finance Related Projects Report	65% spending as per Finance Related Projects Report	100% spending as per Finance Related Projects Report	129% spent on SCM/Debtors verification system	Achieved	None	None	Proof of payment and progress report	R650	R840	3
P_11	Actuarial valuations paid by 31 January 2024	NDM	100%	75% completion Final Actuarial Report	85% completion Payment finalised	100% completion and payment	N/A	100% Actuarial valuations by 31 January 2024	Achieved	None	None	Actuarial valuations report and proof of payment	R13	R13.8	3

5.5 KPA 5: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

33 KPI's and 37 were eligible for assessment during the financial year. The table below shows statistics for the respective KPA.

TABLE: BASIC SERVICES DELIVERY STATISTICS

Type	2022/2023 Annual			2023/2024 Annual				
	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets NOT Achieved	% Target NOT Achieved
KPIs	30	21	70%	33	30	91%	3	9%
Projects	39	25	64%	37	29	78%	8	22%
Total	**69**	**46**	**67%**	**70**	**59**	**84%**	**11**	**16%**

***M_83** A total of 23 existing learners benefited from the municipal bursary from July 2023 to December 2023. However, six (06) learners completed their respective courses by December 2023 and graduated before June 30, 2024, while three (03) learners were terminated for failing their studies in January 2024.

* The **M_71** The Assistive Device/Material & Equipment for Persons with Disabilities Program was held from April 15 to 19 and 22, 2024, at Dr. JS Moroka, Siyabuswa Community Hall. The actual performance of this program was reported as one event.

***The M_89 Loskop Dam** project is classified as a single project but is divided into five work packages. It was reported as one project. However, under the projects section, it has been reported according to each individual work package.

***M_101** A total expenditure of R4,975,830.70 has been recorded, which includes the following payments classified as operational expenses: R2,443,495.20 (excluding VAT) for Emalahleni Local Municipality, R88,500.00 (excluding VAT) for Ndoko Projects (Pty) Ltd, and R2,443,835.50 (excluding VAT) for Thembisile Hani Local Municipality.

***P_62** A total amount of R 1 289 648,80 (Excluding VAT) has been recorded as an expenditure which is inclusive of the following payments classified as capital: R 109 650,00 (Excluding VAT) for Jet Patcher Trailer and R 1 179 998,80 (Excluding VAT) for Machinery and Equipment Roads

Comparison:

- **KPIs Performance**: There was a significant improvement in the percentage of KPIs targets achieved from 70% in 2022/2023 to 91% in 2023/2024.
- **Projects Performance**: The achievement of project targets improved from 64% in 2022/2023 to 78% in 2023/2024.
- **Overall Performance**: The overall percentage of targets achieved (both KPIs and projects) increased from 67% in 2022/2023 to 84% in 2023/2024.
- **Targets Not Achieved**: The percentage of targets not achieved decreased from 33% in 2022/2023 to 16% in 2023/2024, indicating a significant reduction in the number of unmet targets.

In summary, the performance in Basic Services Delivery showed marked improvement from the 2022/2023 financial year to the 2023/2024 financial year. Both KPIs and project targets saw increased achievement rates, leading to an overall higher performance. The reduction in the percentage of targets not achieved highlights a positive trend in meeting the set goals for the municipality.

KPA 5: BASIC SERVICE DELIVERY AND INFRASTRUCTURE

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
M_68	Number of Disaster Risk reduction awareness campaigns conducted by 30 June 2023	31	30	30	Achieved	None	None	Quarterly Disaster Risk reduction reports (proving Number of DRR awareness campaigns conducted) and attendance registers	OPEX	OPEX	3
M_69	Number of quarterly DAC meetings held	4	4	4	Achieved	None	None	Agenda, Attendance registers and signed minutes	R100	R0.00	3
M_70	Number of HIV/AID's educational awareness campaigns conducted to capacitate and build communities by 30 June 2024	32	32	32	Achieved	None	None	Quarterly reports (proving Number of HIV/AID's awareness campaigns conducted) and attendance registers	R500	R151	3
*M_71	Number of vulnerable groups programmes aimed at Gender Based	22	20	36	Achieved	None	None	Quarterly reports proving Number of vulnerable groups programmes aimed	R1 983	R602	4

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
	Violence & Femicide, women, older person, children, men, LGBTIQ+ and People with Disability held by 30 June 2024							at Gender Based Violence & Femicide, women, older person, children, men, LGBTIQ+ and People with Disability held by 30 June 2024 and attendance registers			
M_72	Number of Mandela month community programme to support vulnerable group by 30 July 2024	20	12	12	Achieved	None	None	Attendance registers, reports, and delivery note	R461	R328	3
M_73	Number of inter-governmental relations (IGR MRM) programme implemented to communities by 30 June 2024	6	12	12	Achieved	None	None	Attendance registers and Quarterly reports (proving Number of inter-governmental relations (IGR MRM) programme implemented	R200	R199	3
M_74	Number of inland water samples tested for monitoring purposes (circular 88) per quarter from the local municipalities, analysed as per the SANS 241 standard (circular 88)	3662	3400	3729	Achieved	None	None	Quarterly water samples reports and signed Spreadsheets	R1 945	R1 900	3

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
M_75	Number of food handling and preparation facility inspections conducted in terms of the Foodstuffs, Cosmetics, Disinfectant Act (FCDA) per quarter	5341	5000	5547	Achieved	None	None	Quarterly food handling and preparation facility inspections reports and signed Spreadsheets	OPEX	OPEX	3
M_76	Number of food samples conducted in terms of the Foodstuffs, Cosmetics, Disinfectant Act (FCDA) per quarter	New	320	394	Achieved	None	None	Quarterly Laboratory sampling results and quarterly report	R400	R102	3
M_77	Percentage of all registered food premises inspected in compliance with relevant legislation (Circular 88) per quarter	New	60%	67.87% (925+949+914+980=3765) (1281+1449	Achieved	None	None	Quarterly MHS report and signed spreadsheets			3
M_78	Number of municipal Health Services and Environmental Management awareness campaigns conducted by 30 June 2024	44	41	45	Achieved	None	None	Attendance registers and Quarterly reports proving Environmental Management awareness campaigns conducted	R400	R388	3
M_79	Number of	25	18	18	Achieved	None	None	Attendance	R90	R067	3

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
	awareness campaigns on teenage pregnancy undertaken by 30 June 2024							registers and reports (proving number of awareness campaigns on teenage pregnancy undertaken)			
M_80	Number of campaigns on drug / substance abuse held in partnership with SANCA by 30 June 2024	25	17	22	Achieved	None	None	Attendance registers and quarterly reports (proving number of campaigns on drug / substance abuse held)	R162	R112	3
M_81	Number of Education Career Expos held by 30 June 2024	6	5	8	Achieved	None	None	Attendance registers and quarterly reports (proving of number of Education Career Expos held)	R140	R093	4
M_82	Mayoral Academic Recognition of NDM Learners held by 31 March 2024	1	1	1	Achieved	None	None	Attendance registers and report	R192	R119	3
*M_83	Number of existing qualifying learners identified by 30 June 2024	27	23	23	Achieved	None	None	Bursary offer letters, academic transcript, and Progress report of existing qualifying learners	R4 500	R2 825	3
M_84	Number of new qualifying learners identified by 30 June	12	12	18	Achieved	None	None	Applications forms for qualified learners; Bursary			3

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
	2024							offer letters and Progress report			
M_85	Youth Skill and entrepreneurship Development Summit held by 30 June 2024	1	1	1	Achieved	None	None	Attendance Register and Report	R51 + R178 = R229	R130	3
M_86	Number of compliance audits conducted with respect to Sec 21 listed activities as per the NEMAQA by 30 June 2024	35	37	37	Achieved	None	None	Attendance registers and quarterly report (proving of number of compliance audits conducted)	OPEX	OPEX	3
M_87	Number of SANITATION project (as submitted by the LM's) that are Completed in terms of Project Schedules by 30 June 2024	2	1	1	Achieved	None	None	1x Registration Certificate	R2 989	R2 989	3
M_98	Number of multi-year SANITATION project (as submitted by the LM's) that are Work in Progress in terms of Project Schedules by 30 June 2024	1	1	1	Achieved	None	None	1 x construction progress report	R50 736	R42 932	3
M_88	Number of WATER project (as submitted by the LM's) that are Completed in terms of Project Schedules	0	1	1	Achieved	None	None	BSC; BEC and BAC Resolutions, Appointment Letters and Completion	R901	R676	3

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
	by 30 June 2024							certificate			
*M_89	Number of multi-year WATER projects (as submitted by the LM's) that are Work in Progress in terms of project schedule by 30 June 2024	1	4	4	Achieved	None	None	2 x contractor appointment letter 1 x draft DDR 5 x construction progress report (per WP for Loskop)	R534 200	R533 502	3
M_90	Number of ROADS AND STORMWATER Projects (as submitted by the LM's) that are Completed in terms of project schedules by 30 June 2024	4	4	3	Not Achieved	The following project is not achieved: Kwaggafontein B and C Storm-water Drainage; Reason: Excessive Hard rock on road 05 and road 03, underground water on road 03 and project disruptions by community members.	Utilization of chemical blasting and installation of sub-surface drainage system. Contractor currently on penalties and project to be completed by 30 December 2024	BEC and BAC Resolution, Appointment Letter, 2 x completion certificate 1 x close-out report 1 x delivery note 1 x SLA	R23 804	R22 511	2
M_91	Number of multiyear ROADS AND STORMWATER Projects (as submitted by the LM's) that are Work in Progress in terms of project schedules by 30 June 2024	7	4	4	Achieved	None	None	2 x BSC Resolution 1 x DDR approval 1 x Construction progress report	R15 875	R9 569	3
M_92	Kilometres of new municipal road lanes built (circular 88) by	4,18km	0.812km	0.85km	Achieved	None	None	Completion certificate (Construction of	R8 710	R8 704	3

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
	30 June 2024							Roads Victor Khanye ph 2)			
M_99	Number of ELECTRICITY Projects (as submitted by the LM's) that are Completed in terms of project schedules by 30 June 2024	New	3	3	Achieved	None	None	DDR Approval, BEC and BAC Resolution, Appointment Letter, and Completion certificate (x3)	R26 602	R23 384	3
M_94	Number of multi-year MUNICIPAL Facilities (NDM) project that are Work in Progress in terms of the individual schedules 30 June 2024	1	1	1	Achieved	None	None	BEC and BAC Resolution, Appointment Letter	R2 966	R466	3
M_100	Number of MUNICIPAL Facilities (NDM) projects that are Completed in terms of the individual schedules 30 June 2024	1	2	1	Not Achieved	Contractor for the installation of passenger lift for the new building project lodged a dispute on contractual matters. Parties have requested Arbitration Foundation of South Africa (AFSA) to nominate a Mediator. Dates of mediation hearing are awaited from AFSA Secretariat	The project to be completed by 30 December 2024	2 x completion certificate	R6 581	R2 332	1
M_95	Number of progress reports on the percentage of	2	2	2	Achieved	None	None	2 progress reports and Council resolutions	OPEX	OPEX	3

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
	households with access to basic levels provided by local municipalities (Water, Sanitation, Electricity and Roads) submitted to Council by 30 June 2024										
*M_101	Percentage of JET PATCHER Road Material budget spent in support of Emalahleni and Thembisile Hani Local Municipalities by 30 June 2024	New	95%	99.5%	Achieved	None	none	1 x agreement with local municipalities, delivery note and payment voucher	R5 000	R4 976	3
M_102	Number of Recreational facilities projects that are Completed in terms of the individual schedules 30 June 2024	0	1	1	Achieved	None	None	Completion certificate	R5 356	R5 845	3
M_103 (A)	Percentages of CDS projects implemented in terms of in terms of the individual schedules 30 June 2024	New	100%	45%	Not Achieved	Out of 11 projects, the CDS achieved 5 projects, while 6 projects were not completed. Foam fender: in progress appointment was made in May 2024 Fire Protective Clothing: Bidders were not responsive	55% of the project will be rolled over. The roll-over budget will be prepared by August 30, 2024, and implementation will be completed by December 30, 2024	5 Delivery notes, 05 completion certificate and one council resolution	R14 400	R6 271	1

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024								
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
						to the advert, for Fire Information System: Bidders were not responsive to the project Fire Medium: Bidders were not responsive to the advert					

PROJECT: COMPLETED PROJECTS FOR PRIORITY ISSUE 12: SANITATION (TECHNICAL SERVICES)

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_13	Honey Sucker Truck by 30 June 2024	Dr JS Moroka	Stage 3-Implementation (100%): Registration of Plant or Machinery	Stage 1: Planning Stage (100%): BSC Resolution	Stage 2: Procurement Stage (100%): Tender advert, BEC and BAC Resolutions, Appointment of Services provider	Stage 3-Implementation (50%): Progress report	Stage 3-Implementation (100%): Registration of Plant or Machinery	100% Stage 3-Implementation: Registration of Plant or Machinery	Achieved	None	None	BSC Resolution, Tender advert, BEC and BAC Resolutions, Appointment of Services provider, Registration Certificate	R 2 989	R2 989	3

PROJECTS: WORK IN PROGRESS PROJECTS FOR PRIORITY ISSUE 12: SANITATION (TECHNICAL SERVICES)

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_14	Refurbishment & Upgrading Delmas WWTW by 30 June 2024	Victor Khanye	Stage 3: Implementation Stage (50%): Construction Progress Report	Stage 3: Implementation Stage (10%): Construction Progress Report	Stage 3: Implementation Stage (20%): Construction Progress Report	Stage 3: Implementation Stage (45%): Construction Progress Report	Stage 3: Implementation Stage (50%): Construction Progress Report	50.02% construction progress	Achieved	None	None	Progress report	R 41, 000 + R 9 736 = R 50 736	R42 932	3

PROJECT: COMPLETED PROJECTS FOR PRIORITY ISSUE 12: WATER (TECHNICAL SERVICES)

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_63 Roll Over	Madubadu ba & Moripe Garden Water Supply by 30 June 2024	Dr JS Moroka	Stage 3: Implementation Stage (100%): Construction Progress Report	Not applicable	Not applicable	Stage 3: Implementation Stage (90%): Construction Progress Report	Stage 3: Implementation Stage (100%): Construction Progress Report	100% Construction progress	Achieved	None	None	Completion certificate	R 244 + R 657 = R 901	R676	3

WORK IN PROGRESS PROJECTS FOR PRIORITY ISSUE 12: WATER

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_15	Construction of bulk water supply and	Emalahleni	Stage 2: Procurement Stage (100%):	Stage 1: Planning Stage (80%): IR, PDR and	Not applicable	Stage 2: Procurement Stage (75%): BSC, BEC and	Stage 2: Procurement Stage (100%):	100% of Contractor appointed and 35%	Achieved	None	None	BEC and BAC Resolution,	R 6 000	R5 914	3

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
	storage in Hlalanikahle & Ext 5 by 30 June 2024		Appointment of Contractor	DDR approvals		BAC Resolutions	Appointment of Contractor	construction Progress (stagge 2 and stage 3)				Appointment Letter			
P_16	Installation of Water Tanks and or Drilling of Borehole by 30 June 2024	NDM	Stage 2: Procurement Stage (100%): Appointment of Contractor	Stage 1: Planning Stage (100%): BSC Resolution	Not applicable	Stage 2: Procurement Stage (75%): BEC and BAC Resolutions	Stage 2: Procurement Stage (100%): Appointment of Contractor	100% Appointment of contractor	Achieved	None	None	BSC Resolution, Appointment Letter	R 5 700	R4 952	3
P_17	Western Highveld (Rust De Winter) Bulk Water Scheme by 30 June 2024	Dr JS Moroka	Stage 1: Planning and Design Stage (55%): draft Preliminary Design Report & draft Detailed Design Report	Stage 1 – Planning (100%): Implementation readiness study Report	Not applicable	Not applicable	Stage 1: Planning and Design Stage (55%): draft Preliminary Design Report & draft Detailed Design Report	55 % Draft PDR and Draft DDR	Achieved	None	None	draft Preliminary Design Report & draft Detailed Design Report	R 5 500	R5 491	3
P_18	Loskop Regional Bulk Water Supply: WP1 by 30 June 2024	Thembisile Hani	Stage 3: Implementation Stage (25%): Construction Progress Report	Stage 3: Implementation Stage (10%): Construction Progress Report	Stage 3: Implementation Stage (15%): Construction Progress Report	Stage 3: Implementation Stage (20%): Construction Progress Report	Stage 3: Implementation Stage (25%): Construction Progress Report	37% Construction Progress	Achieved	None	None	Construction Progress Report	R 495 000 + R 22 000 = R 517 000	R517 144	3
P_19	Loskop Regional		Stage 3: Implementa	Stage 3: Implementat	Stage 3: Implementa	Stage 3: Implementat	Stage 3: Implementa	66% Constructio	Achieved	None	None	Construction			3

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
	Bulk Water Supply: WP2 by 30 June 2024		tion Stage (55%): Construction Progress Report	ion Stage (20%): Construction Progress Report	tion Stage (30%): Construction Progress Report	ion Stage (50%): Construction Progress Report	tion Stage (55%): Construction Progress Report	n Progress				progress report			
P_20	Loskop Regional Bulk Water Supply: WP3 by 30 June 2024		Stage 3: Implementation Stage (40%): Construction Progress Report	Stage 3: Implementation Stage (20%): Construction Progress Report	Stage 3: Implementation Stage (30%): Construction Progress Report	Stage 3: Implementation Stage (35%): Construction Progress Report	Stage 3: Implementation Stage (40%): Construction Progress Report	47% Construction Progress	Achieved	None	None	Construction progress report			3
P_21	Loskop Regional Bulk Water Supply: WP4 by 30 June 2024		Stage 3: Implementation Stage (10%): Construction Progress Report	Stage 2: Procurement Stage (100%): BEC and BAC Resolutions, Appointment of Contractor	Not applicable	Stage 3: Implementation Stage (5%): Construction Progress Report	Stage 3: Implementation Stage (10%): Construction Progress Report	30.61% Construction Progress	Achieved	None	None	Construction progress report			5
P_22	Loskop Regional Bulk Water Supply: WP5 by 30 June 2024		Stage 3: Implementation Stage (50%): Construction Progress Report	Stage 3: Implementation Stage (10%): Construction Progress Report	Stage 3: Implementation Stage (20%): Construction Progress Report	Stage 3: Implementation Stage (45%): Construction Progress Report	Stage 3: Implementation Stage (50%): Construction Progress Report	86% Construction Progress	Achieved	None	None	Construction progress report			4

PROJECT: COMPLETED PROJECTS FOR PRIORITY ISSUE 14: ROADS AND STORM WATER

System IDs	Project	Location	Annual Milestone	2023/24 Milestones										
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_24	Kwaggafontein B and C Stormwater Drainage by 30 June 2024	Thembisile Hani	Stage 3: Implementation Stage (100%): Construction Progress Report	Stage 3: Implementation Stage (50%): Construction Progress Report	Stage 3: Implementation Stage (80%): Construction Progress Report	Stage 3: Implementation Stage (90%): Construction Progress Report	Stage 3: Implementation Stage (100%): Construction Progress Report	95% Construction Progress Report	Not Achieved	The following project is not achieved: Kwaggafontein B and C Storm-water Drainage; Reason: Excessive Hard rock on road 05 and road 03, underground water on road 03 and project disruptions by community members.	Utilization of chemical blasting and installation of sub-surface drainage system. Contractor currently on penalties and project to be completed by 30 December 2024	Completion certificate	R 11 253	R10 176	2
P_25	Construction of Roads	Victor Khanye	Stage 3: Implementation Stage	Stage 3: Implementation Stage	Stage 3: Implementation Stage	Not applicated	Not applicated	100% Construction Progress	Achieved	None	None	Completion certificate	R 8 710	R8 704	3

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
	Victor Khanye ph2 by 31 December 2023		(100%): Construction Progress Report	(50%): Construction Progress Report	(100%): Construction Progress Report										
P_26	Rural Road Asset Management by 30 June 2024	District Wide	Stage 2: Implementation Stage: (100%) Progress Report	Stage 2: Implementation Stage: (45%) Progress Report	Stage 2: Implementation Stage: (60%) Progress Report	Stage 2: Implementation Stage: (70%) Progress Report	Stage 2: Implementation Stage: (100%) Progress Report	100% Construction Progress	Achieved	None	None	Close-out report.	R 2 341	R2 341	3

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_62	Purchase (Supply and delivery) of machinery and equipment for Jet Patcher by 30 June 2024	NDM	Stage 2: Procurement Stage (100%): BEC, BAC Resolutions and appointment of service provider Stage 3: implementation stage (60%): Supply and	Not applicable	Not applicable	Stage 1: Planning stage (100%): BSC Resolution	Stage 2: Procurement Stage (100%): BEC, BAC Resolutions and appointment of service provider Stage 3: implementation stage (60%): Supply	60% Supply and delivery of machinery and equipment	Achieved	None	None	BEC and BAC Resolution, Appointment Letter and Delivery note	R 1 500	R1 290	3

			delivery of machinery and equipment				and delivery of machinery and equipment								

WORK IN PROGRESS PROJECTS FOR PRIORITY ISSUE 14: ROADS AND STORM WATER

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_23	New Town Roads and Stormwater by 30 June 2024	Steve Tshwete	Stage 3: Implementation Stage (50%): Construction Progress Report	Stage 2: Procurement Stage (100%): BEC and BAC Resolutions, Appointment of Contractor	Stage 3: Implementation Stage (10%): Construction Progress Report	Stage 3: Implementation Stage (25%): Construction Progress Report	Stage 3: Implementation Stage (50%): Construction Progress Report	95% Construction progress	Achieved	Contractor is ahead with the progress on site.	None	BEC and BAC Resolution, Appointment Letter, Construction progress report	R 6 500	R6 405	4
P_27	King Mabhoko and Gogo Esther Mahlangu Road by 30 June 2024	Dr JS Moroka	Stage 1: Planning and Design Stage: (100%) BSC Resolution	Stage 1: Planning and Design Stage: (40%) Inception & Scoping Report Approval	Stage 1: Planning and Design Stage: (60%) Preliminary Design Report Approval	Stage 1: Planning and Design Stage: (80%) Detailed Design Report Approval	Stage 1: Planning and Design Stage: (100%) BSC Resolution	100% BSC Resolution	Achieved	None	None	Inception & Scoping Report Approval, PDR Approval, , DDR Approval, and BSc Resolution	R 2 875	R703	3

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_28	Construction of Belfast Bookshop Street Road by 30 June 2024	Emakhazeni	Stage 1: Planning and Design Stage: (100%) BSC Resolution	Stage 1: Planning and Design Stage: (40%) Inception & Scoping Report Approval	Stage 1: Planning and Design Stage: (60%) Preliminary Design Report Approval	Stage 1: Planning and Design Stage: (80%) Detailed Design Report Approval	Stage 1: Planning and Design Stage: (100%) BSC Resolution	100% BSC Resolution	Achieved	None	None	Inception & Scoping Report Approval, PDR Approval, , DDR Approval, and BSc Resolution	R 5 000	R1 348	3
P_29	Nazaret Stormwater Drainage by 31 March 2024	Steve Tshwete	Stage 1: Planning and Design Stage: (80%) Detailed Design Report Approval	Stage 1: Planning and Design Stage: (40%) Inception & Scoping Report Approval	Stage 1: Planning and Design Stage: (60%) Preliminary Design Report Approval	Stage 1: Planning and Design Stage: (80%) Detailed Design Report Approval	Not applicable	80% Detailed Design Report Approved	Achieved	None	None	Inception & Scoping Report Approval, PDR Approval, , DDR Approval, and BSc Resolution	R 1 500	R 1 113	3

PROJECT: COMPLETED PROJECTS FOR PRIORITY ISSUE 13: ELECTRICITY

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_32	Installation of Smart Meters Management and Solar by 30 June 2024	Emakhazeni	Stage 3: Implementation Stage (100%): Construction Progress Report	Stage 2: Procurement Stage (100%): BEC and BAC Resolutions, Appointment of Contractor	Stage 3: Implementation Stage (20%): Construction Progress Report	Stage 3: Implementation Stage (50%): Construction Progress Report	Stage 3: Implementation Stage (100%): Construction Progress Report	100% Construction Progress	Achieved	None	None	BEC and BAC Resolution, Appointment Letter, and Completion report.	R 4, 742 + R 10, 184 = R 14 926	R12 773	3
P_33	Upgrading 200KVA to 315KVA Transformers by 31 December 2023	Victor Khanye	Stage 3: Implementation Stage (100%): Construction Progress Report	Stage 3: Implementation Stage (50%): Construction Progress Report	Stage 3: Implementation Stage (100%): Construction Progress Report	N/A	N/A	100% Construction Progress	Achieved	None	None	Completion certificate	R 939	R837	3
P_34	Installation of Renewable Solar Energy by 30 June 2024	NDM	Stage 3: Implementation Stage (100%): Construction Progress Report	Stage 2: Procurement Stage (100%): BEC and BAC Resolutions, Appointment of Contractor	Stage 3: Implementation Stage (20%): Construction Progress Report	Stage 3: Implementation Stage (50%): Construction Progress Report	Stage 3: Implementation Stage (100%): Construction Progress Report	100% Construction Progress	Achieved	None	None	BEC and BAC Resolution, Appointment Letter, and Completion certificate	R 10 737	R9 773	3

WORK IN PROGRESS PROJECTS FOR PRIORITY ISSUE: MUNICIPAL PROPERTIES

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_35	Disaster Management Centre by 30 June 2024	Steve Tshwete	Stage 2: Procurement Stage (100%): Appointment of Contractor	Not applicable	Not applicable	Stage 2: Procurement 75% BEC and BAC resolution	Stage 2: Procurement Stage (100%): Appointment of Contractor	100% Appointment of Contractor	Achieved	None	None	BEC and BAC Resolution, Appointment Letter	R 2 966	R466	3

COMPLETED PROJECTS FOR PRIORITY ISSUE: MUNICIPAL PROPERTIES

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_57 Roll Over	Installation of passenger lift for new building extension by 30 June 2024	NDM	Stage 3: Implementation Stage (100%): Construction Progress Report	Not applicable	Not applicable	Stage 3: Implementation Stage (40%): Construction Progress Report	Stage 3: Implementation Stage (100%): Construction Progress Report	47% Construction Progress	Not Achieved	Contractor lodged dispute on contractual matters	Parties have requested Arbitration Foundation of South Africa (AFSA) to nominate a Mediator. Dates of mediation hearing are awaited from AFSA Secretariat, the project to be completed 30 December 2024	Completion certificate	R 4 504	R515	1
P_58 Roll Over	Upgrading of fire tower – Dr JS Moroka fire station by 31 March 2024	NDM	Stage 3: Implementation Stage (100%): Construction Progress Report	Not applicable	Not applicable	Stage 3: Implementation Stage (100%): Construction Progress Report	Not applicable	100% Construction Progress	Achieved	None	None	Completion certificate	R2 077	R1 816	3

COMPLETED PROJECTS FOR PRIORITY ISSUE: RECREATIONAL FACILITIES

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_59 Roll Over	Moloto Community Hall by 30 June 2024	THLM	Stage 3: Implementation Stage (100%): Construction Progress Report	Not applicable	Not applicable	Stage 3: Implementation Stage (50%): Construction Progress Report	Stage 3: Implementation Stage (100%): Construction Progress Report	100% Construction Progress	Achieved	None	None	Completion certificate	R 1, 961 + R 3, 3395 = R 5 356	R5 845	3

PROJECTS FOR PRIORITY ISSUE 11: DISASTER MANAGEMENT (CDS)

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_36	Appointment of a panel for the Supply and Delivery of Disaster Relief Tents and Tarpaulins for a period of three (3) years by 30 June 2024	All LM's	Stage 3 (100%) First order of Disaster Relief Tents (15), Blankets (1000) Tarpaulins (100) delivered	Not applicable	Not applicable	Not applicable	Stage 3 (100%) First order of Disaster Relief Tents (15), Blankets (1000) Tarpaulins (100) delivered	80% 160 tarpaulins, 800 Blankets procured and delivered (160/100X100 =160%; 800/1000 X100 =80%; 0/15X100 =0%) Therefore 160%+80% +0%= 240% / 3 average = Total of 80%	Not Achieved	No disaster relief tents were procured because the service providers underquoted on that item	A project for the procurement of Disaster Relief tents will be advertised separately by 30 September 2024.	Delivery Note	R1 000	R726	2
P_60 Roll Over	Installation of the Push-to-Talk (PTT) Two Way Radio by 30 June 2024	All LM's	Stage 3 (100%): Installation of the Push-to-Talk (PTT) Two Way Radio	Not applicable	Not applicable	Not applicable	Stage 3 (100%): Installation of the Push-to-Talk (PTT) Two Way Radio	100% Project Completed and Delivery note attached	Achieved	None	None	Delivery Note	R 500	R468	3
P_37	Supply,	THLM	STAGE 3:	Stage 1:	Not	Stage 2:	Stage 3:	Stage 2 was	Not	Service	foam	BSC	R5 000	R4 190	1

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
	Delivery, and registration of (1) foam tanker for Thembisile fire station by 30 June 2024	fire station	(100%): foam fender (1) registered for NDM Fire AND Rescue Services delivered	Planning and Design Stage (100%): BSC Resolution and tender advert	applicable	Procurement Stage (100%): BEC and BAC Resolutions, Appointment of Services provider	(100%): (1) foam fender registered for NDM Fire and Rescue Services delivered	implemented at 100%, and a service provider was appointed 0% foam fender (1) registered for NDM Fire AND Rescue Services delivered	Achieved	provider appointed on the 22nd of April 2024 and was given an extension to deliver on the 30th of October 2024	fender (1) registered for NDM Fire AND Rescue Services delivered by 30 October 2024	resolution, advert, BEC &BAC resolutions, appointment letter, Registration, Delivery Note			
P_39	Supply, Delivery, and registration of (1) medium fire engine for Dr JS Moroka Fire Station by 30 June 2024	Dr JS Fire station	STAGE 3: (100%): (1) medium fire engine registered for NDM Fire AND Rescue Services delivered	Stage 1: Planning and Design Stage (100%): BSC Resolution and tender advert	Not applicable	Stage 2: Procurement Stage (100%): BEC and BAC Resolutions, Appointment of Services provider	Stage 3: (100%): (1) medium fire engine registered for NDM Fire AND Rescue Services delivered	80% BEC and BAC Resolutions for stage 2 was done. 0% Supply, Delivery, and registration of (1) medium fire engine	Not Achieved	The contractor for the project of medium pump fire engine for Dr JS was appointed and put in abeyance due to the defect of previous delivery	The services provider to be appointed in 30 October 2024 and delivered by 31 March 2025.	BSC resolution, advert, BEC & BAC resolutions, appointment letter, Registration certificate, Delivery Note	R5 000	R0.00	1
P_41	installation of fire and rescue	NDM	Stage 3: (100%): Developme	Stage 1: Planning and	Stage 2: Procurement Stage	STAGE 3: (100%): installatio	Stage 3: 100% developme	0% Installation of fire and	Not Achieved	The project was budgeted	100% Installation of fire and	Installation system	R700	R0.00	1

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
	information management system by 30 June 2024		nt of fire and rescue information management system installed (testing)	Design Stage (100%): BSC Resolution and tender advert	(100%): BEC and BAC Resolutions, Appointment of Services provider	n of fire and rescue information management system	nt of fire and rescue information management system installed (testing)	rescue information management system		for under Capital and Opex only. The error was rectified during budget adjustment is now under Opex. The project referred back to BSC to reconsider the eligibility functionality and compulsory BID document form M proof of registration with professional body and the project was then re-advertised	rescue information management by 30 December 2024	certificate/complete certificates			

System IDs	Project	Location	Annual Milestone	2023/24 Milestones										
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_61 Roll Over	Supply and delivery of firefighting machinery and equipment by 30 June 2024	Thembisile Hani Fire station	STAGE 3: (100%): firefighting machinery and equipment delivered	Not applicable	Not applicable	Stage 2: Procurement Stage (100%): BEC and BAC Resolutions, Appointment of Services provider	STAGE 3: (100%): firefighting machinery and equipment delivered	0% Supply and delivery of firefighting machinery and equipment	Not Achieved	The budget was moved from fire services to the disaster unit for the purpose of disaster centre	Supply and delivery of firefighting machinery and equipment by 30 December 2024	BSC resolution, advert, BEC &BAC resolutions, appointment letter, Delivery Note	R700	R731	1
P_43	Supply and installation of MHS water tank and stand for Dr JS Moroka office by 30 June 2024	Dr JS Moroka	Stage 3 100% Installed MHS water tank and stand at Dr JS Moroka office	Stage 1: Planning and Design Stage (100%): BSC Resolution and tender advert	Not applicable	Stage 2: Procurement Stage (100%): BEC and BAC Resolutions, Appointment of Services provider	Stage 3 100% Installed MHS water tank and stand at Dr JS Moroka office	100% Supply and installation of MHS water tank and stand for Dr JS Moroka office	Achieved	None	None	BSC resolution, advert, BEC &BAC resolutions, appointment letter, Completion certificate	R100	R078	3
P_44	Supply and installation of MHS water tank and stand for	Thembisile Hani	Stage 3 100% Installed MHS water tank and stand at	Stage 1: Planning and Design Stage (100%):	Not applicable	Stage 2: Procurement Stage (100%): BEC and BAC	Stage 3 100% Installed MHS water tank and stand at	100% Supply and installation of MHS water tank and stand for	Achieved	None	None	BSC resolution, advert, BEC &BAC	R100	R078	3

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
	Thembisile Hani office by 30 June 2024		Thembisile Hani office	BSC Resolution and tender advert		Resolutions, Appointment of Services provider	Thembisile Hani office	Thembisile Hani office by 30 June 2024				resolutions, appointment letter, Completion certificate			
P_45	Installation of MHS parkhome roof shelter at Dr JS Moroka office by 30 June 2024	Dr JS Moroka	Stage 3: 100% installed MHS parkhome roof shelter at Dr JS Moroka office	Stage 1: Planning and Design Stage (100%): BSC Resolution and tender advert	Not applicable	Stage 2: Procurement Stage (100%): BEC and BAC Resolutions, Appointment of Services provider	Stage 3: 100% installed MHS parkhome roof shelter at Dr JS Moroka office	100% Installation of MHS parkhome roof shelter at Dr JS Moroka office by 30 June 2024	Achieved	None	None	BSC resolution, advert, BEC &BAC resolutions, appointment letter, Completion certificate	R250	R085 (OPEX under maintenance)	3
P_46	Installation of MHS parkhome roof shelter at Thembisile Hani office by 30 June 2024	Thembisile Hani	Stage 3: 100% installed MHS parkhome roofshelter at Thembisile Hani office	Stage 1: Planning and Design Stage (100%): BSC Resolution and tender	N/A	Stage 2: Procurement Stage (100%): BEC and BAC Resolutions, Appointment of	Stage 3: 100% installed MHS parkhome roofshelter at Thembisile Hani office	100% Installation of MHS parkhome roof shelter at Thembisile Hani office by 30 June 2024	Achieved	None	None	BSC resolution, advert, BEC &BAC resolutions, appointment	R250	R085 (OPEX under maintenance)	3

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
				advert		Services provider						letter, Completion certificate			
P_47	Appointment of a Service Provider for the NDM Climate Change Response Strategy Reviewal by 30 June 2024	NDM	Stage 3: implementation stage (100%): NDM Climate Change Response Strategy Reviewal Approved by Council	Stage 1: Planning and Design Stage (100%): BSC Resolution and tender advert	Not applicable	Stage 2: Procurement Stage (100%): BEC and BAC Resolutions, Appointment of Services provider	Stage 3: implementation stage (100%): NDM Climate Change Response Strategy Reviewal Approved by Council	0% Appointment of a Service Provider for the NDM Climate Change Response Strategy Reviewal	Not Achieved	Draft in place. The position for the Divisional Manager of Climate Change could not be filled on time because the selected candidate rejected the offer. As a result, the post had to be re-advertised. This delayed the finalisation of strategy as is done in house	DFFE to support NDM on the review of the strategy and final review strategy to be approved by 30 December 2024	BEC and BAC Resolutions, Appointment letter, Reviewed NDM Climate Change Response Strategy Approved, council resolution	R800	R0.00	1

5.6 KPA 6: SPATIAL DEVELOPMENT

2 KPI's and 10 projects were eligible for assessment during the financial year. The table below shows statistics for the respective KPA.

TABLE: SPATIAL DEVELOPMENT STATISTICS

Type	2022/2023 Annual			2023/2024 Annual				
	Total KPI's Assessed	Targets Achieved	% Target Achieved	Total KPI's Assessed	Targets Achieved	% Target Achieved	Targets NOT Achieved	% Target NOT Achieved
KPIs	3	3	100%	2	2	100%	0	0%
Projects	6	6	100%	7	7	100%	0	0%
Total	**9**	**9**	**100%**	**9**	**9**	**100%**	**0**	**0%**

Comparison:

- **KPIs Performance:** The achievement of KPI targets remained consistently high at 100% for both financial years, although the number of KPIs assessed decreased from 3 in 2022/2023 to 2 in 2023/2024.
- **Projects Performance:** The achievement of project targets also remained consistently high at 100% for both financial years, with an increase in the number of projects assessed from 6 in 2022/2023 to 7 in 2023/2024.
- **Overall Performance:** The overall performance remained at 100% for both financial years, with all targets achieved and no targets unmet.

In summary, the performance in Spatial Development was exemplary for both financial years, with all targets achieved and no targets unmet. This consistency demonstrates a strong capability in meeting the set goals for Spatial Development within the municipality.

KPA 6: SPATIAL DEVELOPMENT

KPI IDs	Key Performance Indicator	Baseline 2022/2023	2023/2024							
			Annual Target	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated R'000	Actual Expenditure R'000	Score
M_96	Percentage of compliant applications considered by municipal tribunal/ land use committee with respect land use application within 120 days	100%	100%	100%	Achieved	None	None	Register of application compliant and minutes of municipal tribunal / land use	OPEX	OPEX	3
M_97	Percentage of applications received and responded to with respect to town planning in or before 21 working days	100%	100%	100%	Achieved	None	None	Register of applications received and signed acknowledgment letters	OPEX	OPEX	3

PROJECTS: PLANNING

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
P_48	Land Surveying by 30 June 2024	Dr JS Moroka LM	Stage 1-planning: Final General Plan and Closure Report (100%)	Allocation letter, Inception Meeting (10%)	Not applicable	Stage 1-planning: Allocation letter & inception meeting; inception report (30%)	Stage 1-planning: Draft and Final General Plan and Closure Report (100%)	100% Final General Plan and Closure Report	Achieved	None	None	Allocation Letter, Agenda, attendance register minutes, inception report, Final General Plan and closure report	R650	R720	3
P_49	Opening of Township Register by 30 June 2024	Dr JS Moroka LM	Stage1: planning Township register certificate (100%)	Stage1: planning Allocation letter, Inception Meeting (10%)	Stage1: planning Inception Report (30%)	Stage1: planning Application forms (60%)	Stage1: planning Township register certificate (100%)	100% township register	Achieved	None	None	Allocation Letter, Agenda, attendance register minutes,, inception report, Township register certificate	R600	R600	3
P_50	Cemetery Establishment by 30 June 2024	Emakhazeni LM	Stage1: planning Final application (100%	Stage1: planning Allocation letter, Inception	Stage1: planning Inception Report (30%)	Stage1: planning Draft application (60%)	Stage1: planning Final application (100%	100% Final Application	Achieved	None	None	Allocation Letter, Agenda, attendance register	R600	R908	3

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
				Meeting (10%)								minutes, inception report, final application			
P_51	Opening of Township Register and Proclamation of Townships by 30 June 2024	Emakhazeni LM	Stage1: planning Final application (100%)	Stage1: planning Allocation letter, Inception Meeting (10%)	Stage1: planning Inception Report (30%)	Stage1: planning Draft application (60%)	Stage1: planning Final application (100%)	100% final Application	Achieved	None	None	Allocation Letter, Agenda, attendance register minutes, inception report, final application	R600	R600	3
P_52	Establishment of Hendrina / Kwazamokuhle industrial Township by 30 June 2024	Steve Tshwete Local Municipality	Stage1: planning Final application (100%)	Stage1: planning Allocation letter, Inception Meeting (10%)	Stage1: planning Inception Report (30%)	Stage1: planning Draft application (60%)	Stage1: planning Final Application (100%)	100% Final Application	Achieved	None	None	Allocation Letter, Agenda, attendance register minutes, inception report, final application	R700	R928	3
P_53	Formalisation of Township Establishment by 30 June 2024	Thembisile Hani LM	Stage1: planning Final application (100%)	Stage1: planning Allocation letter, Inception Meeting (10%)	Stage1: planning Inception Report (30%)	Stage1: planning Draft application (60%)	Stage1: planning Final application (100%)	100% final application	Achieved	None	None	Allocation Letter, Agenda, attendance register minutes, inception report, final	R1 687	R1 687	3

System IDs	Project	Location	Annual Milestone	2023/24 Milestones											
				Quarter 1 Milestone	Quarter 2 Milestone	Quarter 3 Milestone	Quarter 4 Milestone	Annual Actual Performance	Achievements	Challenges	Corrective Action	POE	Total Budget Allocated	Actual Expenditure R'000	Score
												application			
P_54	Formalisation of Township Establishment by 30 June 2024	DR JS MOROKA LM	Stage1: planning Final application (100%)	Stage1: planning Allocation letter, Inception Meeting (10%)	Stage1: planning Inception Report (30%)	Stage1: planning Draft application (60%)	Stage1: planning Final application (100%)	100% final application	Achieved	None	None	Allocation Letter, Agenda, attendance register minutes, inception report, final application	R2 000	R1 968	3

CHAPERT 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE REPORT PART II

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4. INTRODUCTION

The Municipality has six (6) departments namely: Corporate Services, Technical Services, Community Development Services, Finance Service, Planning & Economic Development and the office of the MM.

4.1 EMPLOYEES TOTAL, TURNOVER AND VACANCIES AND EMPLOYEE EXPENDITURE

Recruitment and selection of employees is based on the recruitment, selection and appointment policy of the institution and in line with the Employment Equity Plan Numeric Goals. The table below depict institutional vacancy rate:

Table 0.1 Positions and Institutional Vacancies

Department/Unit	2022/ 2023 Total Positions	2022/ 2023 Filled Positions	2022/ 2023 Vacant	2023/ 2024 Total Positions	2023/ 2024 Filled Positions	2023/ 2024 Vacant	Vacancies %
Council							
Audit Committee	5	4	1	5	5	0	0
NEDA	8	8	0	7	6	1	14
Risk Committee	1	1	0	1	1	0	0
Planning Tribunal	6	6	0	6	6	0	0
Executive Mayor	8	7	1	8	7	1	12,5
Speaker & Council Whip	5	4	1	7	7	0	0
Municipal Manager	2	2	0	2	2	0	0
ICT	6	6	0	7	7	0	0
Risk	2	1	1	2	2	0	0
Legal	2	1	1	2	2	0	0
PMS	5	4	1	5	5	0	0
Municipal Support	2	2	0	2	2	0	0
Internal Audit	6	6	0	6	6	0	0
Finance	37	31	6	40	36	4	10
Corporate	44	41	3	46	43	3	6,5
Technical	12	10	2	13	13	0	0
Community Development Services	64	61	3	65	61	4	6
Thembisile Hani Fire station	38	34	4	37	35	2	5
Dr JS Moroka Fire station	37	34	3	37	34	3	8
Nokaneng Satellite Fire station	12	12	0	18	15	3	17
PED	20	15	5	20	19	1	5
Fire Reservist	12	12	0	12	9	3	25
Total	**334**	**302**	**32**	**348**	**323**	**25**	**7**

Table 0.2 Management Vacancy Rate for 2023/2024

Designations	2022/2023 *Total Approved Posts	2023/2024 *Total Approved Posts	2023/2024 *Vacancies (Total time that vacancies exist using fulltime equivalents)	2023/2024 *Vacancies (as a proportion of total posts in each category)
	No.	No.	No.	%
Municipal Manager	01	1	0	0
CFO	01	1	0	0
Other S57 Managers (Excluding Finance Posts)	04	04	0	0
Managers	8	8	0	0
Divisional Managers	27	29	2	7
Total	**41**	**43**	**2**	**5**

Table 0.3 Turn-Over Rate 2023/2024

Turn-over Rate			
Details	**Total Appointments as of beginning of Financial Year No.**	**Terminations during the Financial Year No.**	**Turn-over Rate* (%)**
2021/2022	305	07	2.2
2022/2023	315	19	6
2023/2024	287	19	7

** Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year*

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION

Section 67 of the Municipal Systems Act requires the Municipality to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personal administration including but not limited to items mentioned from table below. Systems in the Nkangala District includes service conditions of the staff, recruitment and selection, succession and career pathing, promotion and retention of staff, transfer and acting systems and procedures, training and development, remuneration and performance management, affirmative and employment equity.

Human Resources Systems are vehicles to ensure efficient management of the workforce. Gender parity can only be achieved through implementation of affirmative action as required in terms of Employment Equity Act No. 55 of 1998. The Employment Equity Act also requires that employment equity be maintained in human resources management such as, staff placed in either lower or higher positions without proper processes followed, underpayment, unequal remuneration for similar positions at the same level and other related barriers, be eradicated.

4.2 POLICIES

Council at its 11th 2023/2024 Council meeting held on 22 May 2024 reviewed and adopted policies. A total of seventy (70) Policies and thirty-two (32) enabling documents were approved.

Council approved the following policies:

Table 0.4 NDM APPROVED POLICIES

No.	TITLE OF POLICY	COUNCIL RESOLUTION NUMBER
1.	Accommodation Travel and Subsistence Policy	DM-ND 408/05/2024
2.	Cost Containment Policy	DM-ND 408/05/2024
3.	Virement Policy	DM-ND 408/05/2024
4.	Budget Policy	DM-ND 408/05/2024
5.	Donation Policy	DM-ND 408/05/2024
6.	Funding Reserve Policy	DM-ND 408/05/2024
7.	Foreign Exchange Policy	DM-ND 408/05/2024
8.	Petty Cash Policy	DM-ND 408/05/2024
9.	Borrowing Policy	DM-ND 408/05/2024
10.	Asset Management Policy	DM-ND 408/05/2024
11.	Supply Chain and Contract Management Policy	DM-ND 408/05/2024
12.	Credit Control Policy	DM-ND 408/05/2024
13.	LFGIDPM Model SCM Policy	DM-ND 408/05/2024
14.	Rental of facilities Policy	DM-ND 408/05/2024
15.	Blacklisting Policy	DM-ND 408/05/2024
16.	Investment of Surplus Funds Policy	DM-ND 408/05/2024
17.	Insurance Policy	DM-ND 408/05/2024
18.	Cash Management and Creditor Payment Policy	DM-ND 408/05/2024
19.	Catering Policy	DM-ND 408/05/2024
20.	Tariff Policy	DM-ND 408/05/2024
21.	Provision of Doubtful Debt and Debt Write Off Policy	DM-ND 408/05/2024
22.	Unauthorised, Irregular, Fruitless and Wasteful expenditure Policy	DM-ND 408/05/2024
23.	Unsolicited bid Policy	DM-ND 408/05/2024
24.	Talent Acquisition and Management Policy	DM-ND 408/05/2024
25.	Labour Relations Policy	DM-ND 408/05/2024

No.	TITLE OF POLICY	COUNCIL RESOLUTION NUMBER
26.	Grievance Policy	DM-ND 408/05/2024
27.	Prevention of Harassment and Discrimination Policy	DM-ND 408/05/2024
28.	Incapacity and Poor Performance Policy	DM-ND 408/05/2024
29.	Leave and Disability Management Policy	DM-ND 408/05/2024
30.	Occupational Health and Safety Policy	DM-ND 408/05/2024
31.	Smoking Policy	DM-ND 408/05/2024
32.	Security Management Policy	DM-ND 408/05/2024
33.	Fleet Management Policy	DM-ND 408/05/2024
34.	Task Job Evaluation Policy	DM-ND 408/05/2024
35.	Batho Pele Policy	DM-ND 408/05/2024
36.	Public Participation Policy	DM-ND 408/05/2024
37.	Bereavement Policy	DM-ND 408/05/2024
38.	Skills Development Policy	DM-ND 408/05/2024
39.	Employee Wellness and Support Policy	DM-ND 408/05/2024
40.	Maintenance and Rental of facilities Policy	DM-ND 408/05/2024
41.	Communication Policy	DM-ND 408/05/2024
42.	Employee Benefits and Allowance Policy	DM-ND 408/05/2024
43.	HIV Policy	DM-ND 408/05/2024
44.	Library Policy	DM-ND 408/05/2024
45.	Employment Equity Policy	DM-ND 408/05/2024
46.	Records Management Policy	DM-ND 408/05/2024
47.	Danger Allowance Policy	DM-ND 408/05/2024
48.	External Bursary Fund	DM-ND 408/05/2024
49.	Councillors and Traditional Leaders Tools of Trade Policy	DM-ND 408/05/2024
50.	Firearm Policy	DM-ND 408/05/2024
51.	Performance Management System and Performance Management and Development Policy	DM-ND 408/05/2024
52.	Protection of Personal Information Policy (POPI)	DM-ND 408/05/2024
53.	Corporate Governance of ICT Framework Policy	DM-ND 408/05/2024
54.	ICT Policy	DM-ND 408/05/2024
55.	Information and Communication Technology Security Policy	DM-ND 408/05/2024
56.	Information and Communication Technology Cloud Computing Policy	DM-ND 408/05/2024
57.	Information and Communication Technology Firewall Policy	DM-ND 408/05/2024
58.	Information and Communication Technology Backup Policy	DM-ND 408/05/2024
59.	Information and Communication Technology Acceptable Workstation Use Policy	DM-ND 408/05/2024
60.	Fire Reservists Policy	DM-ND 408/05/2024
61.	EPWP Policy	DM-ND 408/05/2024
62.	Risk Management Policy	DM-ND 408/05/2024
63.	Fraud and Corruption Policy	DM-ND 408/05/2024
64.	Whistle Blowing Policy	DM-ND 408/05/2024
65.	Business Continuity Management (BCM) Policy	DM-ND 408/05/2024
66.	Targeted Contractor Development Policy	DM-ND 408/05/2024
67.	Language Policy	DM-ND 408/05/2024
68.	Conditions Applicable to implementation and/or Execution of Capital Projects	DM-ND 408/05/2024
69.	Standard Uniformity in Evaluating and Supporting Potentially Emerging Contractors in Nkangala District Municipality	DM-ND 408/05/2024
70.	Social media	DM-ND 408/05/2024

4.3 INJURIES, SICK AND SUSPENSIONS

Injuries, Sick and Suspensions

Table 0.5 Number and Cost of Injuries on Duty 2023/2024

Type of Injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee
	Days	No.	%	Days
Required basic medical attention only	0	0	0	0
Temporary total disablement	0	0	0	0
Permanent disablement	0	0	0	0
Fatal	0	0	0	0
Total	0	0	0	0

Table 0.6 Number of days and Cost of Sick Leave

Number of days and Cost of Sick Leave (excluding injuries on duty)					
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days
Lower skilled (Levels 1-2)	32	8	7	28	4
Skilled (Levels 3-5)	238	15	7	34	34
Highly skilled production (levels 6-8)	279	73	29	16	15
Highly skilled supervision (levels 9-12)	721	191	76	118	9
Senior management (Levels 13-15)	227	52	27	27	8
MM and S57	69	13	6	6	11.5
Total	**1566**	**352**	**152**	**229**	**81.5**

** - Number of employees in post at the beginning of the year*
**Average is calculated by taking sick leave in column 2 divided by total employees in column 5*

T 4.3.2

Table 0.7 Suspensions

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken, or Status of Case and Reasons why not Finalised**	**Date Finalised**
None	None	None	None	None
				T 4.3.5

No suspension for the 2023/24 financial year

Table 0.8 2023/2024 Disciplinary Action Taken

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the Municipality**	**Disciplinary action taken**	**Date Finalized**
Divisional Manager: Transversal	Financial Misconduct to the value of R 78 120.00	disciplinary enquiry	on-going

4.4 PERFORMANCE MANAGEMENT SYSTEM AND PERFORMAMCE MANAGEMENT & DEVELOPMENT SYSTEM

Organizational Performance Management Systems

The municipality manages performance in a consultative, supportive, and non-discriminatory manner to enhance organizational efficiency, effectiveness, and accountability for the use of resources and the achievement of Municipal Integrated Development Plan (IDP) objectives. This approach ensures the effective implementation of both Organizational and Individual Performance Management systems. Additionally, it ensures that all employees understand how their contributions align with the organization's vision, mission, and objectives.

The implementation of performance management systems in municipalities is a critical component in ensuring that public services are delivered efficiently and effectively. These systems provide a structured approach to monitoring, evaluating, and improving organizational performance. By fostering a culture of accountability and continuous improvement, municipalities can better serve their communities and meet the evolving needs of their citizens.

Nkangala District Municipality, the commitment to robust performance management is reflected in its adherence to legislative requirements and proactive adjustments to plans and strategies. The Service Delivery and Budget Implementation Plan (SDBIP) serves as a cornerstone of this commitment, translating the municipality's budget into tangible, measurable outcomes. The timely approval and adjustment of the SDBIP underscore the municipality's dedication to responsive and adaptive governance. According to Section 53 (1) (c) (ii) of the Municipal Finance Management Act (MFMA), the Service Delivery and Budget Implementation Plan (SDBIP) was approved on June 28, 2023, meeting the requirement to approve the SDBIP within 28 days after the budget approval. During the adjustment period, the municipality made two adjustments to the 2023/2024 SDBIP. The first adjustment was finalized and approved on March 27, 2024, and the second adjustment on April 16, 2024.

To monitor and measure performance progress, the municipality prepared four quarterly institutional performance reports, which were submitted to the Council within 30 days after the end of each quarter. Furthermore, the municipality's practice of submitting quarterly performance reports to the Council demonstrates a transparent and systematic approach to performance monitoring. These reports provide valuable insights into the progress and impact of various initiatives, enabling informed decision-making and strategic adjustments. In terms of monitoring and evaluation, the Performance Management and Development System (PMDS) unit, along with internal audit personnel, conducted site visits in 2024 on projects sampled from the Technical Services and Community Development Services (CDS) departments.

In conclusion, the municipality's performance management systems not only align with regulatory standards but also embody a proactive, inclusive, and transparent approach to public administration. This commitment ensures that all employees are engaged and understand their roles in achieving the municipality's broader goals, ultimately leading to improved service delivery and enhanced community satisfaction.

Performance Management & Development Systems

In terms of the approved PMDS Policy, Local Government Municipal Performance Regulations for Municipal Managers and Managers Directly accountable to Municipal Manager,2006 and Municipal Staff regulations states that a performance bonus ranging from five percent (5%) to fourteen percent (14%) of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance, subject thereto that , in determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment-rating calculator.

The 2022/2023 annual assessments for all employees were conducted in Strick compliance with the Performance Management System (PMS) and Performance Management and Development System (PMDS) policies. The employees' scorecards were thoroughly reviewed by the internal audit/PMS units to ensure alignment with the established policies. Each employee underwent an annual performance assessment conducted through one-on-one sessions with their respective supervisors and departmental moderation committees' assessment.

Following the departmental assessments, all employees' scorecards for the 2022/2023 period underwent departmental review before being presented to the municipal performance moderation committee. The dates for the departmental review sessions have been clearly highlighted in the table below. The Departmental reviews were convened to re-checked scored and reviewed scorecards in line with the PMS and PMDS policies by General Managers and Divisional Manager PMS to scrutinize whether the achievements were valid and credible. The internal audit unit and PMS unit was assessed by the Chairperson of Audit and Performance committee.

Moreover, to enhance transparency and accountability, any discrepancies or concerns identified during the assessment process were addressed promptly and appropriately during departmental review. This annual evaluation process ensures that employee performance is accurately measured and contributes to the continuous improvement of organizational effectiveness. This fosters a culture of growth and development within the organization, ultimately leading to enhanced employee engagement and satisfaction.

Table 0.9 Overall Performance of Individual Assessment

DEPARTMENT	TOTAL NUMBER OF EMPLOYEES SUBMITTED AND ASSESSED	TOTAL NUMBER OF EMPLOYEES QUALIFIED FOR BONUS	TOTAL NUMBER OF EMPLOYEES NOT FULLY EFFECTIVE / POE NOT SUBMITTED
Corporate Services Department	34	24	06
PED	12	4	5
Technical Services Department	9	2	1
Finance Services	26	20	1
Community Development Services	142	61	26
Office Of the Municipal Manager	21	16	0
Office Of the Executive Mayor (EM)	3	1	5
Total	**247**	**128**	**44**

Table 0.10 The following employees have been assessed for Annual Performance and qualified for bonus

2020/2021 PERFORMANCE BONUS	2021/2022 PERFORMANCE BONUS	2022/2023 PERFORMANCE BONUS
A total of 88 employees qualified for a bonus for the period of 2020/2021.	A total of 58 employees qualified for a bonus for the period of 2021/2022.	A total of 128 employees qualified for a bonus for the period of 2022/2023.

A total of 58 employees qualified for a bonus for the period of 2021/2022 and the number increased to 128 for 2022/2023 financial year. However, 44 employees performed below acceptable standards for the job.

Table 0.11 Performance bonus qualified employees

CORPORATE SERVICES

No	Incumbent Position	Name and Surname	Municipal Moderation Committee score
1	General Manager Corporate Services	ML Mahlangu	65%
2	Divisional Manager Public Liaison	DM Masombuka	67%
3	Divisional Manager: HR	JM Nhlapho	68%
4	Legal Advisor	NT Maphanga	67%
5	Library and records officer	SO Nkosi	68%
6	Occupational Health and Safely Officer	MR Makulane	66%
7	Admin Officer	MA Lukhele	66%
8	Committee Clerk	TE Mangwege	67%
9	Committee Clerk	VJ Jiyane	65%
10	Committee Clerk	TC Mazwi	66%
11	Committee Clerk	GL Kgwedi	67%
12	Admin Officer	NB Mtshali	67%
13	Committee Clerk	G Shabangu	65%
14	Communications officer: Public Liaison	NM Nkosi	66%
15	Skills Development Facilitator	HB Nkosi	68%
16	Records clerk	P Sukazi	66%
17	Executive Secretary: Corporate Services	NE Modan	68%
18	Senior Building Caretaker	J Lebisi	65%
19	Assistant Record Clerk	NG Xaba	65%
20	MPAC Researcher	HL Phala	67%
21	MMC secretary	TS Masimula	67%
22	Receptionist	MW Mahlangu	66%
23	Repro attendance	MK Mokomane	65%
24	Driver / Messenger	E Raseroka	67%
25	Clerical assistant HRM and development	R Van Zyl	65%

PED

No	Incumbent Position	Name and Surname	Municipal Moderation Committee score
1.	Divisional Manager DPU	VS Kubheka	65%
2.	Development control Planner	F Shabangu	68%
3.	Development control Planner	KS Radebe	66%
4.	Secretary PED	VM Phetla	67%

TECHNIAL SERVICES DEPARTMENT

No	Incumbent Position	Name and Surname	Municipal Moderation Committee score
1.	Engineering Technician	NG Malebati	65%
2.	Admin officer: Projects	RC Lobese	66%

FINANCE SERVICES

No	Incumbent Position	Name and Surname	Municipal Moderation Committee score
1.	Chief Financial Officer	AL Stander	72%
2.	Manager	SK Mahlangu	69%
3.	Divisional Manager Budget	AS Msiza	68%
4.	Accounting Clerk: Asset	PP Motebu	68%
5.	Secretary	NV Nkosi	66%
6.	Accountant: Projects	EM Khanye	67%
7.	Accountant: Treasury and Asset Management	N Parbhoo	71%
8.	Accountant: Expenditure	NR Mogodi	72%
9.	Accountant: Reporting	T Van Niekerk	74%
10.	Data Capture: Expenditure	T Mphela	68%
11.	Creditors clerk:	B Jele	76%
12.	Compliance Clerk	DI Tlaka	67%
13.	Chief Accounting Clerk: Creditors	E Prinsloo	71%
14.	Chief Accountant	AN Hlongwa	69%
15.	Senior Accounting Clerk: Assets	QJ Skosana	69%
16.	SCM clerk	AM Motau	66%
17.	SCM clerk	SL Aphane	68%
18.	Chief Accounting Clerk	NP Maphalala	71%
19.	Cashier	SG Sekgobela	67%
20.	Accounting Clerk: Revenue	NMB Mathibela	70%

SOCIAL SERVICES

No	Incumbent Position	Name and Surname	Municipal Moderation Committee score
1.	Manager Social Services	MV Mahlangu	66%
2.	Divisional Manager: MHS	S Links	68%
3.	Divisional Manager: Fire and Rescue	MR Ramohale	67%
4.	Sectary Social services	G Ndlovu	66%
5.	Atmospheric Emission licencing administration	L Gambu	69%
6.	Chief Environmental Health Practitioner	N Singh	65%
7.	Senior Environmental Health Practitioner	GG Mokhabela	66%
8.	Environmental Health Practitioner	C Marx	65%
9.	Chief Environmental Health Practitioner	M Joubert	65%
10.	Environmental Health Practitioner	BH Mathenjwa	66%
11.	Environmental Health Practitioner	DE Mahlangu	65%
12.	Environmental Health Practitioner	MM Nkwane – Mankopane	65%
13.	Environmental Health Practitioner	SB Moepi	65%
14.	Environmental Health Practitioner	JM Rakau	65%
15.	Environmental Health Practitioner	MF Gakwa	65%
16.	Environmental Health Practitioner	PM Mthimunye	65%
17.	Fire Fighter (Team Bezuidenhout)	T Mnguni	65%
18.		E Rammereki	65%
19.		RM Machete	65%
20.		N Mahlangu	65%
21.		SA Nkosi	65%
22.		M Kgamedi	65%
23.		N Mtsweni	65%
24.		KW Kgatla	65%
25.	Fire Fighters (Team Manwell/Team Jiyane)	FN Mahlangu	70%
26.		JM Mahlangu (Mr)	70%
27.		RV Mtshweni	70%
28.		MS Mohlalamobe	70%
29.		SS Mguni	70%
30.		TM Nkadimeng	70%
31.		MC Seloba	70%
32.		KP Nchabeleng	70%
33.	Leading Fire Fighter	T Kutama	65%
34.	Fire Fighters (Team Kutama)	WB Jiyane	65%
35.		SA Motsepe	65%
36.		MB Mabena	65%
37.		B Skosana	65%
38.		ST Magakwa	65%
39.		JM Mahlangu (Ms)	65%
40.		L Mabena	65%
41.	Leading Fire Fighter	KP Chepape	67%
42.	Fire Fighter (Team Chepape)	KT Masilela	67%
43.		E Mahlangu	67%
44.		KC Mogatle	67%
45.		C Aphane	67%
46.		AR Mgidi	67%
47.		DJ Maako	67%
48.		MP Mnguni	67%

No	Incumbent Position	Name and Surname	Municipal Moderation Committee score
49.	Leading Fire Fighter	TF Mnguni	65%
50.	Fire Fighters (Team Mnguni)	PA Mokone	65%
51.		HJ Ntuli	65%
52.		NS Nkuna	65%
53.		NP Mabena	65%
54.		ZS Baloyi	65%
55.		M Mogajane	65%
56.		P Disoloane	65%
57.		P Chepape	65%
58.	Leading Fire Fighter	PM Radebe	67%
59.	Fire Fighter (Team Radebe)	LZ Masilela	67%
60.		VD Mtsweni	67%
61.		MV Msiza	67%

OFFICE OF THE MUNICIPAL MANAGER

No	Incumbent Position	Name and Surname	Municipal Moderation Committee score
1.	Municipal Manager	MM Skosana	65%
2.	Municipal Manager: Secretary	NQ Mnisi	66%
3.	Chief Risk Officer	JN Ralephaleng	70%
4.	Divisional Manager: PMS	GD Mogorosi	67%
5.	PMS Coordinator	DM Rakgalakane	69%
6.	PMS Officer	NP Nsibande	69%
7.	PMS Officer	NE Zulu	70%
8.	Chief Audit Executive	AD Twala	71%
9.	Senior Internal Audit	K Gwangwa	73%
10.	Internal Auditor	K Masemola	70%
11.	Internal Auditor	S Mpanza	70%
12.	Internal Auditor	J Morar	72%
13.	Internal Auditor	PL Seerane	68%
14.	ICT Technician	M Serene	65%
15.	Information security officer	RM Mokwena	66%
16.	Senior IT administrator	BS Nkosi	66%

OFFICE OF THE EXECUTIVE MAYOR (EM)

No	Incumbent Position	Name and Surname	Municipal Moderation Committee score
1.	Manager	Khube N C	65%

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINNING

Skills development is one of the key issues that are critical in enhancing and empowering human capital within the Municipality. According to the National Development Plan of 2012 South Africa generally experiences a shortage of critical skills in the key sectors of the economy.

The Nkangala District Municipality develops and capacitates its employees and Councillors to ensure they able to provide services to the communities in a more efficient and effective way. Among others the modes of capacity building for staff and Councillors are lifelong learning, multi-skilling and retraining to ensure capacitating them on new development in the fields of work and political responsibilities.

The Municipality conducts skills audit annually to inform its Workplace Skills Planning. This is to ensure that The Nkangala District Municipality develops and capacitates its employees and Councillors to ensure that they are able to provide services to the communities in a more efficient and effective way. Among others, the modes of capacity building for staff and Councillors include lifelong learning, multi-skilling and retraining. These are meant to capacitate both officials and Councillor on new development in the fields of work and political responsibilities respectively. To achieve these objectives, the Nkangala District Municipality conducts skills audit on annual basis to inform its Workplace Skills Planning.

The table below depicts the Skills Matrix in the NDM in the period under review.

Table 0.12 Skills Matrix

Table 4.8 Skills Matrix					
Management level	**Gender**	**Number of skilled employees required and actual as 2023/2024**			
		Learnerships	**Skills programmes & other short courses**	**Other forms of training**	**Total**
MM and s57	Female	0	0	1	1
	Male	0	0	1	1
Councillors, senior officials and managers	Female	0	8	0	8
	Male	0	12	24	36
Technicians and associate professionals*	Female	0	0	21	21
	Male	0	0	0	0
Professionals	Female	0	10	0	0
	Male	0	15	0	0
Sub total	Female	0	18	22	40
	Male	0	27	25	52
Total		**0**	**90**	**94**	**159**

Table 0.13 Financial Competency Development

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	17	1	0
Chief financial officer	1	0	1	20	1	1
Senior managers	4	0	4	16	4	0
Any other financial officials	3	0	3	46	3	0
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	16	1	0
Supply chain management senior managers	0	0	0	15	0	0
TOTAL	10	0	10	130	10	1

** This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations* *T 4.5.2*

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6.1 INTRODUCTION TO WORKFORCE EXPENDITURE

Employee expenditure is budgeted for in accordance with the approved organogram and each department head is responsible for managing budget relating to workforce expenditure. Skills gaps are early identified through a work skills plan approved by Council which ensures that employees are performing their competency level.

4.6.2 EMPLOYEE EXPENDITURE

Table 4.13 Employee Expenditure Summary 2023/24 '0'00

Name of Project	Year 2023/2024			Year 2023/2024 Variance	
	Original Budget	Adjustment Budget	Actuals	Original Budget	Adjustment Budget
Expenditure Employees	214 885	217 961	198 985	92.60%	91.29%

Table 0.14 Employee expenditure

Number of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
None	None	None

Table 0.15 Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation

Employees Whose Salary Levels Exceed the Grade Determined by Job Evaluation				
Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reasons for deviation
None	None	None	None	None

4.6.3 DISCLOSURES OF FINANCIAL INTERESTS

Refer to disclosures made by senior managers concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix G**.

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

This chapter contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

ACCOUNTING AND REPORTING

The Municipality has the necessary financial-related policies approved by Council and these policies are reviewed annually. The implementation of this policies assists in ensuring compliance with the Standards of Generally Recognized Accounting Practices (GRAP).

5.1 COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

5.1.1 FINANCIAL OVERVIEW

The financial objective of the Municipality is to secure sound and sustainable management of the financial affairs of the Municipality and to assist the six local municipalities to be financially viable.

Critical functional areas for the District Municipality amongst others include improvement of audit outcomes, effective financial management, fully functional internal audit units and Audit Committees, high vacancy rate in key positions, declining growth in the Regional Services Council Replacement Grant, increase in operational expenditure, which negatively impacts on the allocations to local municipalities.

Issue 3 of the IDP relates to financial viability and includes projects that contributed to the financial viability of the District and local municipalities.

5.2.2 STATEMENT OF FINANCIAL PERFORMANCE:

Financial Performance 2023/2024 R'000						
Description	2022/23	Year 2023/2024			Year 2023/2024 Variance	
	Actual	Original Budget	Adjustment Budget	Actuals	Original Budget	Adjustment Budget
Operating Cost						
Water	-	-	-	-	-	-
Waste Water (Sanitation)	-	-	-	-	-	-
Electricity	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Component A: Sub Total	-	-	-	-	-	-
Waste Water (Stormwater Drainage)	-	-	-	-	-	-
Roads	-	-	-	-	-	-
Transport	-	-	-	-	-	-
Component B: Sub Total	-	-	-	-	-	-
Planning	146 169	120 385	107 556	158 082	131.31%	146.98%
Local Economic Development	25 716	50 744	37 668	31 280	61.64%	83.04%
Component C: Sub Total	**171 884**	**171 129**	**145 224**	**189 362**	**110.65%**	**130.39%**
Planning (Strategic and Regulatory)	-	-	-	-	-	-
Local Economic Development	-	-	-	-	-	-
Community and Social Services	29 158	33 481	33 997	27 218	81.29%	80.06%
Environmental Protection	1 963	5 991	5 491	2 542	42.42%	46.28%
Health	33 202	40 730	39 890	37 965	93.21%	95.18%
Security and Safety	52 923	62 083	64 403	59 632	96.05%	92.59%
Sports and Recreation	-	-	-	-		
Corporate Policy Offices and Other	(221 224)	(196 954)	(194 065)	(219 621)	111.51%	113.17%
Component D: Sub Total	**(103 976)**	**(54 668)**	**(50 285)**	**(92 264)**	1.69	1.83
Surplus/ (Deficit) for the year	**(67 908)**	**(116 461)**	**(94 940)**	**(97 098)**	**83.37%**	**102.27%**

5.2.3 GRANTS

Grant Performance 2023/2024				R'000		
Description	2022/23	Year 2023/2024			Year 2023/2024 Variance	
	Actual	Original Budget	Adjustment Budget	Actuals	Original Budget	Adjustment Budget
Operational Transfers and Grants						
National Government	**580 630**	**851 831**	**945 831**	**944 605**	**110.89%**	**99.87%**
Local Government Equitable Share	29 280	31 172	31 172	31 172	100%	100%
RSC Levy Replacement	359 530	370 065	370 065	370 065	100%	100%
Financial Management Grant	1 000	1 000	1 000	1 000	100%	100%
EPWP Incentive Grant	2 315	2 094	2 094	2 094	100%	100%
Loskop Water Project	188 505	427 500	495 000	494 998	115.79%	100.00%
Delmas Waste Water Treatment	94 147	15 000	41 000	39 785	265.23%	97.04%
Western Highveld (Rust de Venter)	7 986	5 000	5 500	5 491	109.82%	99.84%
Provincial Government	-	-	-	-	-	-
Insert Description	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-
Insert Description	-	-	-	-	-	-
Other Government Grants	-	-	-	-	-	-
Insert Description	-	-	-	-	-	-
Total Operating Transfers and Grants	**580 630**	**851 831**	**945 831**	**944 605**	**110.89%**	**99.87%**
Capital expenditure of Transfers and Grants						
National Government:	**2 332**	**2 341**	**2 341**	**2 341**	**100%**	**100%**
Rural Transport Services and Infrastructure	2 332	2 341	2 341	2 341	100%	100%
Total Operating and CapitalTransfers and Grants	**582 962**	**854 172**	**948 172**	**946 946**	**110.86%**	**99.87%**

Variance are calculated by dividing the difference between actuals and original/adjustment budget. The full list of national and provincial grants available on published gazzettes (DoRA). T5.2.1

5.2.4 ASSETS MANAGEMENT

5.2.4.1 PROPERTY, PLANT AND EQUIPMENT

The cost or fair value of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits or service potential associated with the item will flow to the Municipality and the cost or fair value of the item can be measured reliably.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property plant and equipment.

An item of property plant and equipment which qualifies for recognition as an asset are initially be measured at cost. Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2023/2024	
Asset 1	**176149: Installation of Renewable Solar Energy**
Description	176149: Installation of Renewable Solar Energy
Asset Type	Property Plant and Equipment
Key Staff Involved	Mrs SM Tseka
Future Purpose of the Asset	
Asset Value	R9 773 350.00
Asset 2	**176150: Installation of Water Tanks and or Drilling of Borehole for NDM**
Description	176150: Installation of Water Tanks and or Drilling of Borehole for NDM
Asset Type	Property Plant and Equipment
Key Staff Involved	Mrs SM Tseka
Future Purpose of the Asset	
Asset Value	R4 952 184.00
Asset 3	**185534 - CISCO - IBNS and NAC**
Description	185534 - CISCO - IBNS and NAC
Asset Type	Intangible Asset
Key Staff Involved	Mr AT Maseko
Future Purpose of the Asset	
Asset Value	R4 935 672.00

5.2.5 REPAIR AND MAINTENANCE EXPENDITURE

Repairs and Maintenance Expenditure: Year 2023/2024 R'000					
Description	Year 2023/2024			Year 2023/2024 Variance	
	Original Budget	Adjustment Budget	Actuals	Original Budget	Adjustment Budget
Repairs and Maintenance Expenditure	32 011	26 782	24 318	75.97%	90.80%
	-	-	-	-	-
Total Operating Transfers and Grants	**32 011**	**26 782**	**24 318**	**75.97%**	**90.80%**

5.2.6 FINANCIAL RATIOS BASED ON THE KEY PERFORMANCE INDICATORS

KEY RATIOS

CURRENT RATIO

This ratio represents the ability of the district to pay short term obligations within the next 12 months.

	Current assets	Current Liabilities	
	R million	R million	Ratio
2022/23	340,656	85,966	3.96:1
2023/24	274,461	132,519	2.07:1

ACID TEST

A stringent indicator that determines whether a company/institution has enough short-term assets to cover its immediate liabilities without considering inventory. Institutions with ratios of less than 1 cannot pay their current liabilities and should be looked at with extreme caution.

	Current assets – Inventory	Current Liabilities	
	R million	R million	Ratio
2022/23	259,480	85,966	3.02:1
2023/24	241,100	132,519	1.82:1

SOLVENCY RATIO

This represents the ability of the district to pay both its long term and short-term obligations.

	Total Assets	Total Liabilities	
	R million	R million	Ratio
2022/23	634,246	109,282	5.80:1
2023/24	589,024	159,722	3.69:1

OTHER RATIOS

Ratio	30 Jun 2024	30 Jun 2023
Employee related cost and Councillor remuneration / Total expenditure	19.76	24.91
Actual transfers and subsidies paid / Total expenditure	66.31	57.45
Actual transfers and subsidies paid / Total revenue	72.53	63.13

5.3 COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

See the attached Annual Financial Statement.

5.3.1 EXPENDITURE 2023/2024

Capital/Operating Expenditure: Year 2023/2024 R'000					
Description	Year 2023/2024			Year 2023/2024 Variance	
	Original Budget	Adjustment Budget	Actuals	Original Budget	Adjustment Budget
Capital Expenditure	60 195	52 521	39 715	65.98%	75.62%
Operational Expenditure	1 044 931	1 123 909	1 096 482	104.93%	97.56%
	-	-	-	-	-
Total Expenditure	**1 105 126**	**1 176 430**	**1 136 197**	**102.81%**	**96.58%**

5.3.2 SOURCE OF FINANCE 2023/2024

Source of Funding 2023/2024				R'000		
Description	2022/23	Year 2023/2024			Year 2023/2024 Variance	
	Actual	Original Budget	Adjustment Budget	Actuals	Original Budget	Adjustment Budget
Source of Funding						
External Loans	-	-	-	-	-	-
Public Contribution and Donations	-	-	-	-	-	-
Grants and Subsidies	391 374 265	880 172	974 172	936 953	106.45%	96.18%
Other	22 704 253	48 297	54 797	62 431	129.26%	113.93%
Total	**414 078 518**	**928 469**	**1 028 969**	**999 384**	**107.64%**	**97.12%**
Percentage of Finance						
External Loans	0.00%	0.00%	0.00%	0.00%	-	-
Public Contribution and Donations	0.00%	0.00%	0.00%	0.00%	-	-
Grants and Subsidies	94.52%	94.80%	94.67%	93.75%	-	-
Other	5.48%	5.20%	5.33%	6.25%	-	-
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	-	-
Capital Expenditure						
Water and Sanitation	-	-	-	-	-	-
Electricity	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Roads and Stormwater	-	-	-	-	-	-
Other	35 619	60 195	52 521	39 715	65.98%	75.62%
Total	**35 619**	**60 195**	**52 521**	**39 715**	**65.98%**	**75.62%**

5.3.3 CAPITAL SPENDING ON 5 LAGERST PROJECTS

Capital Spending 2023/2024	R'000				
Name of Project	Year 2023/2024			Year 2023/2024 Variance	
	Original Budget	Adjustment Budget	Actuals	Original Budget	Adjustment Budget
176149: Installation of Renewable Solar Energy	9 350 000	10 737 298	9 773 350	104.53%	91.02%
176150: Installation of Water Tanks and or Drilling of Borehole for NDM	6 000 000	5 700 000	4 952 184	82.54%	86.88%
185534 - CISCO - IBNS and NAC	-	5 000 000	4 935 672	#DIV/0!	98.71%
185529: Fire Fighting Foam Tanker	5 000 000	5 000 000	4 190 117	83.80%	83.80%
52408: Upgrade of Fire Tower - Dr JS Moroka	-	2 077 051	1 816 233	#DIV/0!	87.44%

*Projects with Highest Capital Expenditure in 2023/2024	
Name A	**176149: Installation of Renewable Solar Energy**
Description	176149: Installation of Renewable Solar Energy
Asset Type	Property Plant and Equipment
Key Staff Involved	Mrs SM Tseka
Future Purpose of the Asset	
Asset Value	R9 773 350.00
Name B	**176150: Installation of Water Tanks and or Drilling of Borehole for NDM**
Description	176150: Installation of Water Tanks and or Drilling of Borehole for NDM
Asset Type	Property Plant and Equipment
Key Staff Involved	Mrs SM Tseka
Future Purpose of the Asset	
Asset Value	R4 952 184.00
Name C	**185534 - CISCO - IBNS and NAC**
Description	185534 - CISCO - IBNS and NAC
Asset Type	Intangible Asset
Key Staff Involved	Mr AT Maseko
Future Purpose of the Asset	
Asset Value	R4 935 672.00
Name D	**185529: Fire Fighting Foam Tanker**
Description	185529: Fire Fighting Foam Tanker
Asset Type	Property , Plant and Equipment
Key Staff Involved	Mrs TE Zulu
Future Purpose of the Asset	
Asset Value	R4 190 117.00
Name E	**52408: Upgrade of Fire Tower - Dr JS Moroka**
Description	52408: Upgrade of Fire Tower - Dr JS Moroka
Asset Type	Property, Plant and Equipment
Key Staff Involved	Mrs TE Zulu
Future Purpose of the Asset	
Asset Value	R1 816 233.00

5.4 COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.4.1 CASH FLOW

Proper cash flow management is a critical element to ensure the Municipality meets its obligations. A stable positive cash flow balance relative to the growth of the Municipality is a good indication of the Municipality financial position and health. Cash flow projections are done on a monthly basis and cash.

Cash Flow Outcomes

Description	2022/23	Budget Year 2023/24		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	–	–	–	–
Service charges	–	–	–	–
Other revenue	11 886	2 274	2 274	31 969
Government - operating	672 414	880 172	974 172	906 319
Government - capital	2 332	2 341	2 341	7 591
Interest	25 021	23 465	23 524	30 866
Movement of VAT	19 929	–	–	–
Payments				
Employee Cost	(194 921)	(214 886)	(217 961)	(212 543)
Suppliers	(495 757)	(812 032)	(882 060)	(762 340)
Movement of VAT Receivable	–	–	–	(2 949)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**40 904**	**(118 666)**	**(97 711)**	**(1 086)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	142	–	–	622
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–
Decrease (increase) in non-current investments	(4 440)	–	–	(4 452)
Payments				
Capital assets	(33 308)	(60 195)	(52 521)	(34 465)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(37 607)**	**(60 195)**	**(52 521)**	**(38 296)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–
Payments				
Finance/Operatimg Lease	(1 050)	–	–	(787)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(1 050)**	–	–	**(787)**
NET INCREASE/ (DECREASE) IN CASH HELD	**2 248**	**(178 861)**	**(150 232)**	**(40 169)**
Cash/cash equivalents at beginning:	231 086	339 322	339 322	233 202
Cash/cash equivalents at month/year end:	233 334	263 446	189 090	193 033

Nkangala District Municipality's cash flow is daily monitored by the Finance Services. There is also monthly reporting to the Executive Mayor in the form of section 71 reports and quarterly reports to Council.

5.4.2 PUBLIC PRIVATE PARTNERSHIPS

District does not have Public Private Partnerships.

5.5 COMPONENT D: OTHER FINANCIAL MATTERS

5.5.1 GENERALLY RECOGNISED ACCOUNTING PRACTICES COMPLIANCE

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

The following standards were applicable during the year under review:

Reference	Topic
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of non-cash generating assets
GRAP 23	Revenue from non-exchange transactions
GRAP 24	Presentation of budget
GRAP 25	Employee Benefits
GRAP 26	Impairment of cash generating assets

GRAP 31	Intangible Assets
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
IGRAP 1	Applying The Probability Test On Initial Recognition Of Revenue
IGRAP 2	Changes in Existing Decomissioning Restoration and Similar Liabilities
IGRAP 3	Determining Whether an Arrangement Contains a Lease
IGRAP 4	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Ecomonies
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 11	Consolidation – Special Purpose Entities
IGRAP 12	Jointly Controlled Entities -Non-Monetary Contributions
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue - Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets - Website Costs
IGRAP 17	SCA where Grantor Controls Significant Residual Interest
IGRAP 18	Recognition and Derecogntion of Land
IGRAP 19	Liabilities to Pay Levies
IGRAP 20	Accounting for Adjustments to Revenue

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements, and financial management of all Municipalities. MSA S45 states that the results of performance measurement must be audited annually by the Auditor-General.

The Annual Financial Statements set out in Volume II is attached hereto.

6.1 COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS

6.1.1 AUDITOR GENERAL REPORTS 2023/2024

FINANCIAL YEAR	AUDIT OUTCOME	No. OF ISSUES RAISED
2022/2023	Financially unqualified with no findings on predetermined objectives or compliance with laws and regulations.	2
2023/2024	Financially unqualified with no findings on predetermined objectives or compliance with laws and regulations.	7

6.2 COMPONENT B: AUDITOR-GENERAL OPINION 2023/2024

6.2.1 AUDITOR GENERAL REPORT 2023/2024 FINANCIL YEAR

Report of the auditor-general to Mpumalanga Provincial Legislature and the council on Nkangala District Municipality

Report on the audit of the financial statement

Opinion

1. I have audited the financial statements of the Nkangala District Municipality set out on pages 01 to 114, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

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

Context for opinion

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

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

Emphasis of matters

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

Nkangala Economic Development Agency

7. As disclosed in note 44 to the financial statements, the district municipality council resolved during 2021 financial year to establish the Nkangala Economic Development Agency (NEDA). The establishment is still in process as the municipality is busy with the recruitment of administration staff. The NEDA will have future financial reporting implication on the Nkangala District Municipality when the NEDA becomes operational.

Nkangala District Municipality Fire Agency

8. As disclosed in note 45 to the financial statements, the district municipality council resolved to establish a firefighting training academy. The project is still in early development stages. The Fire academy when completed and operational will have financial reporting implication on the Nkangala District Municipality.

Other matter

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

Unaudited disclosure notes

10. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the financial statements

11. 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.

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

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

13. 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.

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

Report on the audit of the annual performance report

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

16. I selected the following material performance indicators related to KPA 5 – Basic Service Delivery and Infrastructure 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.

- Number of inland water samples tested for monitoring purposes (circular 88) per quarter from the local municipalities, analyzed per the SANS 241 standard (circular 88).
- Percentage of all registered food premises inspected in compliance with relevant legislation (Circular 88).
- Number of Sanitation projects (as submitted by the LM's) that are Completed in terms of project schedules by 30 June 2023.
- Number of Sanitation projects (as submitted by the LM's) that are work in progress regarding project schedules by 30 June 2023.
- Number of Water projects (as submitted by the LM's) that are Completed in terms of project schedules by 30 June 2023.
- Number of Water projects (as submitted by the LM's) that are work in progress regarding project schedules by 30 June 2023.
- Number of Roads and Stormwater projects (as submitted by the LM) that are Completed in terms of project schedules by 30 June 2023.
- Number of Roads and Stormwater projects (as submitted by the LM's) that are work in progress regarding project schedules by 30 June 2023.
- Number of Electricity projects (as submitted by the LM's) that are working in progress in terms of project schedules by 30 June 2023.
- Kilometres of new municipal road lanes built (circular 88) by 30 June 2023.
- Number of municipal facilities (NDM) projects that are completed in terms of project schedules by 30 June 2023.
- Number of municipal facilities (NDM) projects work in progress in terms of the individual schedules by 30 June 2023.
- Number of Recreational Facilities (NDM) that are work in progress in terms of the individual schedules by 30 June 2023.

- Number of progress reports on the percentage of households with access to basic provided by local Municipalities (Water, Sanitation, Electricity, and Roads) submitted to Council by 30 June 2023.

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

18. I performed procedures to test whether:

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

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

20. I did not identify any material findings on the reported performance information for the selected key performance area of infrastructure and basic service delivery

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

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

Report on compliance with legislation

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

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

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

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

Other information in the annual report

27. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected key performance areas presented in the annual performance report that have been specifically reported in this auditor's report.

28. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

29. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected key performance areas presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

30. 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 this. I have nothing to report in this regard.

Internal control deficiencies

31. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

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

Auditor - General

Mbombela

30 November 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected key performance areas and on the municipality's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Section 1 - Paragraph (a), (b) & (d) of the definition: irregular expenditure, Section 1 - Definition: service delivery and budget implementation plan, Sections 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 29(1), Sections 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), 32(2)(b), Sections 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 62(1)(f)(i), Sections 62(1)(f)(ii), 62(1)(f)(iii), 63(1)(a), 63(2)(a), 63(2)(c), 64(2)(b), Sections 64(2)(c), 64(2)(e), 64(2)(f), 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), Sections 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), Sections 122(2), 126(1)(a), 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), Sections 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, Sections 171(4)(a), 171(4)(b)
MFMA: Municipal Budget and Reporting Regulations, 2009	Regulations 71(1), 71(2), 72
MFMA: Municipal Investment Regulations, 2005	Regulations 3(1)(a), 3(3), 6, 7, 12(2), 12(3)
MFMA: Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014	Regulations 5(4), 6(8)(a), 6(8)(b), 10(1)
MFMA: Municipal Supply Chain Management Regulations, 2017	Regulations 5, 12(1)(c), 12(3), 13(b), 13(c), 13(c)(i), 16(a), 17(1)(a), Regulations 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), Regulations 27(2)(e), 28(1)(a)(i), 28(1)(a)(ii), 29(1)(a), 29(1)(b), Regulations 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), Regulations 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), 38(1)(g)(ii), 38(1)(g)(iii), 43, Regulations 44, 46(2)(e), 46(2)(f)
Municipal Systems Act 32 of 2000	Sections 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 29(3)(b), 34(a), 34(b), Sections 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b) **Parent municipality with ME:** Sections 93B(a), 93B(b) **Parent municipality with shared control of ME:** Sections 93C(a)(iv), 93C(a)(v)
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	Regulations 17(2), 36(1)(a)

Legislation	Sections or regulations
Employment of Senior Managers, 2014	
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

APPENDICES

7.1 APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

No.	Names	Mayoral 15	Council 14	Section 79 Finance 4	Section 80 Finance 12	Section 80 CDS 12	Section 79 CDS 4	Section 79 Corporate Governance 4	Section 80 Corporate Governance 12	Section 79 Dev Planning 4	Section 80 Dev Planning 12	Section 79 Infrastructure 5	Section 80 Infrastructure 12	Rules & Ethics 4	Section 79 LED 4	Section 80 LED 13	MPAC 6	Total Meetings	Total Meetings attended per Cllr	s meetings attendance (%)	Non -attendance (%)
1	Ngwenya, TD	13	14															29	27	93	7
2	Boshomane, KJ		14											4				18	18	100	0
3	Nkalitshana, CN		14											2/3				17	16	94	6
4	Banda, ME		14							4								18	18	100	0
5	Bhamjee, M		14						12									26	26	100	0
6	Botha, AA		13												2			18	15	83	17
7	Buda, VK		11															14	11	79	21
8	Dikgale, LJ		8															14	8	57	43
9	Ditshego, K		3						9									26	12	46	54
10	Dlamini, BN		11														3	20	14	70	30
11	Dzondzi, L		12				4				12							30	28	93	7
12	Klopper, DD		13									3						19	16	84	16
13	Koko, GS		14	3					11						1			34	29	85	15
14	Lebelo, LK		12									5		4				23	21	91	9

No.	Names	Mayoral 15	Council 14	Section 79 Finance 4	Section 80 Finance 12	Section 80 CDS 12	Section 79 CDS 4	Section 79 Corporate Governance 4	Section 80 Corporate Governance 12	Section 79 Dev Planning 4	Section 80 Dev Planning 12	Section 79 Infrastructure 5	Section 80 Infrastructure 12	Rules & Ethics 4	Section 79 LED 4	Section 80 LED 13	MPAC 6	Total Meetings	Total Meetings attended per Cllr	s meetings attendance (%)	Non -attendance (%)
15	Mabena, DM		10				2	2								10		35	24	69	31
16	Mabuza, LM		11															14	11	79	21
16	Mahlangu, DP	13	13			12												41	38	93	7
17	Mahlangu, L	10	12													13		42	35	83	17
18	Maja, SR		14	4										1/1				19	19	100	0
19	Makhabane, EN	8/14	10		11													40	29	73	28
20	Makhwiting, TJ	9	13										12					41	34	83	17
21	Makola, LM		10	4													3	24	17	71	29
22	Mampuru, DS		8				4											18	12	67	33
23	Mashabela, BC		3/3						2/2									5	5	100	0
24	Mashele, NA		7/7															7	7	100	0
25	Masilela, PM		14															14	14	100	0
26	Masombuka, AB		12														4	20	16	80	20
27	Masombuka, NZ		7					4								12		30	23	77	23
28	Mathebula, TT	11	14								12							41	37	90	10
29	Mathunyane, ST		3/4						1/3									7	4	57	43
30	Matlaila, BJ		10					4										18	14	78	22
31	Mbonani, ND		9								11	4						31	24	77	23

No.	Names	Mayoral 15	Council 14	Section 79 Finance 4	Section 80 Finance 12	Section 80 CDS 12	Section 79 CDS 4	Section 79 Corporate Governance 4	Section 80 Corporate Governance 12	Section 79 Dev Planning 4	Section 80 Dev Planning 12	Section 79 Infrastructure 5	Section 80 Infrastructure 12	Rules & Ethics 4	Section 79 LED 4	Section 80 LED 13	MPAC 6	Total Meetings	Total Meetings attended per Cllr	s meetings attendance (%)	Non -attendance (%)
32	Mhlanga, KP		11							1			10					30	22	73	27
33	Mhlanga, MT (Deceased)		5/12							3				2/3				19	10	53	47
34	Moela, WN		14	3		12						5						35	34	97	3
35	Mogola, SM		11					4										18	15	83	17
36	Mokoala, VD		13							4				4				22	21	95	5
37	Mokolo, ML		1			1												26	2	8	92
38	Moolman, L		13														3	20	16	80	20
39	Morokolo, ME		6															14	6	43	57
40	Moseri, PP		13									5						19	18	95	5
41	Mthimunye, GT (Deceased)		8/13														4/4	18	17	94	6
42	Mthombeni, JN		11										10		2			30	23	77	23
43	Mtsweni, NS		12															14	12	86	14
44	Mtsweni, SM		10									3						19	13	68	32
45	Ngubeni, PN		13		12			4										30	29	97	3
46	Nhlapho, SR		14														2	20	16	80	20
47	Nyalunga, XC		9				2											18	11	61	39
48	Phahlamoraswi,		5		7													26	12	46	54

No.	Names	Mayoral 15	Council 14	Section 79 Finance 4	Section 80 Finance 12	Section 80 CDS 12	Section 79 CDS 4	Section 79 Corporate Governance 4	Section 80 Corporate Governance 12	Section 79 Dev Planning 4	Section 80 Dev Planning 12	Section 79 Infrastructure 5	Section 80 Infrastructure 12	Rules & Ethics 4	Section 79 LED 4	Section 80 LED 13	MPAC 6	Total Meetings	Total Meetings attended per Cllr	s meetings attendance (%)	Non -attendance (%)
	DM																				
49	Pookgoadi, KT	13	14		1/1				12									42	40	95	5
50	Rankapole, MM		7														3	20	10	50	50
51	Seswike, CS		12							4					4			22	20	91	9
52	Sibanyoni, JM		13														5	20	18	90	10
53	Skhosana, SI		3				0											18	3	17	83
54	Smith, A		12							2								18	14	78	22
55	Steyn, L		14	1														18	15	83	17
56	Van Dyk, WA		13									4						19	17	89	11
57	Zondo, LJN		8												4			18	12	67	33
	Traditional Leaders																				
58	Kgosigadi Lefifi MG		0/5															5	0	0	100
59	Ikosi Mabena FJ		0/5															5	0	0	100
60	Ikosi Mahlangu BR		0/5															5	0	0	100
61	Ikosi Mahlangu VW		0/5															5	0	0	100
62	Ikosi Mahlangu CM		5/5															5	5	100	0

No.	Names	Mayoral 15	Council 14	Section 79 Finance 4	Section 80 Finance 12	Section 80 CDS 12	Section 79 CDS 4	Section 79 Corporate Governance 4	Section 80 Corporate Governance 12	Section 79 Dev Planning 4	Section 80 Dev Planning 12	Section 79 Infrastructure 5	Section 80 Infrastructure 12	Rules & Ethics 4	Section 79 LED 4	Section 80 LED 13	MPAC 6	Total Meetings	Total Meetings attended per Cllr	s meetings attendance (%)	Non -attendance (%)
63	Kgosi NJ Maloka		0/5															0	0	0	0
64	Kgosi JT Moepi		0/5															0	0	0	0

7.2 APPENDIX B: COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
Infrastructure and Service Delivery, Water, Sanitation, Electricity, Roads, and Maintenance	To play an advisory role to the Mayoral Committee
Development, Planning, Human Settlement, Public Safety and Transport	To play an advisory role to the Mayoral Committee
Finance, Audit and Risk Management	To play an advisory role to the Mayoral Committee
Corporate Governance, Communication, Public Participation and Traditional Affairs	To play an advisory role to the Mayoral Committee
Local Economic Development, Rural Development, Agriculture and Tourism	To play an advisory role to the Mayoral Committee
Community Development Services	To play an advisory role to the Mayoral Committee
Municipal Public Accounts Committee	Oversight over Executive function
Audit Committee	Oversight of financial reporting and disclosure, review of the work of internal Audit, the Risk Management system and Performance Management System
Budget Steering Committee	Assist the Executive Mayor to perform her responsibility in terms of section 53 of the MFMA with regards to budget processes and related matters

7.3 APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Manager (State title, name and level of position)**
Social Services	Mr V M Mahlangu (Manager)
	Ms S O Mahlangu (Divisional Manager)
	Mr M R Ramohale (Divisional Manager)
	Mr S Links (Divisional Manager)
	Ms M M Machete (Divisional Manager)
	Mr E J Nkosi (Divisional Manager)
	Ms N Simelane (Divisional Manager)
Corporate Services	Mr N M Motshwene (Manager)
	Ms M Shabangu (Divisional Manager)
	Mr M J Nhlapho (Divisional Manager)
	Mr M D Masombuka (Divisional Manager)
	Mr M S Dimpe (Divisional Manager)
	Ms T Mazwi (Divisional Manager)
	Ms NT Maphanga (Senior legal Advisor)
	Mr T Mahlangu (Legal Advisor)
Technical Services	Mr A J Skosana (Manager)
	Mr T L Mohlabine (Divisional Manager)
	Mr MAVM Bembe (Municipal Engineer)
	Mr S Nkosi (Divisional Manager)
Finance	Mr A S Msiza (Manager)
	Mr. A N Hlongwa (Divisional Manager)
	Ms S I Masilela (Divisional Manager)
	Ms T Lengwato (Municipal Accountant)
Planning and Economic Development	Mr A Bvuma (Manager)
	Ms. P E Hadebe (Divisional Manager)
	Mr V S Kubheka (Divisional Manager)
	Ms F M Maseko (Divisional Manager)
	Mr. T T Mabunda (Divisional Manager)
	Ms F Shabangu (Divisional Manager)
Office of the Municipal Manager	Mr A D Twala (CAE)
	Ms G D Mogorosi (Divisional Manager)
	Ms J N Ralephaleng (CRO)
	Mr A T Maseko (Divisional Manager)
	Mr D Mtsweni (Divisional Manager)

7.4 APPENDIX D – WARD REPORTING

Municipality and number of wards	Number Of Ward Councillors and Elected Ward Committees	Committees Established Yes/No	Number of Monthly Committee Meetings Held During the Year	Number of Monthly Reports Submitted to the Speakers Office	Number of Quarterly Public Ward Meetings Held During the Year
Dr JS Moroka Local Municipality 31 wards	62	yes	372	372	110
Thembisile Hani Local Municipality 32 wards	64	yes	384	384	206
Victor Khanye Local Municipality 9 wards	18	yes	108	108	36
Emakhazeni Local Municipality 8 wards	16	yes	92	92	32
Emalahleni Local Municipality 34 wards	64	yes	408	408	
Steve Tshwete Local Municipality 29 wards	58	yes	174 Bi-monthly Meetings	174	116

7.5 APPENDIX E – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2023/2024 AND 2023/2024 ANNUAL REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE

Date of Committee	Audit and Performance Committee recommendations during	Recommendations adopted (enter Yes) If not adopted (provide explanation)
31 January 2023	APC recommended that the role of APC should be recognised as a stand-alone item in the Annual report	Implemented
31 January 2023	The CFO to align with circular 113 to ensure that it meet the deadline of February ➢ To touch on issues of internal control deficiencies ➢ To have a column to indicate whether the finding is repetitive or not ➢ To have statical column on findings that have been resolved/disposed	Implemented
15 May 2023	The APC committee advised that the departments meet with Corporate Services to discuss measures to improve deficiencies in this process of manual leave verification and reconciliation	Implemented
20 July 2023	The APC committee requested that departments develop and implement an acceleration plan/ forward planning report for incomplete projects	In progress
20 July 2023	The APC requested that Corporate Services fast-track the signing of declarations of interest by Councillors.	Implemented
24 August 2023	The APC requested management to ensure that the POE's supporting the draft annual report should been reviewed by the CAE and Manager PMS before submission to the AGSA	Implemented
24 July 2023	The APC requested management should introduce compulsory meetings to mitigate against non-responsive tenders	Implemented

Date of Committee	Audit and Performance Committee recommendations during	Recommendations adopted (enter Yes) If not adopted (provide explanation)
24 July 2023	APC recommended that management should attend to long outstanding insurance claims	Implemented
24 July 2023	APC recommended that security management meetings should be held as per approved year plan.	Implemented
24 July 2023	The APC recommended that OHS members should be appointed in writing	Implemented
24 July 2023	The APC recommended that non-functional emergency vehicles should be disposed in line with the NDM policies.	Implemented
09 November 2023	The APC recommended that a report should be provided on transport integration.	Implemented
09 November 2023	The APC recommended that NDM should assist with municipalities with revenue enhancement processes.	Implemented.
24 January 2024	The APC recommended that management should develop a plan non-achieved target	Implemented
24 January 2024	The APC recommended that management should provide a report on the establishment of the Academy	In progress

7.6 APPENDIX F – ANNUAL REPORT OF THE AUDIT COMMITTEE 2023/2024- (report from the chair of audit and performance committee)

2023/2024 ANNUAL REPORT OF THE AUDIT AND PERFORMANCE COMMITTEE

We are pleased to submit the report of the Audit Committee for the year ended 30 June 2024

1. **Background**

Nkangala District Municipality and all its local municipalities namely Steve Tshwete Local Municipality, Emakhazeni Local Municipality, Victor Khanye Local Municipality, Thembisile Hani Local Municipality, Dr. JS Moroka Local Municipality and Emalahleni Local Municipality have opted for the shared Audit and performance Committee Services. The Audit and performance committee was established in terms of section 166 of the Municipal Finance Management Act (MFMA), Act 56 of 2003. The Audit committee has adopted its terms of reference.

Statutory requirements

Section 166 of the MFMA stipulates that each municipality must establish an Audit committee.
The Audit committee is an independent advisory body that advises council, political office bearers, accounting officer, and the staff of the municipality on the following.

- Internal financial control and internal audit;
- Risk management;
- Accounting policies
- The adequacy, reliability and accuracy of financial reporting and information;
- Performance management;
- Compliance with the MFMA, the Division of Revenue Act (DORA) and any other applicable legislation;
- Performance evaluation
- Any other issues referred to it by the municipality;
- Review annual financial statements to provide authoritative and credible view of the financial position, on overall compliance with MFMA, DORA, etc.
- Respond to Council on any matter raised by the Auditor- General (AGSA); and
- Carry out such an investigation into the financial affairs of the municipality as may be prescribed.

2. **Attendance of audit and performance committee meetings for the 2023/24 Financial year**

Name of the member	Ordinary meetings attended	Performance meetings attended	Special Audit committee to consider AFS attended	Total meetings for the 2023/24 financial year	Attendance for the 2023/24 financial year
Ms. F Mudau (Audit committee chairperson) (Contract ended 30 June 2024)	4	4	2	10	10
Ms. J Masite (CIA)(CFE) (Member of Audit and performance committee) (Contract ended 30 June 2024)	4	3	1	10	8
Advocate T Thubakgale (Member Audit and Performance Committee)	4	4	1	10	9

Ms. P Ntuli Member (CA) SA (Member Audit and performance committee) (contract ended 28 February 2024)	3	3	2	8	8
Ms. M Moloi- Chamane (Member Audit Committee) (contract ended 28 February 2024)	2	3	2	8	7
Mr. L Monama (CA)SA (Member Audit and Performance committee) (Start date 01 March 2024)	1	1	n/a	2	2
Mr. M Mathabathe (CIA, CISA, CISM) (Member Audit and Performance Committee) (Start date 01 March 2024)	1	1	n/a	2	2

The following although not members of the Audit and Performance Committee (APC), have standing invitation to Audit and Performance committee meetings:

- The Accounting Officer;
- The Chief Financial Officer;
- The chairperson of the Risk committee
- The Section 56 Managers/Departmental Heads
- Chief Risk Officer
- The Auditor- General
- The National Treasury
- Mpumalanga Provincial Treasury
- Mpumalanga Department of Cooperative Governance
- South African Local Government Association (SALGA)
- Internal Audit (Secretariat function)
- Chairperson of Anti-Fraud and Anti-corruption Committee

3. Internal Audit

The internal Audit Function of Nkangala is in-house and has discharged its mandate in terms of its charter and managed to execute all projects for 2023/24 financial year. The Audit and Performance Committee (APC) would like to commend the Council and management for their dedication in strengthening the Corporate Governance.

The IAF conducted external quality assurance in line with Practice Advisory Standard 1300-1 quality assurance and Improvement Program that state that the Chief Audit Executive must develop and maintain a quality Assurance and improvement program that covers all aspects of the internal audit activity and received general conformance on all standards.

The Audit and Performance Committee (APC) is of the opinion that Internal Audit unit is operating effectively to meet its mandate and has considered the risk pertinent to the municipality in its audit plans and that is evident as IAF work continues to be used by AG(SA) on its risk assessment and AG(SA) for the past few years has requested IAF to executive some of its projects that has assisted the municipality to decrease audit fees.

The following documents were approved by the Audit Committee and performance committee and recommended to Council for adoption.

- Internal Audit charter
- Internal Audit methodology
- Three years rolling strategic and Annual Audit Plan
- Combined Assurance framework and,
- Audit and Performance Committee charter has been reviewed and referred to NDM Council for approval.

The Internal Audit function also supported other local municipalities that were experiencing capacity problems. This was evident at Emakhazeni local Municipality, Dr. JS Moroka Local Municipality, Victor Khanye Local Municipality and Emalahleni Local Municipality.

Nkangala District Municipality approved Audit and Performance Committee charter as it gives mandate to the operation of the Audit and Performance Committee.

4. Effectiveness of Internal controls

The system of internal control was not entirely effective during the year under review as compliance with prescribed policies and procedures were lacking in certain instances however, Audit and Performance Committee is confident that deficiencies as highlighted by IAF have been attended to by management.
The following Internal audit reports are among others that were presented to the Audit and Performance Committee

- Audit of quarterly performance information;
- Expenditure Management.
- Supply Chain Management;
- ICT audit;
- Governance;
- Leave management;
- Local Economic development; and
- Leave management;
- Budget management.
- Supply Chain Management Audit

There has been improvement by management in responding to internal audit reports and this can be attributed to measures that have been implemented by the municipal manager. Audit and Performance committee has also urged management to draw up action plan to address issues raised by the Auditor-General in the management letters and audit report and to ensure that all matters have been raised by the Auditor General (AG) SA are resolved by Management.

5. Risk Management

The municipality has an effective risk unit that consists of two staff members and Risk management, anti-fraud and anti-corruption committee that is chaired by the independent chairperson of Risk management, anti-fraud, and anti-corruption.
Four (4) risk committee meetings were held for the year under review.
The following policies were reviewed.

- Risk Management strategy.
- Risk Management policy.
- Whistle blowing policy.
- Fraud Prevention Plan and Fraud Prevention policy
- Risk Management Anti-corruption and Anti-fraud risk charters

- Fraud prevention plan and fraud prevention policy
- Risk appetite.

6. Performance Management

Management has cascaded performance up to all levels and the Audit and Performance committee its
The Audit and performance committee has reviewed the Annual Performance Information report in the meeting held on the 28 August 2024 and the performance department has shown significant improvement.

7. Year- end reporting

The Audit and Performance Committee (APC) has reviewed the Annual Performance Information report before the report was submitted to the Auditor-General and the quality of the quarterly reports submitted by management during the year were of acceptable standard.

8. Evaluation of annual financial statements

The Audit and Performance Committee (APC), in its meeting held on the 28 August 2024 to discuss the draft annual financial statements and unaudited annual report with the Accounting Officer, before submitting to the Auditor General.
The Audit committee wishes to indicate that it performed a review on the financial statements focusing among others:

- Significant financial reporting adjustments and estimates contained in the Annual Financial Statements
- Clarity and completeness of disclosures has been set properly,
- Quality and acceptability of and any changes in accounting policies and practice,
- Significant adjustments arising from the audit
- Reasons for major year-to-year fluctuations.

The Audit and Performance Committee (APC) has:

- Further reviewed the audited financial statements to be included in the Annual Report with the Accounting Officer.
- Reviewed the Auditor General Management report and management response thereof.
- Reviewed the municipality compliance with legal and regulatory provision and;
- Reviewed significant adjustments resulting from the audit.

The Audit and Performance Committee (APC) concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements be accepted and read together with the report of the Auditor-General.

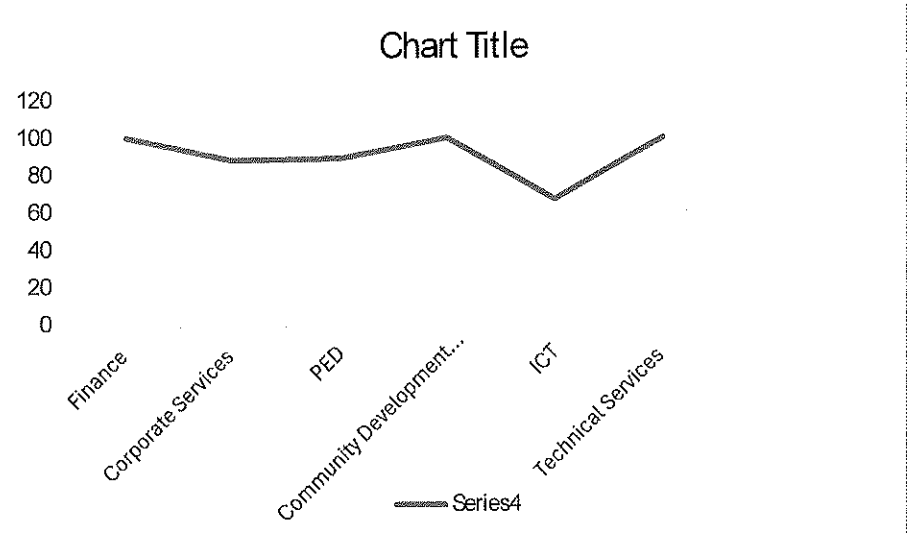
9. Internal Audit recommendations

The Audit and Performance Committee would like to appreciate the level of appreciation on implementation of internal audit recommendations by management as that is the indication of commitment from their side.

Departments	Total findings raised	Total Implementation	Outstanding	Percentage
Finance	13	13	0	100%
Corporate Services	32	28	4	88%
PED	9	8	1	89%
Community Development Services	18	18	0	100%

ICT	3	2	1	67%
Technical Services	2	2	0	100%
Total	77	71	6	91%

Graphic presentation



10. NEDA

Nkangala District Development Agency has appointed some of its staff members namely the board of directors, Chief Executive Officer, and Chief Financial Officer in fulfilment of its vision and mandate and APC will be extending its oversight role to NEDA and that it's in compliance with MFMA RSA,2003 s166

11. Conclusion

The Audit and Performance Committee (APC) acknowledges the co-operation and assistance by the Nkangala District Municipality for coordinating the activities of the Committee. We also acknowledge the commitment of the Accounting Officer and management of Nkangala District Municipality in strengthening corporate governance and working in maintaining the clean audit.

The Audit and Performance Committee (APC) further acknowledge the commitment and the support from Honorable Executive mayor Councillor TD Ngwenya his Council and further express gratitude to the former Chairperson of Audit and Performance Committee Ms. F Mudau for laying a firm foundation and the continous support from Chief Audit Executive Mr. AD Twala and his staff.

The Chairperson of the Audit and performance committee remains confident that all matters that have been raised by the Internal Audit and Auditor General are receiving due consideration and intervention. We are committed to fully execute our oversight function to strengthening corporate governance.



Advocate L Thubakgale

Chairperson of Shared Audit and Performance Committee

7.7 APPENDIX G – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interest		
Period 1 July 2023 to 30 June 2024		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
Municipal Manager	Ms. M.M. Skosana	Alurod PTY LTD; Midwit Coal PTY LTD; Galesburg Mining; MMVF Mining PTY LTD; Alurod properties;
Chief Financial Officer	Ms. A.L. Stander	Alre Jewellery and Gifts, Pretorius Family Trust
Other S57 Officials		
	Mr J. P. Mangani	None
	Mr. M. L. Mahlangu	MLM Corporate Attorneys; Plexus Stealth.
	Ms. E.T. Zulu	TEZ Trading CC; TEZ Development Pty Ltd; Ihawu Consultancy services
	Ms. S.M. Tseka	None
** Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A*		
T J		

7.8 APPENDIX H: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Revenue By Source 2023/2024 R'000					
	Year 2023/2024			Year 2023/2024 Variance	
Name of Project	**Original Budget**	**Adjustment Budget**	**Actuals**	**Original Budget**	**Adjustment Budget**
Revenue By Source					
Rental of facilities and equipment	59	59	122	206.78%	206.78%
Interest earned - external investments	23 465	23 465	30 744	131.02%	131.02%
Interest earned - outstanding debtors	-	-	-	-	-
Dividends received	-	-	-	-	-
Fines, penalties and forfeits	1 302	1 302	2 151	165.21%	165.21%
Licences and permits	791	791	1 359	171.81%	171.81%
Agency services	22 500	29 000	27 268	121.19%	121.19%
Transfers and subsidies	880 172	974 172	936 953	106.45%	106.45%
Other revenue	181	181	787	434.81%	434.81%
Gains	-	-	-	-	-
Total Revenue	**928 470**	**1 028 970**	**999 384**	**107.64%**	**97.12%**

7.9 APPENDIX I (i): REVENUE COLLECTION PERFORMANCE BY VOTE and sources

See detailed report on the Annual Financial Statement. The District Municipality Does not provide basic services and therefore a detailed performance on revenue collection is not applicable.

7.10 APPENDIX I (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

See detailed report on the Annual Financial Statement. The District Municipality Does not provide basic services and therefore a detailed performance on revenue collection is not applicable.

7.11 APPENDIX J: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grant Received 2023/2024				R'000
Description	2022/23	Year 2023/2024		
	Actual	Original Budget	Adjustment Budget	Actuals
Operational Transfers and Grants				
National Government	-	-	-	-
Financial Management Grant	1 000	1 000	1 000	1 000
EPWP Incentive Grant	2 315	2 094	2 094	2 094
Loskop Water Project	188 505	427 500	495 000	494 998
Delmas Waste Water Treatment	94 147	15 000	41 000	39 785
Western Highveld (Rust de Venter)	7 986	5 000	5 500	5 491
Rural Transport Services and Infrastructure	2 332	2 341	2 341	2 341
Total Operating Transfers and Grants	**296 285**	**452 935**	**546 935**	**545 709**

7.12 APPENDIX K: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

New & Upgrade Assets 2023/24			
	Year 2023/24		
Description	Original Budget	Adjustment Budget	Actuals
Community Assets	985 000	3 062 051	1 816 233
Computer Equipment	3 000 000	1 373 515	343 915
Computer Software	2 000 000	5 000 000	4 935 672
Electrical Infrastructure		10 737 298	9 773 350
Furniture and Office Equipment	4 910 000	1 433 825	1 086 156
Information and Communication Infrastructure	3 000 000	500 000	468 461
Machinery and Equipment	5 200 000	7 839 118	3 863 609
Other Assets	36 300 000	3 665 792	465 792
Transport Assets	4 800 000	13 209 650	6 605 006
Water Supply Infrastructure		5 700 000	5 107 284
Grand Total	**60 195 000**	**52 521 249**	**34 465 478**

7.13 APPENDIX L: CAPITAL PROGRAMME BY PROJECT

Not applicable.

7.14 APPENDIX M: capital programme by project BY WARD

Description	Budget 2023/2024	Expenditure	% Total Budget Spent
57532: Community Hall Moloto (CB)	5 846 209	5 845 146	100%
57490: Madubaduba & Moripe Gardens Water Supplu (CB)	900 627	675 645	75%
154171: Upgrading 200KVA to 315KVA Transformers	938 782	837 299	89%
156239: Construction of Roads Victor Khanye ph 2	8 710 000	8 704 438	100%
156240: Kwaggafontein B and C Stormwater Drainage	10 616 267	10 175 627	96%
174727 - New Town Roads and Stormwater STLM	6 410 000	6 405 336	100%
174730: Installation os Smart Meters Management and Solar	14 926 132	12 773 379	86%
154193: Refurbishment & Upgrading Delmas WWTW (Co- Fund)	9 735 579	3 146 547	32%
154193: Refurbishment & Upgrading Delmas WWTW	41 000 000	39 785 339	97%
32577: Emergency Open Day Cross Boundry	350 000	247 842	71%
150362: Loskop Regional Bulk Water Supply: THLM: Co- Fund	22 147 000	22 146 220	100%
150362: Loskop Regional Bulk Water Supply: Thembisile Hani LM	495 000 000	494 998 014	100%
173320: Western Highveld (Rust De Winter) Bulk Water Scheme	5 500 000	5 491 406	100%
7302: Rural Road Asset Management	2 341 000	2 341 000	100%
185518: LGSETA Learnership - Plumbing	4 810 000	3 904 244	81%
185517: LGSETA Learnership - Welding	4 810 000	772 000	16%
185519: LGSETA Learnership - Road Works	7 215 000	3 701 894	51%
185520: LGSETA Learnership - Building and Civil Construction	7 215 000	4 167 507	58%
174729: Honey Sucker Truck	2 989 000	2 989 000	100%
185521: Nazaret Stormwater Drainage	1 360 000	1 113 153	82%
185487: King Mabhoko and Gogo Esther Mahlangu Road	2 805 000	702 951	25%
185527: Bulk Water Supply and Storage at Hlanikahle & Ext 5	6 000 000	5 914 160	99%
34377: Job Creation EPWP Security	6 701 820	6 701 814	100%
363: Youth Development Summit	51 400	-	0%
366: Mayoral Bursary Funds	4 500 000	2 824 830	63%
578: Disaster Management Awareness Campaign Steve Tshwete	100 000	37 669	38%
105053: Moral Regeneration Steve Tshwete	200 000	198 721	99%
185489: EPWP Learnership - Agricultural	4 070 150	4 070 107	100%
185483: Informal Economy Strategy	500 000	475 550	95%
185484: Nkangala District Just Transition	1 190 000	416 500	35%
53042: By Laws Local Municipalities	250 000	72 809	29%
370: Youth Entrepreneurship Workshop	177 804	130 200	73%
34387: Support to LTO and RTO District	650 000	140 934	22%
185485: Est. Hendrina/ Kwazamokuhle Industrial Township	930 000	927 940	100%
185493: Formalisation of a Township Estab. Dr JS Moroka	2 000 000	1 968 358	98%
185495: Opening Township Register: Dr JS Moroka	600 000	600 000	100%
185496: Formalisation Township Establisment: Thembisile Hani	1 687 146	1 687 145	100%
185500: Opening Township Register & Proclamation Townships	600 000	600 000	100%
34360: Ad Hoc Audit Investigation	100 000	-	0%
549: Development of NEDA	3 425 250	3 380 828	99%
34409: Support to SMMEs Co Operatives Informal Traders	4 896 900	3 460 380	71%
154149: Support of Emerging Farmers in Nkangala District Municipalit	5 500 000	3 722 655	68%
34369: MHS Education and Awareness: Cross Boundry	400 000	387 532	97%
176154: LED Stakeholder Outreach Seminars Exhib Road Show	291 130	291 122	100%
185508: Cemetery Establishment: Emakhazeni	923 000	907 600	98%
53022: Land Surveying Dr JS Moroka	720 000	720 000	100%
185531: Belfast Bookshop Street Road	4 677 000	1 347 596	29%
185538: Nkangala Cross Boundary Roads - Jet Patcher Material	5 000 000	4 975 831	100%
34363: HIV AIDS Campaign Cross Boundry	400 000	150 728	38%

7.15 APPENDIX N: DECLARATION OF LOANS AND GRANDS MADE BY MUNICIPALITY

Not applicable.

7.16 APPENDIX P: NKANGALA ECONOMIC DEVELOPMENT AGENCY

INTRODUCTION

The preparation of the Nkangala Economic Development Agency (NEDA) Integrated Annual Report is guided by Circular 63 of the Municipal Finance Management Act (MFMA) (2003), issued by the National Treasury.

The Act prescribes the content municipalities and municipal entities should cover in their annual reports in chapter 12's "Financial Reporting and Auditing" section 121 to section 134. The NEDA, being an entity wholly funded and owned by the Nkangala District Municipality (NDM), reports according to these standards in line with section 121, subsection (1) which states that "Every municipality and every municipal entity must, for each financial year, prepare an annual report in accordance with this Chapter".

In this regard, the 2023/24 Integrated Annual Report, to the extent where possible, provides the required data and tables, in line with the above. In line with the MFMA Act this report seeks to:

- Provide a record of activities of the NEDA during the 2023/24 financial.
- Provide an account of the performance of the NEDA against the budget for the 2023/24 financial year.
- Provide the state of affairs of the NEDA with reference to its business activities and its financial position at the end of the financial year under review.
- To promote accountability to the local community for the decisions made throughout the year under review by the NEDA.

To comply with local and international sustainable reporting best practice guidelines, the 2023/24 integrated annual report also considers the financial, social and economic factors in reporting on the NEDA's operations. The guidelines applied include:

- Reporting requirements as per the Municipal Finance Management Act No. 56 of 2003, Circular 63 (MFMA),
- The South African Statements of Generally Recognised Accounting Practice (GRAP),
- Section 46(1) of the Municipal Systems Act (2000),
- King Code of Governance for South Africa,
- National Treasury Guidelines and Regulations.

Nkangala Economic Development Agency (NEDA) is a municipal entity of the Nkangala District Municipality (NDM) established in terms of the Local Government Systems Act, (Act 32 of 2000 as amended) (MSA). NEDA has been established as a juristic person and a municipal entity under the sole control and ownership of the NDM. The NDM will exercise its constitutional rights over NEDA subject to

the applicable national, provincial and municipal legislation. In terms of institutional arrangement, NEDA will operate from the offices of the NDM on a shared services model basis until NEDA is fully capacitated and will be outlined in the Shareholder Compact.

MATERIALITY

The NEDA applies the principle of materiality to determine the nature, timing and extent of the disclosures in the annual report. A matter is material if it is of such relevance and importance that it could substantially influence the environmental, social issues, governance and business performance. In addition, materiality considers the influence an assessment of the report and the NEDA's ability to create value in the short, medium and long term. The following table highlights the criteria for determining internal and external material issues:

Internal Materiality	External Materiality
The NEDA's vision, mission and its core values.	
The NDP vision 2030	National and provincial government priorities.
The NDM vision, mission, goals and strategic direction.	The shareholder's socio-economic development agenda.
Stakeholder expectations.	The provisions of various frameworks, including the MFMA, the MSA, King IV report on corporate governance and other regulatory statutes.

ASSURANCE STATEMENT

The NEDA's executive management have compiled and reviewed the integrated annual report for the 2023/24 financial year to ascertain that that minimum disclosure requirements were adhered to in terms of the following requirements:

Annual report minimum disclosure framework.

Integrated reporting framework	MFMA: Circular 63 Annual Reporting Requirements
• Ethical leadership and corporate citizenship	• Chairperson's foreword and executive summary.
• Board and directors • Board independence • Board reporting • Board's performance • Board committees • Director's remuneration	• Governance • Governance structures • Intergovernmental relations • Public accountability participation • Supply chain management • By-law and oversight committees • Risk management • Anticorruption and fraud • Disclosure of financial interest
• Audit and Risk Committee • Finance competence • Audit and Risk committee	• Service delivery
• The governance of risk	• Organisational development performance
• Compliance with laws, codes, rules and standards	• Financial performance
• Internal audit • Assessment of governance risk, management ethics and internal control processes	• Appendices
• Stakeholder expectations. • Governing stakeholder relationships	• The provisions of various frameworks, including the MFMA, the MSA, King IV report on corporate governance.
• Integrated reporting disclosure • Financial disclosure	

• Sustainability disclosure	
• Integrated reporting philosophy	

Material issues are embedded into the company's processes in at least the following four ways that ensure efficiency and impact:

- **Strategy:** To feed into ongoing strategy development by highlighting rapidly emerging issues and enabling them to be factored into strategy development and possibly addressed as business opportunities, rather than ignored until they become business risks.
- **Performance:** To promote internal understanding of the link between environmental, social, and governance issues and business performance. The materiality determination provides a link between issue experts and strategic and operational managers.
- **Stakeholder engagement:** To provide a framework to design stakeholder engagement strategies, and a powerful tool to help identify opportunities for dialogue and collaboration.
- **Reporting:** To determine the scope of reporting and other communications so that they are more strategically aligned and useful to external stakeholders.

BOARD RESPONSIBILITY AND APPROVAL

The Directors are responsible for the preparation, integrity and fair presentation of the financial statement of the entity. It should be noted that the NEDA is still transacting under the NDM. Therefore, all transactions incurred will be reported as related party transactions under the NDM annual financial statements.

CORPORATE PROFILE AND STRATEGIC OVERVIEW

VISION

To be the leading economic development agency in Mpumalanga – and ultimately, in South Africa.

MISSION

Contribute to the generation of high impact projects by facilitating a conducive business environment, building a positive image of the District as well as promoting and facilitating investment into the priority sectors of the District.

CORPORATE VALUES

The NEDA will strive to perform its functions in a professional and transparent manner guided by the highest levels of integrity, whilst delivering high quality products and services and accountability to our stakeholders. The NEDA has therefore defined the following guiding values in its operations:

- Transparency;
- Accountability;
- Excellence;
- Accessibility;
- Responsiveness;
- Integrity;

THE NEDA'S MANDATE

On the 3rd June 2016 Council resolved through resolution number DM488/06/2016 that the assessment report on the establishment of NEDA be approved and that the updated assessment report be advertised for ninety days in terms of section 78 MSA and section 84 of the MFMA for public comments. Council further resolved on the 27th of June 2019 in terms of resolution number DM-ND389/06/2019 to speed up the establishment of NEDA. On 29 January 2020 Council resolved through resolution number DM-ND203/01/2020 to approve the final due diligence

report regarding NEDA revenue sources, approved the establishment of NEDA and authorised the Municipal Manager to finalize all remaining administrative processes towards the establishment of NEDA. On 24th June 2020 council resolved through council resolution number: DM-ND384/06/2020 to note the NEDA draft by-law, that the by-law be subjected to public notice to obtain public comments and inputs for 21 days, and that the draft by-law be submitted to the Provincial Treasury, the Department of Cooperative Governance and Traditional Affairs, and the six local municipalities for input. Council further resolved through council resolution number DM-ND280/02/2021 to approve the final NEDA by-law for gazetting, the gazetting of the by-law forms a legal basis for the establishment of the entity.

The NEDA by-law was published on the provincial gazette number 3263 of the 21st of May 2021. In terms of section 6 of the NEDA By-law, the NEDA's main purpose and objectives are to:

- Promote economic growth and development within the District, serve as a platform for partnerships between the District, private sector and other stakeholders to collaborate and co-invest in projects that will attract inward investment and/ or tourism into the District;
- Implement projects within the investment and economic development policy framework of the National and Provincial Government and in line with the District's Investment Promotion Strategy ("IPS");
- Attract investment and related growth-focused activities into the District's key sectors including tourism and priority zones using targeted marketing, management, development, promotion, and facilitation on behalf of the district;
- Act as a project facilitator and execution-support for strategic investment projects into the District;
- Act as a single point of contact for investing, economic development, and tourism activities in the District; assist investors in fast-tracking decision-making and execution related to significant investment strategies and projects in the District;
- Assist investors in fast-tracking, decision-making, and execution related to significant investment strategies and projects in the District;
- Position the District as an overall tourism destination for events, leisure activities, and other segments that may be identified; viii. promote entrepreneurship and provide economic initiatives and related organised events within the jurisdiction of the District; and
- Ensure sustainability of its core programmes including promoting adequate District-wide delivery infrastructure
- Support economic development initiatives from other spheres of government and state entities for the development of communities in Nkangala District
- Enter into agreement with external parties to facilitate, drive and attract resources and other opportunities from national and provincial agencies and other sources for the benefit of the local economy and its residents.

In approving the mandate of the NEDA, the NDM Council also resolved that the NEDA shall be empowered to take any such actions within its scope of authority to further its mandate, including, but not limited to:

a. Without derogating from generality of this By-Law, NEDA shall provide investment and tourism destination promotion Initiatives, including (but not limited to) the following: -

b. Promotion of economic empowerment and transformation through the implementation of economic development strategies, investment attraction, and tourism promotion that will contribute to the District's growth and Development Plan.

c. Promotion of interests of the District in a pro-active and positive manner.

d. Promotion of the economic growth and job creation through the public, private multi-sector collaboration for a range of promotion and facilitation activities; taking cognisance of the objectives of the District and the associated mayoral priorities.

e. To provide bench-marked and competitive products and services to the private sector, Small, Micro and Medium Enterprises, Cooperatives and other targeted customers.

f. Undertake research on economic activities and conduct sectorial and value-chain studies into priority economic sectors of the District.

g. To use investment and tourism as a catalyst to address transformation. vii. to provide quality tourism services to both local and international tourists.

h. In executing its functions, NEDA must ensure that it conforms and complies with all the applicable laws, regulations, and policies of the District.

i. NEDA shall in addition to the above functions establish the following:

    i. Operational guidelines and best practice models relating to governance, organisational development and use of technology.

    ii. Funding Guidelines, taking into consideration the imperative for NEDA to raise sufficient co-funding from third parties and the necessary approvals to be obtained from the District.

    iii. Sound Financial Management systems and delegations of authority in terms of the applicable provisions of the MFMA.

    iv. An effective, efficient, and transparent system of risk management and internal controls to ensure clean and efficient administration. Particular consideration must be given to ensuring transparency of processes and application of decision-making criteria, appropriate incentives and disincentives for officials, regular rotation of officials in client-facing or supply chain functions, and penalties for unethical behaviour; and

    v. NEDA must act in good faith and use its best endeavours to assist the District to ensure the proper delivery of the municipal services.

THE NEDA'S STRATEGIC OBJECTIVES

The strategic intent of NEDA is to facilitate the implementation of high priority, high impact investment projects for the region and facilitate linkages between these projects and the key nodal economic opportunities within the province. The key strategic issues and opportunities for NEDA are as follows:

- Promote economic growth and development within the District.
- Serve as a platform for partnerships between, District, private sector and other stakeholders.
- Collaborate and co-invest in projects that will attract investment and/or tourism into the District.
- Implement projects within the investment and economic development policy framework of the National and Provincial government and in line with the District's Investment Promotion Strategy ("IPS").

- Attract investment and related growth-focused activities into the District's key sectors, including, but not limited to, tourism and economic stimulation zones.
- Skills and capacity development opportunities for local communities.
- Build products and services that enable NEDA to be self-funding and self-sustaining.

NEDA CORE COMPETENCIES AND CAPACITY MODEL

MARKET INTELLIGENCE AND ANALYTICS

This is the ability to gather and analyse data, produce information and knowledge and turn it into investor-relevant intelligence. NEDA will have to have advanced document production and presentation skills to become the go-to entity for NDM based businesses and current and potential investors. This includes identifying investment opportunities for current and potential investors.

INVESTMENT FINANCE

Once an investment opportunity has been identified, this is the capability within NEDA to turn the opportunity into a bankable project, with a fundable bundle of documents. This requires an understanding of the investor environment, DFI, commercial and private equity fund investor criteria and the ability to package the bankable document so that it meets the potential investor requirements. In addition to meetings the investor requirements, the bankable document needs to take into account the NDM requirements and align with the NDM project finance guidelines.

INVESTMENT PROMOTIONS AND MANAGEMENT

Prospective and current investors need to be managed (investor relations) and the NDM in general needs to be positioned as the leading destination of choice in the Mpumalanga province. The packaging of investor promotion events, promoting at provincial, national and international investor platforms as well as stakeholder management and media relations is critical in the maintenance of a positive and conducive investment sentiment. This includes investor after-care and the leveraging of current investments and the investment project pipeline to nurture a positive investor market sentiment towards the NDM.

PROJECT IMPLEMENTATION MANAGEMENT

Once an investment deal has been concluded, NEDA will require project management capability to manage, monitor and report on all projects under its purview. A major part of investor confidence is the ability of NEDA to produce project reports that meet the investor criteria and needs in order for continued and expanded investment into the NDM.

MARKET ENABLEMENT

For some major investments to be possible, adjustments in policy, by-laws and the provision of investor incentives may need to be negotiated. Public policy, legal and negotiation skills are required in order for the investment to be facilitated while remaining within the law and while also ensuring that citizen, heritage and cultural considerations are taken into account.

NEDA FUNDING MODEL

Being cognisant of the requirement for NEDA to be self-funding and self-sustaining, and also being cognisant of the requirement for NEDA to fulfil its inclusive economic growth mandate, the NEDA Board resolved that the Funding Model be as follows:

FUNDING SOURCE 1: GRANT AND DONOR FUNDING

The NEDA will pursue donor and grant funding in line with its project pipeline and in line with its internal operational projects.

FUNDING SOURCE 2: PROJECT COMMISSION

The NEDA will pursue projects where NEDA plays a facilitation role only for which NEDA will charge a commission fee in line with the NEDA services rendered.

FUNDING SOURCE 3: OWNED AND OPERATED BUSINESSES

The NEDA will own / or partially own and operate some of the investment projects that it gets involved in. As debt / equity stake owner, NEDA will participate in the profit flows of the businesses. The mechanism for doing so will be explored taking into account the limitations of Section 93 (K) of the Municipal Systems Act of 2000 as amended.

FUNDING SOURCE 4: NDM BUDGET

As per Rule 23, Sub-Rule 1 of the NDM By-Law, NEDA's funding shall be derived from the District. While NEDA will strive to be self-funding and self-sustaining, the NDM has a legal obligation to fund NEDA. Included in this funding source is the transfer / utilization of assets from NDM to NEDA.

KEY PROJECT IDENTIFIED

The following projects are catalytic projects identified for prioritisation:

PROVINCIAL/DISTRICT CATALYTIC PROJECTS	DISTRICT/LOCAL PRIOTIRIES	GAME CHANGERS
• Rehabilitation of the Coal Haulage Network • Improvement of tourism road infrastructure • Moloto Road (R573) • Klarinet Ext 10, 11, & 12 [Phase2 • Rejuvenation of Ekandustria Park • Growing the circular economy • The Green Cluster - JTP • Programs to increase crop and livestock production • Middelburg Hotel & Convention Centre • Emakhazeni High Altitude Sports Centre • Loskop Regional Bulk Water Supply Scheme • Fly Ash Plant – ELM • Bio-Gas Plant –JDLM • Steel & Metal hub Fabrication – STLM • International Airport – THLM	• Agri-Park –VKLM • Zithabeni Resort – THLM • Energy Parks – STLM • Out-Of-Home-Media-ID • Witbank –Dam ELM • SLP Optimization • Economic Stimulation zones • Fly Ash – ELM • Goat Project – THLM • High Altitude training – EMLM • Komati Green City	• Brick Laying • Water Chemical Plant • Fire Academy • Fresh Produce • Ndebele Cultural Village • Witbank Dam • Komati Green City

• Glass recycling plant – JSLM • Mining Museum – ELM • SAWMILL PROJECT – EMAKHA • Loskop & Rust Tourism		

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

Good corporate governance is essentially about effective and ethical leadership, attitude, mindset, and behaviour by the NEDA's Board of Directors. It requires leadership that is able to integrate decision-making, business strategy and sustainability. It also calls for an inclusive and collaborative approach with stakeholders in order to ensure effective engagement, that all stakeholder interests are considered in the decision-making process. The Board ensures compliance with the King Code IV of Corporate Governance practices and strives towards the achievement of the following outcomes:

- Ethical culture;
- Good performance;
- Effective control; and
- Legitimacy;

The NEDA Board of Directors consists of a six of Non-Executive Directors, one Executive Director, these being the Chief Executive Officer as well as two *ex-officio* members representing the shareholder, being the General Manager for Planning and Economic Development (GM:PED) and the Member of the Mayoral Committee for Planning and Economic Development (MMC:PED). The Board works collectively in executing its fiduciary duties effectively and has maintained good and strong relations with the Chief Executive Officer. The NEDA recognises that conducting its affairs with integrity will ensure that the public and its parent municipality, the NDM will have confidence in its work. To that end the NEDA's Board of Directors and executive management team subscribe to the governance principles set out in the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act (MSA), circular 63 of the Municipal Finance Management Act (MFMA), and the King IV Report on Corporate Governance (hereinafter referred to as the King Code). The NEDA Board of Directors also actively reviews and enhances the systems of internal control and governance procedures in place to ensure that the NEDA is managed ethically and within prudently determined risk parameters.

The NEDA performs its mandate according to a service delivery agreement and performance objectives set by the NDM. The NEDA's management is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company. The Board and management team are committed to the principles of openness, integrity and accountability advocated by the King Code principles. The NDM's shared internal audit services team provide regular feedback to the NDM's Audit and Risk Committee, which is responsible for monitoring compliance with all applicable legislation. The NEDA applies the governance principles contained in the King Code, as far as it applies to it and continues to further entrench and strengthen recommended practices in its governance structures, systems, processes, and procedures. The Board of Directors and Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the King Code. Through this process, shareholders and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters, in compliance with generally accepted corporate practices. Monitoring of the NEDA's compliance with the King Code forms part of the Shareholder mandate. During the financial year under review the entity has complied with the provisions of the King IV Report on Corporate Governance.

The Board is the focal point of the NEDA and provides effective leadership based on a principled foundation, and ensures that the entity subscribes to the highest ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness, and transparency has been a defining characteristic of the entity since its establishment. The fundamental objective of the NEDA has always been to do business ethically while building a sustainable company that recognises the short and long-term impact of its activities on the economy, society, and the environment. The Board is sensitive to the legitimate interests and expectations of the entity's stakeholders in all its deliberations, decisions and actions. The NEDA, as an entity of NDM, has both a social and moral obligation to the citizenry which it serves. The Board is responsible for ensuring that the NEDA protects, enhances, and invests in the economy, society, and the natural environment and pursues its activities within the limits of social, political and environmental responsibilities, outlined in international conventions on Human Rights. The Board is responsible for ensuring that the entity complies with applicable laws and considers adherence to non-binding rules, codes, and standards.

THE BOARD OF DIRECTORS

The substantive Board for a period of 36 months effective from the 1st of August 2023 to the 31st of July 2026 through Council resolution **DM-CONF 06/07/2023**. The substantive Board is composed of the following Board members:

Mr. M.T. Khumalo (Chairperson)
Mr. J.L. Khumalo
Mr. V.S. Mahlangu
Mr. I.E. Pilane
Mr. X.S. Mnguni
Mr. H.H. Nkanyane
Adv. R.N. Gaoraelwe (Resigned with effect from 26 March 2024)
Dr. M.E. Mosola (Executive Director)
The Board is supported by an acting Company Secretary, Mr. T.P. Mahlangu who is seconded from the NDM.

The Board is the core of the NEDA's corporate governance architecture and is responsible for:

- Providing clear strategic Direction to the Agency;
- Ensuring that appropriate management structures are in place;
- Promoting a culture of ethical behaviour;
- Entrenching sound corporate governance through an integrated governance structure, and
- Compliance with all relevant laws, regulation, and codes of practice.

The Board of Directors with effect from the 1st of August 2023 has been constituted as follows:

- Six non-executive Directors;
- A councillor (MMC: PED) who is a representative from the NDM who serves as a non-participating, observer member;
- A General Manager who is a representative from the NDM who serves as a non-participating, observer member;
- The Chief Executive Officer (Executive Director with effect from the 1st of March 2024); and
- The Chief Financial Officer (permanent invitee with effect from the 1st of April 2024);

During the developmental phase of the NEDA, the Board of Directors of the NEDA met on regular intervals develop strategic direction. After the recruitment of the executive team, the Board met less regularly to support and to monitor the implementation of the NEDA's strategy. The Board also sets the establishes entity policies, ensures that an effective internal control environment is in place and oversees NEDA management, which is responsible for the day-to-day operations and monitors overall performance. The Board of Directors however recognises that the delegated functions and authorities do not absolve its overall responsibility for the sound governance of the NEDA.

The Board meets no less than four times a year to consider matters specifically reserved for its attention. The Board has established three sub-committees, namely:

BOARD COMMITTEES

Human Capital and Remuneration and Ethics Management
Committee members:

- Mr. J.L. Khumalo;
- Mr. R. Gaolaelwe (Resigned with effect from 26 March 2024);

Trade Investment, Tourism and Culture Committee
Committee Members:
Mr I.E. Pilane;
Mr X.S. Mnguni;
Mr V.S. Mahlangu;

Budget & Finance Committee
Committee Members:
Mr V.S. Mahlangu;
Mr X.S. Mnguni;

Audit and Risk Committee (The Board later resolved to utilise the Audit & Performance Committee of the NDM)
Committee Members:
Mr R.N. Gaoraelwe (Resigned with effect from 26 March 2024);
Mr H. Nkanyane;

BOARD MEETINGS SCHEDULE AND ATTENDANCE:

Date:	Mr M.T. Khumalo	Mr V.S. Mahlangu	Mr X.S. Mnguni	Mr J.L. Khumalo	Mr I.E. Pilane	Mr H.H. Nkanyane	Mr. R.N. Gaoraelwe
28/08/23	Yes	Yes	Yes	Yes	Yes	Yes	Yes
12/09/23	Yes	Yes	Yes	Yes	Yes	Apology	Yes
21/09/23	Yes	Yes	Yes	Apology	Apology	Apology	Yes
10/10/23	Yes	Yes	Yes	Yes	Apology	Yes	Apology
17/10/23	Yes	Yes	Yes	Yes	Yes	Yes	Apology
24/10/23	Yes	Yes	Yes	Yes	Yes	Yes	Apology
31/10/23	Apology	Yes	Yes	Yes	Yes	Yes	Yes
14/11/23	Apology	Yes	Yes	Yes	Yes	Yes	Yes
16/01/24	Yes	Yes	Yes	Yes	Yes	Yes	Yes
23/01/24	Yes	Yes	Yes	Yes	Yes	Yes	Yes
30/01/24	Apology	Yes	Yes	Yes	Yes	Yes	N/A
11/02/24	Yes	Yes	Yes	Yes	Yes	Yes	Yes
20/02/24	Apology	Yes	Yes	Yes	Apology	Yes	N/A

Date:	Mr M.T. Khumalo	Mr V.S. Mahlangu	Mr X.S. Mnguni	Mr J.L. Khumalo	Mr I.E. Pilane	Mr H.H. Nkanyane	Mr. R.N. Gaoraelwe
22/02/24	Yes	Yes	Yes	Yes	Yes	Yes	Yes
05/03/24	Yes	Yes	Yes	Apology	Yes	Yes	N/A
07/03/24	Yes	Yes	Yes	Yes	Yes	Yes	N/A
19/03/24	Yes	Yes	Yes	Yes	Apology	Yes	N/A
02/04/24	Yes	Yes	Yes	Apology	Yes	Yes	N/A
16/04/24	Yes	Yes	Yes	Yes	Yes	Yes	N/A
23/04/24	Yes	Yes	Yes	Yes	Apology	Yes	N/A
09/05/24	Yes	Yes	Yes	Yes	Yes	Yes	N/A
21/05/24	Yes	Yes	Yes	Yes	Yes	Yes	N/A
28/05/24	Yes	Yes	Yes	Apology	Apology	Yes	N/A
04/06/24	Yes	Yes	Yes	Yes	Apology	Yes	N/A
11/06/24	Yes	Yes	Yes	Yes	Yes	Yes	N/A
25/06/24	Yes	Yes	Yes	Yes	Apology	Yes	N/A

Board Committee

As previously mentioned, the Board has established three sub-committees. The NEDA is currently in its developmental phase, therefore, the Board Committees are yet to convene.

FINANCIAL REPORTING

In terms of Section 87(11) of the MFMA the NEDA is required to submit monthly financial reports to the NEDA within 7 working days after the end of every month. At this current stage of development, the NEDA transacts under the NDM. The budget vote is situated under PED. However, the NEDA submits quarterly performance reports to the NDM.

The Board remuneration for the 2023/24 financial year is as follows:

Board members	Total remuneration
Mr. T.M. Khumalo	R634 224.30
Mr. V.S. Mahlangu	R455 601.73
Mr. J.L. Khumalo	R294 734.60
Mr. X.S. Mnguni	R442 806.69
Mr. I.E. Pilane	R193 356.00
Mr. H.H. Nkanyane	R258 656.80
Mr. R.N. Gaoraelwe	R188 782.62

EXCO Functionality

The function of the Executive Committee (EXCO) is to drive the strategic direction of the organisation. Currently, the NEDA only has two executive managers. Therefore, the EXCO convened every Monday on weekly basis since the 2nd April 2024.

Remuneration of Executives for the 2023/24 financial year is as follows:

Executives	Total remuneration
Dr. M.E. Mosola	R507 723.80
Mr. K.C. Chauke	R332 219.85

AUDIT FUNCTION

With regards to the Audit Committee, the NEDA shares or utilises the Audit Committee of the NDM.

In the 2023/24 financial year, the Audit and Performance Committee did not consider any item of the NEDA. Therefore, there will be no schedule of meetings presented.

Roles and Responsibilities of the Audit and Performance Committee

The Audit and Performance Committee is mandated to:

- Review the NEDA's internal controls and financial reports for statutory compliance and against standards of best practice, as well as recommending appropriate disclosure to the Board;
- Review reports from management, and the internal and external auditors to provide reasonable assurance that control procedures are in place and working as intended;
- Consider the appointment of both the internal and external auditors, the audit fee and any questions of resignation or dismissal of auditors;
- Review the half-yearly and annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices;

COMPANY SECRETARY

The NDM has seconded Mr T.P. Mahlangu to serve as Company Secretary during the development period. Mr Mahlangu is remunerated by the NDM.

Role of the Company Secretary

- Ensuring compliance to the provisions of company laws and rules, made thereunder, and other statues and policies of the Agency;
- Ensuring that the Affairs of the Agency is conducted in accordance with its objectives as contained in its Memorandum of Incorporation (MOI);
- Ensuring that the affairs of the Agency are managed in accordance with the provisions of the law;
- Developing the framework to ensure that the organisation complies with relevant statutes;
- Preparing, approving and signing agreements, leases, legal forms, on behalf of the Agency when authorised;
- Engaging legal advisors and defending the rights of the Agency in Courts of Law, and
- Advising the Chief Executive and other executives in respect of legal matters;

- The Company Secretary ensures that s/ he keeps up to date with the changes in pertinent legislation and corporate governance matters in order for him/her to properly advise the Board;

RISK MANAGEMENT AND INTERNAL AUDIT FUNCTION

Risk management is an integral part of good governance. It is a process whereby:

- There is a shared awareness and understanding within the organisation of the nature and extent of the risks it faces, the categories and extent of those risks regarded as acceptable and the likelihood and potential impacts of the risk materialising.
- There is regular and ongoing identification, evaluation, management, monitoring, recording and reporting of risks with a view of improving the organisation's ability to manage and reduce the incidence or impact on the organisation of risks that do materialise. The risk register is updated on a regular basis.
- An appropriate assessment is made of the costs of implementation and operating a particular control relative to the benefit obtained in managing the related risk.

The NEDA's relies on the NDM governance committees.

Risk management, outlines the fundamental principles of effective risk management. These principles provide guidance on the characteristics of effective and efficient risk management, communicating its value and explaining its intention and purpose. These principles are described below:

- **Proportionate:** Risk management activities must be proportionate to the level of risk faced by the organisation.
- **Aligned:** Risk management activities need to be aligned with other activities of the organisation.
- **Comprehensive:** To be fully effective, the risk management approach must be comprehensive.
- **Embedded:** Risk management activities need to be embedded within the organization.
- **Dynamic:** Risk management activities must be dynamic and responsive to emerging and changing risks.

To enable Nkangala Economic Development Agency (NEDA) to take care of their risk management responsibilities as set out in Section 95 (c) (i) of the Municipal Finance Management Act (MFMA) No. 56 of 2003.

Identifying and ranking the risks facing the organization is primarily performed to enable effective and efficient risk management and preparing an audit plan that is risk based. Therefore the NEDA Strategy and Annual Work Plan are the key enablers of risk assessment exercise as an important part of the risk management process.

During the risk assessment exercise risks are identified by management as the risk owners and to also look at other areas that have been raised by Auditor General of South Africa (AGSA) and Internal Audit Unit (IAU). To create organizational risk awareness and an improved control environment throughout all management structures. The risk assessment session is one of the critical parts of the risk management process and it should be able to address core issues, and that it should be an exercise that adds value towards service delivery and be able to create an enabling environment for achievement of the set objectives.
When risks, which can influence the achievement of NEDA objectives, are identified, they can be managed effectively and efficiently. Any possible event or action that will affect the achievement of these objectives could be classified as a risk. Risks can either be operational or strategic depending on the level at which they are pitched.

Risk arises as much from the likelihood that something good will not happen as it does from the threat that something bad will happen. Risk can be defined as the threat that an event or action will adversely affect an organization's ability to achieve its business objectives and to execute its strategies successfully.

CORPORATE ETHICS AND ORGANISATIONAL INTEGRITY

The NEDA and its Board subscribe to high ethical standards and principles in line with the King Code IV. The leadership provided by the Board is characterised by the values of responsibility, accountability, fairness and transparency, and has been a defining characteristic of the NEDA since its establishment.

CODE OF CONDUCT

The NEDA applies the NDM code of conduct, which is fully endorsed by the Board. The code of conduct applies to all directors and employees. The code is consistent with schedule 1 of the Municipal Systems Act and the provisions of the NEDA corporate governance protocol for municipal entities. The code is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism. Through its code of conduct, the NEDA is committed to:

- The highest standards of integrity and behaviour in all its dealings with its stakeholders and society at large;
- Fair commercial and competitive business practices;
- Eliminating discrimination and enabling employees to realise their potential through continuous training and skills development;
- Taking environmental and social issues into consideration;
- Ensuring that all directors declare any direct or indirect personal or business interests that might adversely affect them in the proper performance of their stewardship of the entity;

The code requires that all staff act with the utmost integrity and objectivity and in compliance with the law and company policies at all times. Failure to act in terms of the code will result in disciplinary action. The code is discussed with each new employee as part of their induction process, and all employees are asked to sign an annual declaration confirming their compliance with the code. A copy of the code is made available to interested parties upon request. Any breach of the code is considered a serious offence and will be dealt with accordingly, thus acting as a deterrent. The Directors believe that ethical standards are being met and are fully supported by the ethics programme.

DECLARATION OF INTEREST

In accordance with its code of conduct, the NEDA maintains a register of Directors' declarations of interests. The register is updated annually, and as and when each Director's declared interests change. A register is circulated at every Board and Board Committee meeting for the Directors to declare any interest, related to every matter, discussed at a particular meeting. The NEDA's employee code of ethics, and terms and conditions of employment, require all employees to complete declarations of interest covering the following:

- Shareholding in private companies;
- Membership of close corporations, partnerships and joint ventures;
- Directorships held;
- Remunerative employment outside of the NEDA, and
- Gifts and hospitality;

COMPLIANCE WITH LAWS AND REGULATIONS

The NEDA is currently developing a compliance register for the purposes of regulating its state of compliance with applicable laws and regulations. The register will be updated to ensure that all the divisions adhere to the requirements. Furthermore, employees will be expected to abide by the NEDA's policies and procedures, which will be made available to each employee. Internal and external auditors will provide assurance that the NEDA is compliant and make the necessary recommendations where applicable. This process is expected to conclude in the 2024/2025 financial year.

ANTI-CORRUPTION AND FRAUD

The NEDA maintains an NDM Council approved Fraud Prevention Policy as part of its system of internal controls against corruption and fraud. To date, no instances of fraud or corruption have been reported at the NEDA.

CHAPTER 7 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

The NEDA currently utilises the NDM ICT platforms, therefore, maintains an NDM Council approved ICT policy, strategy, business continuity and disaster frameworks, and governance frameworks as part of its system of internal controls against ICT related risks.

CHAPTER 8 STAKEHOLDER ENGAGEMENTS

The NEDA Board of Directors and management view stakeholder engagement as an essential element of the organization's business continuity and sustainability. The NEDA's work with reference to its approach to stakeholder relations is guided by its stakeholder engagement strategy. In line with this strategy, the NEDA seeks to achieve the following objectives:

- To ensure that the project and programme development is informed by stakeholder needs; To ensure that the projects enjoy a receptive implementation environment;
- To ensure project and programme development is informed by stakeholder needs;
- To ensure that the implementation of projects is inclusive;
- To leverage from partnerships and ensure best practice and quality implementation;
- To leverage resources including funding for greater project impact,
- To ensure accountability to stakeholders.

The Following engagements with stakeholders took place in the 2023/2024 financial year:

The Tourism Mini-Expo and selection process of NEDA SMMEs to participate in the World Travel Market (WTM) 2024

The NEDA, working with Nkangala District Municipality, the local municipalities, the Regional Tourism Organisation (RTOs) and Local Tourism Organisations (LTOs) in the various local municipalities held a Mini-Expo at the Limpopo Parking lot in order to identify and select key SMMEs to participate at the WTM in Cape Town on the 5th of April 2024. The WTM delivers the leading global events for the travel industry. Its Africa leg, the WTM Africa, attracts over 500 attendees on an annual basis from various travel industry players across the globe. The trade show exists to provide an ideal platform for African tourism exhibitors to showcase their offering to international and local buyers, destination marketing companies and leisure tourism services partners. The NEDA, in its strategic focus, aims to position Nkangala District as a destination of choice for current and prospective investors. In achieving this strategic focus, tourism plays a major role. People often visit a place for leisure or business events and then return for investment opportunities. Building an attractive and robust tourism platform and value chain is critical for the economic transformation of the NDM.

Engagement with the stakeholders the World Travel market 2024

On the 11th of April 2024, the NEDA held a stakeholder engagement session on the side-lines of the WTM. The networking dinner brought the NEDA stakeholders such as the Mpumalanga Tourism Board and SMMEs together. Attendees mingled and explored collaboration opportunities in a convivial atmosphere. The engagement culminated in establishing working relations between the NEDA and the MTPA.

Nkangala Economic Development Agency Networking Event

On the 15th of May 2024, the Nkangala Economic Development Agency hosted a successful networking event designed to introduce the agency to the province and attract potential investors. The MMC for LED, Councillor Lindiwe Mahlangu provided a Keynote address at the event. This well-attended gathering took place at the scenic Café La Plage in Umhlanga, a perfect venue that offered a relaxed yet professional atmosphere conducive to fostering meaningful connections. The event was a major highlight of the Indaba, drawing in key stakeholders from various sectors who were eager to learn more about the opportunities NEDA could offer.

A unique feature of this networking event was the focus on products from Nkangala, with five standout offerings showcased to the attendees. These products ranged from innovative tourism packages to locally crafted goods, each representing the rich cultural and economic potential of the Nkangala region. The entrepreneurs behind these products were given the invaluable chance to engage directly with established businesses in the tourism industry, opening doors to new partnerships and collaborations. The interaction was not only beneficial for the SMMEs but also provided established businesses with fresh perspectives and potential new ventures to explore.

The event proved to be a significant stepping stone for NEDA in its mission to drive economic growth and development within the province. By facilitating direct interactions between local entrepreneurs and seasoned industry players, NEDA successfully highlighted the untapped potential within Nkangala and fostered a spirit of collaboration and investment. The positive feedback from attendees underscored the event's success, paving the way for future initiatives aimed at sustaining and expanding these newly formed connections.

Engagement with Mpumalanga Tourism and Parks Agency (MTPA)

The collaborative relationship between MTPA and NEDA is premised on the understanding of tourism at global, national and local levels. The recognised reality is that collective wisdom and partnerships work in the world of tourism. Generally, tourism has always been a booming sector across the globe. No matter where one lives, there will always be a group of people, big or small, who want to visit one's area or home country. Therefore, tourism is a very important aspect not only for a country's economy but also for the global standing of a country. Tourism is renowned for bringing in wealth, exposure, growth, and employment, etc. just to name a few, therefore, a collaborative effort towards scaling the sector is paramount for both institutions.

The parties (NEDA and MTPA) with this MOU/A, agree to leverage on mutually beneficial collaborative efforts for the promotion and support of sustained tourism growth in Nkangala District, as well as that of Mpumalanga Province and by extension in the Republic of South (RSA) as the country for the duration of this Agreement.

Potential areas of cooperation includes/but are not limited to the following:

- Joint business and strategic planning once or twice a year
- Meet quarterly to
- Attending local and international Tourism exhibitions together
- Attending local and international Trade and Investment shows together
- Cooperating on the investment packaging of MTPA resorts for investment promotion in our district.
- Hosting together, with SA Tourism, familiarization trips together with tourism LTO's and RTO's in our region
- Develop both the look and the feel to be the same in terms of photography, video, and exhibition. This can include joint shoots.
- Planning and execution of joint-marketing programmes for both local and international tour operators.
- Work together to host an investment conference focusing on Tourism and Parks assets in our district.

Engagement with Dr JS Moroka Local Municipality

Dr JS Moroka Local Municipality is a very critical stakeholder to the work of NEDA. It is for this reason that the NEDA has a list of Economic Development Projects that have been identified and are ready for investment promotion in the area.

The following projects were identified for the area:

- The Ndebele Cultural Village;
- Identification of strategic land for the erection of Out of home media;
- Economic development projects identified and ready for investment promotion;
- Investment packaging and incentive schemes;
- Spatial revision with focus on Economic Stimulation Zones (ESZ);

Engagement with Chamber of Commerce – Middelburg/Nkangala

The NEDA held an engagement with the Middelburg Chamber of Commerce. The aim of the engagement was to foster working partnership;

The role of the Middelburg Chamber of Commerce is multifaceted, serving as a vital advocate and resource for the local business community. Key responsibilities include:

- **Business Advocacy**: Representing the interests of local businesses at various levels of government, ensuring that policies and regulations support economic growth and development;

- **Networking Opportunities**: Facilitating connections among business owners, entrepreneurs, and professionals through events, workshops, and seminars, fostering a collaborative business environment;

- **Economic Development**: Promoting Middelburg as an attractive destination for new businesses and investment, working to create a thriving economic landscape;

- **Member Support**: Providing resources, training, and assistance to member businesses, helping them navigate challenges and achieve success;

- **Community Engagement**: Partnering with local organizations and stakeholders to enhance the quality of life in Middelburg, supporting initiatives that benefit the wider community;

- **Information Dissemination**: Keeping members informed about important industry trends, regulatory changes, and market opportunities through regular communications and publications.

Engagement with the World Bank

Over the past decade, Mpumalanga, much like the broader South African economy, has faced economic stagnation and an associated stalling of its economic transformation. To enhance economic growth, alleviate poverty, and enhance resilience to industry-specific shocks, the Provincial Government has prioritized diversification of its economy, particularly away from the coal sector towards new drivers of growth. This is important not only to help insulate Mpumalanga's economy from commodity price shocks, but also to safeguard it from job losses that are expected to occur because of its coal-fired power plants and coal mines reaching their end of life. A well-planned strategy for economic diversification, implemented in advance of these closures, is imperative for ensuring a "just transition" of the Mpumalanga economy, while also bringing additional benefits such as improvements in health and productivity. The Office of the Premier, with support from the World Bank and the PCC, convened a two-day JT alignment workshop on May 11-12, 2023, to discuss how to position the province to maximize JT opportunities and mitigate potential risks. Key recommendations from the workshop included:

(i) collective recognition of the need for acceleration of interventions;
(ii) the development of a unified economic diversification and transformation strategy; and
(iii) the crucial role of robust institutions.

The World Bank initiated a programmatic engagement to support "Economic Diversification and Transformation in Mpumalanga Province". One pillar will support a comprehensive analysis of economic diversification and transformation opportunities and preparation of a roadmap identifying priority areas for strategic interventions. The roadmap is envisaged to be developed in two phases:

Phase 1: Stocktaking and baseline assessment consisting of:

(i) a review of existing strategies, programs and plans relevant to Mpumalanga's economic diversification and transformation;
(ii) a spatial assessment of existing patterns of industry diversification and specialization as well as of the recent evolution of socio-economic and demographic landscape and built-up environment in Mpumalanga; and
(iii) a review of both relevant local and international experiences of regional economic transformation in response to major industrial closures, with a view to identifying relevant lessons for Mpumalanga.

Phase 2: Development of options for the REDAT based on the findings of the stock-taking and assessment carried out in Phase 1 as well as consolidation of existing strategies and plans in the province while filtering for alignment, synergy, overlap and gaps. Specifically, Phase 2 is envisaged to include recommended policy options to diversify the Provincial economy in an inclusive manner while being guided by project delivery capacity and feasible financing options from both the public and private sectors.

(Source: World Bank Mission 2024)

The World Bank is a critical stakeholder towards the diversification of the economy of the Nkangala District and ultimately the Mpumalanga Province. The held an engagement with the World Bank and requested the following support mechanisms from the World Bank ahead of the formulation of the Phase 2 of the REDAT:

a. That the World Bank support the NEDA initiatives by developing a Nkangala Regional Economic Development Masterplan;

b. That the World Bank support the NEDA initiatives by reviewing the spatial development plan/framework of the District and that of the local municipalities in order to accommodate the Komati Green City, the localized ESZs and the Energy SEZ;
   (i) This includes designing a prototype for the Komati Green City;

c. That the World Bank support the NEDA initiatives by developing a roadmap for economic diversification in the district in order to create alternative economic opportunities and the much-desired jobs;

d. That the World Bank provide technical support to the NEDA in:
   (i) Developing a concept document for viable projects;
   (ii) Developing bankable business plans in support of the identified projects;
   (iii) Facilitating investment and providing advice on investment packaging;

Engagement with the French Development Bank

The French Development Bank is one of the financiers of Just Energy Transformation. The projects aims to create jobs and contribute to the economy. The organisation mentioned that in the future they would be interested in projects like Witbank Dam and the Cultural Village.

Engagement with the Presidential Climate Commission

The Presidential Climate Commission (PCC), which is chaired by the President of the Republic of South Africa, requested that the Commission visit the Komati Power Station, to learn lessons from and make recommendations about coal power station decommissioning and repurposing projects. In particular, the aim of such a visit was to evaluate the extent to which the process and early outcomes at Komati meet the principles of justice (procedural, distributive, restorative), as set out in the country's Just Transition Framework. Komati Power Station is located in the Nkangala District, therefore, its decommissioning had a direct impact on the economic position of the district. The NEDA, as a champion of economic diversification for the district, engaged with the PCC in order to find alternatives on the issues that prevails on the ground. The NEDA submitted a concept document on rehabilitating Komati in line with the Just Energy Transition Framework. In this regard, the two parties agreed to to enter into a partnership arrangement between PCC and NEDA around the implementation the just transition in Nkangala District. Broadly we

will work together to promote the economic development of the district, bring in investment, create jobs and involve local communities in bottom up development processes. The partnership could include the following elements;

- NEDA will coordinate the development planning and economic diversification work streams for the Komati redevelopment initiative.
- The Komati project manager to be appointed by PCC will work with NEDA and support them in performing this coordination role.
- The PCC will continue with its work on developing an employment strategy for the province, and will collaborate closely with NEDA in developing opportunities for growing jobs in established and new economic sectors identified by the strategy.
- NEDA will support the PCC with implementing PIM in the region, and will make use of the project preparation support facilities provided by Impact Catalyst.
- PCC will mobilise resources (via Just SA and TIPS) for NEDA to do an economic master plan for the Komati region.
- PCC will mobilise resources from donors to set up an SMME support facility for the coal belt. NEDA will collaborate with GCA around this area of work.
- NEDA will participate on the communications work stream, and work with Blessing and team to develop a communications campaign around just transition and how people can get involved in it.

7.17 APPENDIX P: MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

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:

5	Outstanding performance	Performance far exceeds the standards expected of an employee at this level. The appraisal indicates that the employee has achieved above fully effective results against all performance criteria and indicators as specified in Performance Agreement/Plan and maintained this in all areas of responsibility.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement/ Plan.
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the employee has fully achieved effective results against all significant performance criteria and indicators as specified in the Performance Agreement/Plan.
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the Performance Agreement/Plan.
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all performance criteria and indicators as specified in the Performance Agreement/Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.

Company name	2022/2023 Annual score	Contract task title	2023/2024 Annual score	Performance Comments
FINANCIAL SERVICES				
Munsoft	3,68	NDM Financial System	3	Fully effective
Standard Bank	3,85	Banking services	3	Fully effective
LSPINC t/a Sage VIP	3	Payroll System	3	fully effective
Uhhiya t/a Fast Moving	3	Supply Chain verification system	3	Fully effective
Kune Makopo	4	Short-term insurance portfolio for NDM	4	Performance significantly above expectations
Mag Relees Consultants	New Contract	Reviewal of AFS for NDM	3	Fully effective
DMS Empire	New Contract	SCM data verification system	3	Fully effective
Nkodosi Trading Enterprise	3	Transport services	3	Fully effective
Siyanda Ntanks Trading &	3	Transport services	3	Fully effective
Ntakagistix Transport	3	Transport services	3	Fully effective
Shalakho Trading & Projects	3	Transport services	3	Fully effective
Nolanga Construction	3	Transport services	3	Fully effective
Kumanzima	3,4	Transport services	3	Fully effective
Senzazona	3,1	Transport services	3	Fully effective
Hunadi and khepeni	3,2	Transport services	3	Fully effective
Fumbe druza Trading and Projects	3	Transport services	3	Fully effective
Auxiliary Trucking (Pty) Ltd	3	Transport services	3	Fully effective
Nandiyase (Pty) Ltd	3	Transport services	3	Fully effective
Maphelaphelani	3	Transport services	3	Fully effective
Thubalentsha Construction and Project	3	Transport services	3	Fully effective
Delela Transport	3	Transport services	3	Fully effective

Company name	2022/2023 Annual score	Contract task title	2023/2024 Annual score	Performance Comments
Ngunkosi Logistics	3	Transport services	3	Fully effective
Cozza Transport	3	Transport services	3	Fully effective
Opex Solutions	3	E-procurement system	3	Fully effective
Phetha Sodiye Projects	3,1	Events management services	3	Fully effective
Bhekumbusovusi	3,3	Events management services	3	Fully effective
Selethizimpendulo	3,2	Events management services	3	Fully effective
P and K Bakone	3,2	Events management services	3	Fully effective
Mathelly	3,2	Events management services	3	Fully effective
Yethu Sonke	3,19	Events management services	3	Fully effective
Ngibonga Impilo	3,19	Events management services	3	Fully effective
Senzazona	3,19	Events management services	3	Fully effective
Kgosihadi	3,2	Events management services	3	Fully effective
Sogoli Projects	3	Events management services	3	Fully effective
Pule's Trading	3,3	Events management services	3	Fully effective
Zammalwandle	3,3	Events management services	3	Fully effective
Hendrick Ntuli	3,3	Events management services	3	Fully effective
Nomoya and Thembinkosi	3,2	Events management services	3	Fully effective
Maphelaphelani	3,3	Events management services	3	Fully effective
Mamolato Construction	3,3	Events management services	3	Fully effective
KMS Promotions	3,2	Events management services	3	Fully effective
Nelowethu	3,3	Events management services	3	Fully effective
Sathudi	3,1	Events management services	3	Fully effective
Bathabile Kasetie	3,75	Events management services	3	Fully effective
Tshedza Tshatshu	3,2	Events management services	3	Fully effective
XL Flight Services	3,26	Travel and accommodation services	3	Fully effective

Company name	2022/2023 Annual score	Contract task title	2023/2024 Annual score	Performance Comments
KDM Travel Express	3,09	Travel and accommodation services	3	Fully effective
Ashcor Travel	3	Travel and accommodation services	3	Fully effective
SGO Group	3	Catering services	3	Fully effective
Namgwena Multi Projects	3	Catering services	3	Fully effective
Bongmuzi Business	3	Catering services	3	Fully effective
Chrisizandile Pty Ltd	3	Catering services	3	Fully effective
Bancedekile Trading	3	Catering services	3	Fully effective
Swaranang Catering	3	Catering services	3	Fully effective
Ithuba le Africa	3	Catering services	3	Fully effective
Lethaukukhanya Trading	3	Catering services	3	Fully effective
Yamihle Imsebenzi (Pty) Ltd	3	Catering services	3	Fully effective
Pules Trading	3	Catering services	3	Fully effective
Tihlangene Trading	3	Catering services	3	Fully effective
Mimi's Events	3	Catering services	3	Fully effective
Mogalix Trading	3	Catering services	3	Fully effective
Ithembalibuyile Trading	3	Catering services	3	Fully effective
Lumunus Creation	3	Catering services	3	Fully effective
Makoti Investment	3	Catering services	3	Fully effective
Greatlinking Management	3	Catering services	3	Fully effective
Nhlamago Trading	3	Catering services	3	Fully effective
Dlamini Sedeca	3	Catering services	3	Fully effective
Nkuti Pty Ltd	3	Catering services	3	Fully effective
MM Sibeko	3	Catering services	3	Fully effective
Phehla Konke	3	Catering services	3	Fully effective
Singisi Trading	3	Catering services	3	Fully effective

Company name	2022/2023 Annual score	Contract task title	2023/2024 Annual score	Performance Comments
Khethowakho Trading	3	Catering services	3	Fully effective
Nolanga Construction	3	Catering services	3	Fully effective
Nomoya and Thembinkosi	3	Catering services	3	Fully effective
Thubalentsha Construction	3	Catering services	3	Fully effective
Muhlebuyi Construction	3	Catering services	3	Fully effective
Ramandire Bed and Breakfast	3	Catering services	3	Fully effective
Pontsho and Kayise Project & Services	3	Catering services	3	Fully effective
Dahlia Trading Enterprise	3	Catering services	3	Fully effective
Lipako Trading Enterprise	3	Catering services	3	Fully effective
Fumbedruza Trading & Projects	3	Catering services	3	Fully effective
Philandumiso Trading & Projects	3	Catering services	3	Fully effective
Maphelaphelani (Pty) Ltd	3	Catering services	3	Fully effective
Christain Trading (Pty) Ltd	3	Catering services	3	Fully effective
Snentlantla Trading and Projects	3	Catering services	3	Fully effective
Natshigila Construction & Projects	3	Catering services	3	Fully effective
Barmpho Trading	3	Catering services	3	Fully effective
Mamolato Construction & Projects	3	Catering services	3	Fully effective
Bathabile Kasetie Trading & Projects	3	Catering services	3	Fully effective
Ndojali (Pty) Ltd	3	Catering services	3	Fully effective
Lumkela Transport & Projects	3	Catering services	3	Fully effective
Genius VIP (Pty) Ltd	3	Catering services	3	Fully effective
OT Biz Enterprise (Pty) Ltd	3	Catering services	3	Fully effective
K & B Power (Pty) Ltd	3	Catering services	3	Fully effective

Company name	2022/2023 Annual score	Contract task title	2023/2024 Annual score	Performance Comments
Noksy Investment (Pty) Ltd	3	Catering services	3	Fully effective
Marentia 375 cc	3	Catering services	3	Fully effective
Xabaqongo Events & Construction	3	Catering services	3	Fully effective
Sishavula Trading (Pty) Ltd	3	Catering services	3	Fully effective
Talunye Project (Pty) Ltd	3	Catering services	3	Fully effective
Godrich Empire	3	Catering services	3	Fully effective
Bhekumbusovusi (Pty) Ltd	3	Catering services	3	Fully effective
Ka-ntle Trading Enterprise 42	3	Catering services	3	Fully effective
Moripana Trading (Pty) Ltd	3	Catering services	3	Fully effective
Clarah Dube Family Trust	3	Catering services	3	Fully effective
Ubabhemi	3	Catering services	3	Fully effective
Kgadasi Investment	3	Catering services	3	Fully effective
Sikhustance Pty Ltd	3	Catering services	3	Fully effective
Basadzi Media	New Contract	Advertising services	3	Fully effective
Whoodoo Media	New Contract	Advertising services	3	Fully effective
Promotion Package	New Contract	Advertising services	3	Fully effective
National School of Government	New Contract	Training of bid committee members	3	Fully effective
Seyeri (Pty)Ltd	New Contract	Supply and delivery of 500ml bottled water	New Contract	
Mvuleni	New Contract	Supply and delivery of 500ml bottled water	New Contract	
Aqua Stream	New Contract	Supply and delivery of 500ml bottled water	New Contract	

CORPORATE SERVICES				
Company name	**2022/2023 Annual score**	**Contract task title**	**2023/2024 Annual score**	**Performance Comments**
Carewell Holding	3,94	Security services	3	Fully effective
Lexis Nexus Pty Ltd	4,16	Online research database for Local Government	4	Performance significantly above expectations
Leisure Legs	3,21	Supply and delivery of printing papers	3	Fully effective
Marashea	3,71	Supply and delivery of printing papers	3	Fully effective
Zammalwandle	3,76	Supply and delivery of printing papers	3	Fully effective
Agna Valo Engineering	4,11	Supply and delivery of printing papers	4,3	Performance significantly above expectations
Emkhanyweni Trading	3,21	Supply and delivery of printing papers	3	Fully effective
Linusa Projects	3,81	Supply and delivery of office stationery	3	Fully effective
Dem-Shame Technologies	3,72	Supply and delivery of office stationery	3	Fully effective
Likusasa Lethu	3,61	Supply and delivery of office stationery	3	Fully effective
Agna Valo Engineering	3,8	Supply and delivery of office stationery	4,3	Fully effective
OTIS	3,92	Passenger lift maintenance	3	Fully effective
Siyakhula Elevators	3,92	Passenger lift maintenance	3	Fully effective
Khetha Building	4	Repairs and maintenance of NDM buildings	3	Fully effective
Marota Airconditioning and projects	3,98	Maintenance of Aircon Chillers and Splits Units for NDM	3	Fully effective
Yiminathi Construction & Projects	3,92	Cleaning services at NDM	3	Fully effective
Babereki Projects	4	Horticultural and gardening services	3	Fully effective
IGS Solutions (Pty)Ltd	4,08	Web-Based Performance Management System and Risk Management System	5	Performance significantly above expectations
M-Cube engineering technical services	4	Servicing and maintenance of UPS and standby generators	4	Performance significantly above expectations

CORPORATE SERVICES				
Company name	**2022/2023 Annual score**	**Contract task title**	**2023/2024 Annual score**	**Performance Comments**
Sne and Katli engineering	4	Servicing and maintenance of UPS and standby generators	4,1	Performance significantly above expectations
MM Sibeko Trading (Pty) Ltd	New Contract	Supply and Delivery of Diesel	3	Fully effective
Snetlantla Trading & Projects	New Contract	Supply and Delivery of Diesel	3	Fully effective
Franky Gravel	New Contract	Supply and Delivery of Diesel	3	Fully effective
Emkhanyweni Trading and Projects	New Contract	Supply and Delivery of Diesel	3	Fully effective
Opex Business Solutions	New Contract	Agile web-based electronic recruitment system	3	Fully effective
Multichoice SA	New Contract	subscription services	3	Fully effective
SALGA	New Contract	SALGA for workshops,conferences,training and registration	3	Fully effective
Aphakays Holdings	New Contract	Supply and delivery of communicable diseases PPE'S, screening	3	Fully effective
Imani Business Enterprise	New Contract	Supply and delivery of communicable diseases PPE'S, screening	3	Fully effective
Safarmex	New Contract	Supply and delivery of communicable diseases PPE'S, screening	3	Fully effective
Sgehlembe Project and Fire Services	New Contract	Service and maintenance of fire extinguishers	3	Fully effective
Umnotho (Pooven Chetty t/a Ubuntu Software Solutions	3,56	Electronic document management system	3	Fully effective
Mabebe Wellness	New Contract	Employee Health and Wellness Programme	3	Fully effective
SJN Invetsment	New Contract	Photo copier machines	3	Fully effective

CORPORATE SERVICES				
Company name	**2022/2023 Annual score**	**Contract task title**	**2023/2024 Annual score**	**Performance Comments**
Alwandem Projects	New Contract	Corporate Branding Services	3	Fully effective
Mandi Philasande	New Contract	Corporate Branding Services	3	Fully effective
Clockwyse Capital	New Contract	Corporate Branding Services	3	Fully effective
Carewell Holding	New Contract	Surveillance cameras biometrics system	New Contracts	
Shellard Media Audio Visual projects (Pty) Ltd	New Contract	Audio-visual equipment's	New Contracts	
MP Fire Solution	New Contract	Automatic fire sprinklers,Smoke and Fire detectors	New Contracts	
Semango Motors	New Contract	Repairs, Maintenance and Service of Municipal Pool Vehicles	3	Fully effective
Emandleni Amakhulu	New Contract	Repairs, Maintenance and Service of Municipal Pool Vehicles	3	Fully effective
Ntakagistix Transport	New Contract	Repairs, Maintenance and Service of Municipal Pool Vehicles	3	Fully effective
The Cloudi Consulting	New Contract	Repairs, Maintenance and Service of Municipal Pool Vehicles	3	Fully effective
Amaroso Projects	New Contract	Repairs, Maintenance and Service of Municipal Pool Vehicles	3	Fully effective
INTERNAL AUDIT				
Nsilala Consulting	3	Conducting forensic investigations	3	Fully effective
Radzilani Attorneys	3	Conducting forensic investigations	3	Fully effective
Balushi Chartered Accountants and Auditors	3	Co-sourced internal audit service for NDM	3	Fully effective
Nhlamulo Bazuze JV	4,4	Co-sourced internal audit service for NDM	4,4	Performance significantly above expectations

CORPORATE SERVICES				
Company name	**2022/2023 Annual score**	**Contract task title**	**2023/2024 Annual score**	**Performance Comments**
Chapu Chartered Accountants	4,4	Co-sourced internal audit service for NDM	4.4	Performance significantly above expectations
Thabi Consulting	4	Co-sourced internal audit service for NDM	4	Performance significantly above expectations
Pooven Chetty t/a Umnotho Consulting	4,9	Co-sourced internal audit service for NDM	4.9	Performance significantly above expectations

PLANNING AND ECONOMIC DEVELOPMENT				
Company name	**2022/2023 Annual score**	**Contract task title**	**2023/2024 Annual score**	**Performance Comments**
WWP Group	4	NDM marketing, investment promotion and communication strategy	3,26	Performance significantly above expectations
Nsirhelelo Security Services	New Contract	SASSETA Learnership Programme	3,26	Performance significantly above expectations
Sathudi Trading Enterprise	New Contract	Informal Economy Strategy	3,26	Performance significantly above expectations
Imvelo Environmental	New Contract	Develop a just transition plan	2,9	Effective
Yethu Sonke	New Contract	Support for SMMEs, Cooperatives	4	Performance significantly above expectations
Support of emerging farmersAgrigoods Trading Enterprise	New Contract	Support of emerging farmers	4	Performance significantly above expectations
Kwenza Consulting	New Contract	Kwenza Consulting	4	Performance significantly above expectations
KT Ivory Holdings	New Contract	KT Ivory Holdings	4	Performance significantly above expectations

PLANNING AND ECONOMIC DEVELOPMENT				
Company name	**2022/2023 Annual score**	**Contract task title**	**2023/2024 Annual score**	**Performance Comments**
Thom Ndlovu Land Surveyor	New Contract	Thom Ndlovu Land Surveyor	4	Performance significantly above expectations
MM Geomatics	New Contract	Panel of Land Surveyors Consulting	4	Performance significantly above expectations
N Khoza Land Surveyor	New Contract	Panel of Land Surveyors Consulting	4	Performance significantly above expectations
Tsiku Consulting Services	New Contract	AGRISETA Learnership Programme	4	Performance significantly above expectations

COMMUNITY DEVELOPMENT SERVICES				
Company name	**2022/2023 Annual score**	**Contract task title**	**2023/2024 Annual score**	**Performance Comments**
Omphile Morena	3,6	Digital two-way radio communications and channel rental	3,26	Fully effective
Bopumu Trading	3	Support, repairs and maintenance of the existing Disaster Management centre	3,19	Fully effective
Mpumamanzi Group	3,5	Water quality monitoring for NDM	3,46	Fully effective
Phetha Sodiye Projects	3,1	Supply and delivery of protective clothing for NDM Municipal Health Services	3,46	Fully effective
North Bulk Petroleum	3	Supply and delivery of diesel and petrol for Fire Stations	3,1	Fully effective
Shomboloza	3	Supply and delivery of diesel and petrol for Fire Stations	3,1	Fully effective
MM Sibeko Trading	3	Supply and delivery of diesel and petrol for Fire Stations	3,1	Fully effective
NTG Solutions	New Contract	Municipal Health Services information system	3,2	Fully effective
Ndala S Projects	New Contract	Supply and delivery of disaster relief tents	3,2	Fully effective
Saint 4 Trading and Projects	New Contract	Supply and delivery of disaster relief tents	3,2	Fully effective
Ithuba Le Africa (Pty) Ltd	New Contract	Supply and delivery of disaster relief tents	3,2	Fully effective

Company name	2022/2023 Annual score	Contract task title	2023/2024 Annual score	Performance Comments
INFORMATION AND COMMUNICATION TECHNOLOGY				
Matupunuka	3,5	DRRS Infrastructure	4	Performance significantly above expectations
Altron Karabina	New contract	Microsoft software Licences renewal	3	Fully effective
LEGAL SERVICES				
Lebea & Lebea Attorneys	3	Legal services	3	Fully effective
Raphela Attorneys	3	Legal services	3	Fully effective
Maphanga & Essa	3	Legal services	3	Fully effective
Katake Attorneys	3	Legal services	3	Fully effective
Mjali & Zimema Attorneys	3	Legal services	3	Fully effective
T Makhumbila Attorneys	3	Legal services	3	Fully effective

TECHNICAL SERVICES				
Company name	**2022/2023 Annual score**	**Contract task title**	**2023/2024 Annual score**	**Performance Comments**
WWTSA & AMULET Group JV	3.00	Upgrading and Refurbishment of Delmas Waste Water Treatment Plant, Phase 2	2	Not fully effective
Kumelcon Group	3	Ga-Morwe Sub-Surface Drainage Systems	3	Fully effective
MSBR Consulting	3,84	Sanitation Reticulation in Sakhelwe Ext 3 - 154184	3	Fully effective
Triakon Engineering	3	Upgrading of Medium Voltage Electricity Network in Belfast Phase 2	3	Fully effective
Thoko Consulting	3	Installation of Sewer Connections at Hostels	3	Fully effective
E-Square Engineering	3	Bundu Machipe Community Hall	3	Fully effective
Mangethe Group	3	Kwaggafonteing B and C Stormwater Drainage	2	Not fully effective
Phamela Engineering	3	Provision of New Boreholes and Water Treatment Package Plant at Sundra and Eloff	3	Fully effective
Vumesa (Pty) Ltd	3	Western Highveld (Rust De Winter) Bulk Water	3	Fully effective

TECHNICAL SERVICES				
Company name	**2022/2023 Annual score**	**Contract task title**	**2023/2024 Annual score**	**Performance Comments**
		Scheme		
Nemarango Consulting Engineers	3	Upgrading of Botleng extension 3 Outfall Sewer Pipeline	3	Fully effective
King and Associates	3	Upgrading and Refurbishment of Delmas Waste Water Treatment Plant, Phase 2	2	Not fully effective
Endecon Ubuntu	3	Loskop Regional Bulk Water Supply Scheme (Work Package 1, 2 and 3)	3	Fully effective
Monde Consulting Engineers	3	Loskop Regional Bulk Water Supply Scheme (Work Package 4 and 5)	4	Performance significantly above expectations
HMP Africa	3	Installation of Passenger Lift (Extension to NDM Offices)	2	Fully effective
G Seal Consulting	3	Bulk water supply and storage in Hlalanikahle & extension 5	5	Performance significantly above expectations
Lwazi Consulting	3	Roads and Stormwater in Newtown	3	Fully effective
CivilChem Engineering	3	Rural Road Asset Management System (RRAMS)	5	Performance significantly above expectations
Mpfumelelo business Enterprise	3	Construction of the Loskop Regional Bulk Water Supply Scheme in Thembisile Hani Local Municipality – Work Package 1	3	Fully effective
Unik JV Diphatse	3	Construction of the Loskop bulk water supply scheme in Thembisile Hani Local Municipality, work package 2	3	Fully effective
JCP JV Kgotso mokone Traders	3	Construction of the Loskop Regional Bulk Water Supply Scheme in Thembisile Hani Local Municipality – Work Package 3	3	Fully effective
Axton Matrix/Mis Pipeline JV	3	Construction of the Loskop regional bulk water supply scheme in Thembisile Hani Local Municipality – Work Package 5	5	Performance significantly above expectations
Qophe Construction	3	Kwaggafontein B and C stormwater drainage	2	Not fully effective
Jusben Engineering	3	Installation of Passenger Lift for New Building Extension	3	Fully effective
Sinqobile Investment CC	New Contract	Installation Of Smart Electricity Meters	5	Performance significantly above expectations
AZRA JV	New Contract	Construction of the Loskop regional bulk water supply scheme	3	Fully effective

TECHNICAL SERVICES				
Company name	**2022/2023 Annual score**	**Contract task title**	**2023/2024 Annual score**	**Performance Comments**
Ditlou Consulting Engineers	New Contract	Installation Of Smart Electricity Meters,	5	Performance significantly above expectations
Stickson & Mopani JV	3	Moripe Gardens and Madubaduba Water Supply	3	Fully effective
Tirisano Consulting Engeers	3	Moripe Gardens and Madubaduba Water Supply	3	Fully effective
Reliant Consulting	New Contract	Upgrading of Medium Voltage Electricity Network	3	Fully effective
Jasino General Services	New Contract	Roads and Stormwater in Newtown	3	Fully effective
Jibilika Construction	New Contract	Construction of bulk water supply and storage in Hlalanikahle & extension 5	3	Fully effective
Keyise Group	New Contract	Supply, Delivery and Registration of Honey Sucker Truck	3	Fully effective
Snappy Investments	New Contract	Installation of Water Tanks, Booster Pumps and/or Boreholes	3	Fully effective
Ramashu Supply and Service	3	Moloto Community Hall	3	Fully effective
Aseda Consulting	3	Moloto Community Hall	3	Fully effective
Qubekelaphambili	New Contract	Paving of Dr E Mahlangu to Emgwenyani Road	New Contract	
Lazerbane JV	New Contract	Belfast Bookshop Street Road	3	Fully effective
Tlou Integrated	New Contract	Belfast Bookshop Street Road	3	Fully effective
Komaru Consulting Engineers	New Contract	Paving of Dr E Mahlangu to Emgwenyani Road	3	Fully effective
Phatsimo Management Consultant	New Contract	Appointment of Consultant for Rural Road Asset Management System	3	Fully effective

RISK MANAGEMENT UNIT				
Company name	**2022/2023 Annual score**	**Contract task title**	**2023/2024 Annual score**	**Performance Comments**
Timmut Connect CC	4,04	Establishment and hosting of Anti-Fraud and Anti-Corruption Hotline	4	Performance significantly above expectations

7.17 APPENDIX P: Action plan 2023/2024

NO.	PAGE No. on MR	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	DUE DATE	RESPONSIBLE PERSON	MONITORING MECHANISM / PERSON
1	32	Accounting Policies	Internal control deficiency	Management did not exercise oversight responsibility over financial reporting and the related internal controls to ensure that the accounting policies for expenditure line items on the annual financial statements are completely disclosed	Policies were corrected during the audit.	AFS Policy checklist that speaks to line items on the face of the AFS has been generated.	11/1/2024 Resolved	CFO – A Stander and Divisional Manager Treasury, Assets and AFS - N Hlongwa	CFO, CAE & AC
2	35	Property, Plant & Equipment	Internal control deficiency	Lack of circulation of completion certificates by user departments after completion of projects once consultant has issued their completion certificates	The WIP was correctly capitalised during the audit.	The status of the projects in WIP will be reviewed quarterly by assets and implementing department to increase project communication.	11/1/2024 Resolved	Divisional Manager Treasury, Assets and AFS - N Hlongwa and General Manager Technical Services – S Tseka	CFO, CAE & AC
3	43	Contract management: Expenditure on contract exceeds the allocated budget	Internal control deficiency	Management was of the view that the stated clauses in the appointment letter and SLA were sufficient to explain the nature of how such contracts work.	An addendum is to be added to the SLA as per the recommendation of the AG.	An addendum is to be added to the SLA as per the recommendation of the AG.	30-Jun-25	Divisional Manager Treasury, Assets and AFS - N Hlongwa, Divisional Manager SCM - S Masilela and Legal Services - N Maphanga	CFO, CAE & AC

NO.	PAGE No. on MR	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	DUE DATE	RESPONSIBLE PERSON	MONITORING MECHANISM / PERSON
4	49	Contract management: Incomplete contract register	Internal control deficiency	1. Lack of timely updates on expenditures - Several departments and units have not been consistently updating their expenditures on the contract register. This delay creates gaps in financial tracking and inhibits accurate reporting of contract utilization. 2. Unsubmitted approved variations - Approved contract variations are not always submitted to Supply Chain Management for updating in the contract register. This results in discrepancies in the register, impacting the accuracy of contract records and monitoring. 3. Unreported allocation of service providers - The allocation of service providers to specific projects is not regularly reported to the Supply Chain Management unit. This omission prevents the contract register from reflecting current engagements, potentially leading to oversight in contract management and resource allocation	To go LIVE in the implementation of the contract management module on the Financial System (Munsoft)	Capture existing and new contracts on the Financial system that will be linked to the Mscoa segments for each project.	30-Jun-25	Divisional Manager SCM - S Masilela	CFO, CAE & AC
5	56	Accounting Policies: Irregular Expenditure	Internal control deficiency	Management did not exercise oversight responsibility over financial reporting and the related internal controls to ensure that the accounting policies for irregular expenditure are correctly disclosed.	Policies were corrected during the audit.	AFS Policy checklist that speaks to line items on the face of the AFS has been generated.	11/1/2024 Resolved	CFO – A Stander and Divisional Manager Treasury, Assets and AFS - N Hlongwa	CFO, CAE & AC
6	58	Current Assets: Prepayments	Internal control deficiency	Management oversight, amount paid in advance not disclosed under prepayments account on statement of financial position.	Prepayments were corrected during the audit.	AFS Policy checklist has been generated.	11/1/2024 Resolved	Manager Finance - A Msiza and Divisional Manager Treasury, Assets and AFS - N Hlongwa	CFO, CAE & AC
7	60	Notes: Risk Management Note	Internal control deficiency	Last minute correction of error that affected the Risk note	Note was corrected during the audit.	AFS note checklist that matches line items on the face of the AFS and notes has been generated.	11/1/2024 Resolved	CFO – A Stander and Divisional Manager Treasury, Assets and AFS - N Hlongwa	CFO, CAE & AC

TOTAL FINDINGS 7
FINDINGS RESOLVED 5
FINDINGS IN PROGRESS 2

ANNEXURE A

AUDITED

ANNUAL FINANCIAL STATEMENT



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

General Information

Legal form of entity	District Municipality (DC 31)
Nature of business and principal activities	Municipal Services
Grading of local authority	High Capacity
Chief Finance Officer (CFO)	A L Stander
Accounting Officer	M M Skosana
Registered office	2A Walter Sisulu Street Middelburg 1050 Mpumalanga
Business address	2A Walter Sisulu Street Middelburg 1050 Mpumalanga
Postal address	P.O. Box 437 Middelburg 1050 Mpumalanga
Bankers	Standard Bank Group Limited (Primary) ABSA Limited
Auditors	Auditor General South Africa

General Information

Executive Mayor	Ngwenya TD
Speaker	Boshomane KJ
Council Whip	Nkalitshana CN
MMC Finance, Risk and Audit	Makhabane EN (01/07/2023-14/04/2024)
MMC Technical Services	Makwiting TJ
MMC Social Services	Mahlangu DP
MMC Corporate Services	Pookgoadi KT
MMC Development and Planning Unit	Mathebula TT
MMC Local Economic Development	Mahlangu L
MPAC Chairperson	Mthimunye GT (01/07/2023-13/06/2024)
Section 79 Chairpersons	Moseri PP
	Zondo UN
	Maja SR
	Matlaila BJ
	Banda EM
	Mampuru DS
Councillors	Masombuka AB
	Mokoala VD
	Botha AA
	Sibanyoni JM
	Makola LM
	Mbonani ND
	Masombuka NZ
	Moolman L
	Mtsweni SN
	Mhlanga KP
	Ngubeni PN
	Ditshego K
	Rankapole MM
	Mashele NA (15/08/2023-Current)
	Skosana SI
	Mabuza LM
	Moela WN
	Koko GS
	Mabena DM
	Dzondzi L
	Morokolo ME
	Phahlamoswari DM
	Bhamjee M
	Van Dayk WA
	Masilela PM
	Mogola SM
	Klopper DD (01/07/2023-13/06/2024)
	Dikgale LJ
	Seswike SC
	Dlamini BN
	Nhlapho SR
	Mokolo ML
	Nyalunga XC

General Information

	Mtsweni SM
	Buda KV
	Smith A
	Mhlanga MT (01/07/2023-19/06/2024)
	Steyn L
	Mthombeni JN
Audit Committee Chairperson	Mudau F
Members of Audit Committee	Masite SJ
	Moloi-Chamane MJ
	Ntuli P
	Thubakgale JL
Risk Committee Chairperson	Boltman T

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

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Abbreviations used:

COID	Compensation for Occupational Injuries and Diseases
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
PPPFA	Preferential Procurement Policy Framework Act
mSCOA	Municipal Standard Chart of Accounts
CIGFARO	Chartered Institute of Government Finance, Audit & Risk Officers
MPAC	Municipal Public Accounts Committee
SALGA	South African Local Government Association
AC	Audit Committee
EPWP	Expanded Public Works Programme
DWS	The Department of Water and Sanitation
PAYE	Paye As You Earn
UIF	Unemployment Insurance Fund

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 annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The accounting officer acknowledges that she 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 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, she is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is mainly dependent on the municipality for continued funding of operations. 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 are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in the note 28 except for irregular expenditure as per note 46 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Costitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on page 8 - 89, which have been prepared on the going concern basis, were approved by the on 30 June 2024 and were signed on its behalf by:

Accounting Officer
Designation

Report of the Chief Financial Officer

Nkangala District Municipality

Annual Financial Statements for the year ended 30 June 2024

Report of the Chief Financial Officer,

1. INTRODUCTION

The financial objective of the district municipality is to secure sound and sustainable management of the financial affairs of the district municipality and to assist the six local municipalities to be financially viable.

Critical functional areas for the district municipality amongst others include improvement of audit outcomes, effective financial management, fully functional internal audit units and audit committees, high vacancy rate in key positions, declining growth in the Regional Services Council Replacement Grant, increase in operational expenditure, which negatively impacts on the allocations to local municipalities.

Issue 3 of the IDP relates to financial viability and includes projects that contributed to the financial viability of the district and local municipalities.

The District has finalised and prepared the annual financial statements for 2023/24 on version 6.6 from 6.5 of mSCOA for the 2022/23 financial year.

2. REVIEW OF OPERATING RESULTS

The 2023/24 budget of the Nkangala District Municipality was approved by Council as follows:

MTREF 2023/24	31 May 2023	DM-ND 458/05/2023
Roll-over 2023/24	23 Aug 2023	DM-ND 071/08/2023
Adjustment budget 2023/24	21 Feb 2023	DM-Nd 293/02/2024
Special Adjustment Budget 2023/24	16 April 2023	DM-ND 02/04/2024

Herewith is commentary on the financial results.

2.1 REVENUE

The total revenue of the district increased with 38.06% from R723,885 million (2022/23) to R999,384 million (2023/24) and indicate a 97.12% outcome over the R1,029 billion budgeted for the 2023/24 financial year.

Revenue from exchange transactions increased with 68.73% from R34,921 (2022/23) to R58,921 million (2023/24), whilst the revenue from non-exchange transactions increased with 36.50% from R688,964 (2022/23) to R940,463 million (2023/24) of which the major portions is from government grants and subsidies, and the increase is mainly from the increased grants received form Department of Water and Sanitation. The district is highly dependent on the RSC Replacement Grant that shows a deterioration growth rate year on year, however indicative allocations published in Division of Revenue Act (DORA) point to a very small increase in the RSC Levy Replacement Grant,

The outlook for the next financial year is that the total revenue will decrease compared to the year under review.

TRANSFERS AND SUBSIDIES

Transfers and subsidies increased by 36.00% from R685,096 million (2022/23) to R 931,703 million (2023/24). Transfers and Subsidies include conditional and non-conditional grants and subsidies to the District and amongst others include the RSC Levy Replacement grant, the Equitable Share, Municipal System Improvement Grant, Finance Management Grant, the Expanded Public Works Programme Incentive Grant and Department of Water & Sanitation grants. All conditional grants have been spent 100% and has been recognised as revenue in 2023/24. According to the accounting policies only the portion that has been expensed and meets the conditions of the conditional grant is recognized as revenue.

PUBLIC DONATION

A public donation in the form of a road compactor truck was received from Sereti Mine in the 2023/24 of R5,250 million for the financial year compared to no public donation in 2022/23.

INTEREST, DIVIDENDS AND RENT ON LAND

The District earned Interest, which increased by 22.87% from R25,021 million (2022/23) to R30,744 million (2023/24). This increase is attributed to the increased interest rates offered by financial banks. The District realised 131.02% of budgeted amount for 2023/24 and the variance is due to that more interest revenue was received than anticipated during the budget process.

FINES, PENALTIES AND FORFEITS

Revenue from Fines, Penalties and Forfeits decrease by 22.49% from R2,775 (2022/23) to R2,151 million (2023/24). 165.19% of budgeted amount realised for 2023/24 due to the adhoc nature of the imposing of fines and penalties and that fines and penalties have increased due to fines issued in the latter part of the financial year.

OPERATIONAL REVENUE

Operational revenue decreased by 41.99% from R1,357 million (2022/23) to R0,787 million (2023/24). 435.75% of budgeted amount realised for 2023/24 due to increased operational revenue received than anticipate as increased insurance refund.

RENTAL FROM FIXED ASSETS

Rental from fixed assets increased by 141.0% from R0,051 million (2022/23) to R0,122 million (2023/24) and flows from the lease agreement with Vodacom. 208.87% realised as more fixed assets were rented out in 2023/24 than anticipated.

LICENCES AND PERMITS

Revenue from licences and permits has increased with 24.29% from R1,094 million (2022/23) to R1,359 million (2023/24) financial year. 171.74% of budgeted amount realised for 2023/24 due to the new function that are rendered by the District and various according to the number of applications received.

2.2 EXPENDITURE

The total expenditure increased with 37.58% from R795,654 million (2022/23) to R1,093,200, million (2023/24) compared to the budgeted operating expenditure of R1,123.909 million 2023/24. Transfers and subsidies to local municipalities are the main driver of the expenditure of the District.

TRANSFERS & SUBSIDIES

This expenditure relates to expenditure on infrastructure and operational projects the District implements for local municipalities within the District's jurisdictional area.

Actual grants and subsidies paid for 2023/24 represent 72.53% (57.45% 2022/23) of the total expenditure of the District and increased by 58.59% from R457,069 million (2022/23) to R724,849 million (2023/24). The actual transfers and subsidies are 101.78% of the budgeted amount of R712,167 million 2023/24 due to increased implementation of projects and the completed projects from 2022/23 work in progress. Projects that are completed from the 2022/23 financial year are transferred from Inventory – Work in progress and were duly budgeted for in the previous financial years.

EMPLOYEE RELATED COST

Actual employee related costs increased by 9.78% from R181,179 million (2022/23) to R198,895 million (2023/24) due to the drive to appoint staff in all vacancies and salary increases applied. Actual employee related costs are 91.25% of the budgeted employee related cost, which is due to the few vacancies which have not been filled in the year under review.

OPERATIONAL COST

The actual expenditure of operational costs increased by 19.94% from R49,837 million (2022/23) to R59,776 million (2023/24). The increase mainly relates to the normalisation of the impact of COVID 19 on the District,

which lead to increased travel and subsistence and increased advertising, further to that here was an increase in municipal rates and service cost and increase in insurance cost. Actual operational costs are 84.06% of the budgeted operational cost. Due to non-responsive tenders and operational projects that were not fully completed.

CONTRACTED SERVICES

Contracted services decreased by 6.56% from R66,749 million (2022/23) to R62,370 million (2023/24). Actual contracted services are 90.39% of the budgeted contracted cost,

REMUNERATION OF COUNCILLORS

Payments made to councillors are in terms of the legislation on remuneration of public office bearers.

Actual councillor allowance costs increased by 0.86 % from R16,981 million (2022/23) to R17,127 million (2023/24). Actual councillor allowance costs are 95.17% of the budgeted remuneration of councillors, due to the % increase that realised on the determination of upper limits.

DEPRECIATION/ AMORTISATION

Depreciation/amortisation is charged on Property, Plant & Equipment/intangibles at rates determined in the accounting policies and asset useful lives are reviewed annually.

Actual depreciation/amortisation costs increased by 21.54% from R17,444 million (2022/23) to R21,202 million (2023/24). The increase is mainly due to the additions to the property , plant and equipment at the District. Actual depreciation/amortisation costs are 88.76% of the budgeted depreciation/amortisation cost, and is dependent on the acquisition of new assets for the District.

INVENTORY CONSUMED

Actual inventory consumed costs increased by 49.60% from R2,815 million (2022/23) to R4,211 million . (2023/24). Inventory consumed are 82.43% of the budgeted amount. The increase is mainly due to the increase in materials and supplies used during the financial year.

INTEREST, DIVIDEND AND RENT ON LAND PAID

The District only realised interest paid on the Financial leases for office equipment.

Actual interest costs decreased by 74.81% from R0,126 million (2022/23) to R0,032 million (2023/24), the decrease is due to repayment of the lease. Actual interest costs are 11.19% the budgeted amount due to less payment as anticipated during the budget process.

GAINS AND LOSSES

The District only realised a small loss on the disposal of fixed and intangible assets, actuarial valuations and fair value adjustment of R1,847 million (2023/24) financial year from gain of R R3,861million in (2022/23).

OPERATING LEASES

Actual operating leases costs increased with 37.16% from R3,453 million (2022/23) to R4,736 million (2023/24). Actual operating lease costs are 74.12% of the budgeted amount, due to repayment of the lease.

SURPLUS/DEFICIT

The district realised a deficit of R67,908 million for 2022/23 compared to the deficit of R95,663 million 2023/24 due to increased implementation of projects and the completed projects from 2022/23 work in progress.

3. FINANCIAL POSITION

The Statement of Financial position represents the financial strength of the district by a comparison of assets over liabilities.

The total assets of the district decreased by 7.13% from R634,246 million (2022/23) to R589,024 million (2023/24). The contributing factors of this increase can mainly be attributed to increase in the long-term investment and trade receivables and decrease in cash and cash equivalents.

Total liabilities increased by 46.16% from R109,282 million (2022/23) to R159,722 million (2023/24), which is mainly due to the increase in post-retirement benefits, provisions for long services and payables.

4. KEY RATIOS

CURRENT RATIO

This ratio represents the ability of the district to pay short term obligations within the next 12 months.

	Current assets	Current Liabilities	
	R million	R million	Ratio
2022/23	340,656	85,966	3.96:1
2023/24	274,461	132,519	2.07:1

ACID TEST

A stringent indicator that determines whether a company/institution has enough short-term assets to cover its immediate liabilities without considering inventory. Institutions with ratios of less than 1 cannot pay their current liabilities and should be looked at with extreme caution.

	Current assets – Inventory	Current Liabilities	
	R million	R million	Ratio
2022/23	259,480	85,966	3.02:1
2023/24	241,100	132,519	1.82:1

SOLVENCY RATIO

This represents the ability of the district to pay both its long term and short term obligations.

	Total Assets	Total Liabilities	
	R million	R million	Ratio
2022/23	634,246	109,282	5.80:1
2023/24	589,024	159,722	3.69:1

OTHER RATIOS

Ratio	30 Jun 2024	30 Jun 2023
Employee related cost and Councillor remuneration / Total expenditure	19.76	24.91
Actual transfers and subsidies paid / Total expenditure	66.31	57.45
Actual transfers and subsidies paid / Total revenue	72.53	63.13

6. GENERALLY RECOGNISED ACCOUNTING PRACTICES

Report of the Chief Financial Officer

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

The following standards were applicable during the year under review:

Reference	Topic
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of non-cash generating assets
GRAP 23	Revenue from non-exchange transactions
GRAP 24	Presentation of budget
GRAP 25	Employee Benefits
GRAP 26	Impairment of cash generating assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
IGRAP 1	Applying The Probability Test On Initial Recognition Of Revenue
IGRAP 2	Changes in Existing Decomissioning Restoration and Similar Liabilities
IGRAP 3	Determining Whether an Arrangement Contains a Lease
IGRAP 4 Rehabilitation Funds	Rights to Interests Arising from Decommissioning, Restoration and Environmental

IGRAP 5	Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Ecomonies
IGRAP 6	Loyalty Programmes
IGRAP 7	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IGRAP 8	Agreements for the Construction of Assets from Exchange Transactions
IGRAP 9	Distributions of Non-cash Assets to Owners
IGRAP 10	Assets Received from Customers
IGRAP 11	Consolidation – Special Purpose Entities
IGRAP 12	Jointly Controlled Entities -Non-Monetary Contributions
IGRAP 13	Operating Leases – Incentives
IGRAP 14	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IGRAP 15	Revenue - Barter Transactions Involving Advertising Services
IGRAP 16	Intangible Assets - Website Costs
IGRAP 17	SCA where Grantor Controls Significant Residual Interest
IGRAP 18	Recognition and Derecogntion of Land
IGRAP 19	Liabilities to Pay Levies
IGRAP 20	Accounting for Adjustments to Revenue

7. CONCLUSION

Good governance, sound financial management and financial viability remain critical success factors for the district.

8. ACKNOWLEDGEMENT

I would like to extend my appreciation to the Honourable Executive Mayor, Mayoral Committee, Councillors, Audit Committee, Risk Committee and Municipal Public Accounts Committee for strategic direction and leadership demonstrated during the financial year.

The guidance and vision of the Municipal Manager and Heads of Departments are acknowledged with gratitude. A special word of appreciation is extended to all my colleagues for their loyalty and support.

Thank you

AL STANDER

MANAGER: FINANCE (CHIEF FINANCIAL OFFICER)

Report of the Chief Financial Officer

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	4	33 360 980	81 175 839
Construction contracts and receivables	5	26 427 584	16 429 846
Receivables from non-exchange transactions	7	9 412 311	1 600 000
VAT receivable	9	10 471 525	7 522 732
Prepayments	6	1 670 484	87 480
Trade & other receivables from exchange transactions	8	84 932	505 846
Cash and cash equivalents	3	193 032 798	233 333 938
		274 460 614	**340 655 681**
Non-Current Assets			
Property, plant and equipment	10	224 873 017	208 981 705
Intangible assets	11	12 540 238	11 911 355
Heritage assets	12	508 772	508 772
Investments	13	76 640 876	72 188 712
		314 562 903	**293 590 544**
Non-Current Assets		314 562 903	293 590 544
Current Assets		274 460 614	340 655 681
Total Assets		**589 023 517**	**634 246 225**
Liabilities			
Current Liabilities			
Finance lease obligation	16	-	755 492
Operating lease liability	52	125 582	-
Payables from exchange transactions	15	130 894 748	83 648 620
Consumer deposits	14	14 030	14 030
Employee benefit obligation	17	792 000	514 000
Long service awards	18	693 000	1 034 000
		132 519 360	**85 966 142**
Non-Current Liabilities			
Employee benefit obligation	17	20 578 000	17 445 000
Long service awards	18	6 625 000	5 871 000
		27 203 000	**23 316 000**
Non-Current Liabilities		27 203 000	23 316 000
Current Liabilities		132 519 360	85 966 142
Total Liabilities		**159 722 360**	**109 282 142**
Assets		589 023 517	634 246 225
Liabilities		(159 722 360)	(109 282 142)
Net Assets		**429 301 157**	**524 964 083**
Accumulated surplus		429 301 150	524 964 055
Total Net Assets		**429 301 150**	**524 964 055**

Audited
By
2024 -11- 30
Auditor General South Africa
Nkangala Business Unit

* See Note 39

Statement of Financial Performance

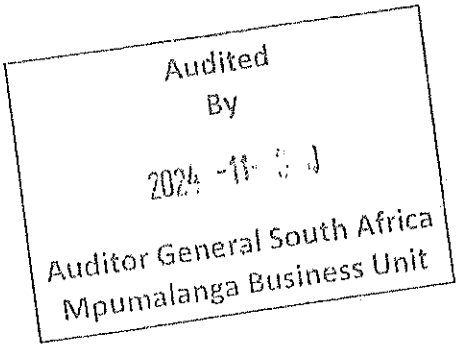
Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Rental of facilities and equipment	19	122 188	50 700
Agency services	20	27 268 047	8 492 681
Other income	21	786 971	1 356 672
Interest received - investment	22	30 743 872	25 020 787
Total revenue from exchange transactions		**58 921 078**	**34 920 840**
Revenue from non-exchange transactions			
Taxation revenue			
Licences and Permits (Non-exchange)	23	1 359 119	1 093 519
Transfer revenue			
Government grants & subsidies	24	931 703 046	685 096 006
Public contributions and donations	25	5 250 000	-
Fines, Penalties and Forfeits	26	2 150 801	2 774 942
Total revenue from non-exchange transactions		**940 462 966**	**688 964 467**
		58 921 078	34 920 840
		940 462 966	688 964 467
Total revenue	27	**999 384 044**	**723 885 307**
Expenditure			
Employee related costs	28	(198 894 903)	(181 179 279)
Remuneration of councillors	29	(17 127 602)	(16 981 155)
Depreciation and amortisation	30	(21 201 833)	(17 444 376)
Finance costs	32	(31 825)	(126 331)
Lease rentals on operating lease	35	(4 735 699)	(3 452 794)
Inventory consumed	33	(4 211 855)	(2 815 439)
Contracted services	34	(62 369 799)	(66 749 146)
Transfers and subsidies	31	(724 849 857)	(457 068 650)
Operational costs	36	(59 776 246)	(49 836 929)
Total expenditure		**(1 093 199 619)**	**(795 654 099)**
		-	-
Total revenue		999 384 044	723 885 307
Total expenditure		(1 093 199 619)	(795 654 099)
Operating deficit		**(93 815 575)**	**(71 768 792)**
Loss on disposal of assets and liabilities		(1 371 551)	(437 748)
Fair value adjustments		(131 804)	(106 485)
Actuarial gains/losses	17	(344 000)	4 405 000
		(1 847 355)	**3 860 767**
Operating surplus/deficit		(1 847 355)	3 860 767
Deficit before taxation		(95 662 930)	(67 908 025)
Taxation		-	-
Deficit for the year		**(95 662 930)**	**(67 908 025)**

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* See Note 39

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	592 988 086	592 988 086
Adjustments		
Correction of error-refer to note 39	(116 006)	(116 006)
Balance at 01 July 2022 as restated*	**592 872 080**	**592 872 080**
Changes in net assets		
Surplus/(deficit) for the year as previously reported	(67 766 463)	(67 766 463)
Prior year adjustments- Correction of errors refer to note 39	(141 562)	(141 562)
Total changes	(67 908 025)	(67 908 025)
Restated* Balance at 01 July 2023	**524 964 079**	**524 964 079**
Changes in net assets		
Surplus/(deficit) for the year	(95 662 929)	(95 662 929)
Total changes	(95 662 929)	(95 662 929)
Balance at 30 June 2024	**429 301 150**	**429 301 150**

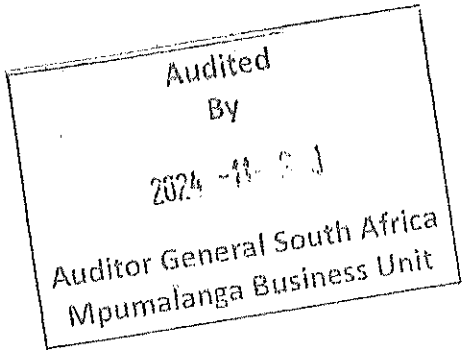


* See Note 39

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Grants		913 909 663	674 746 237
Interest income		30 743 872	25 020 787
Rental from fixed assets		122 188	50 700
Other receipts		31 969 186	11 835 570
Movement of VAT		-	19 929 039
		976 744 909	731 582 333
Payments			
Employee costs		(212 542 505)	(194 921 434)
Suppliers		(762 339 875)	(495 757 020)
Movement of VAT		(2 948 788)	-
		(977 831 168)	(690 678 454)
Total receipts		976 744 909	731 582 333
Total payments		(977 831 168)	(690 678 454)
Net cash flows from operating activities	37	**(1 086 259)**	**40 903 879**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(29 529 806)	(33 308 104)
Proceeds from sale of property, plant and equipment	10	621 884	141 562
Purchase of other intangible assets	11	(4 935 672)	-
Decrease/(Increase) of Investments		(4 452 164)	(4 440 000)
Net cash flows from investing activities		**(38 295 758)**	**(37 606 542)**
Cash flows from financing activities			
Finance lease payments		(755 492)	(923 432)
Finance costs		(31 827)	(126 331)
Net cash flows from financing activities		**(787 319)**	**(1 049 763)**
Net increase/(decrease) in cash and cash equivalents		**(40 169 336)**	**2 247 574**
Cash and cash equivalents at the beginning of the year		233 333 938	231 192 849
Fair value adjustment to cash and cash equivalents		(131 804)	(106 485)
Cash and cash equivalents at the end of the year	3	**193 032 798**	**233 333 938**

The accounting policies on pages 25 to 49 and the notes on page 50 form an integral part of the annual financial statements.



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Statement of Comparison of Budget and Actual Amounts

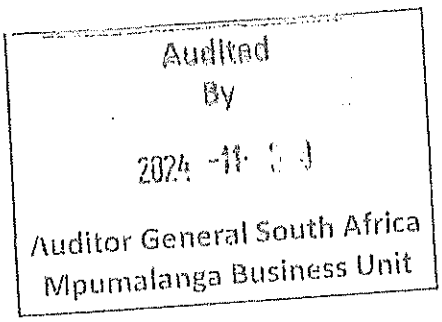
Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference *Refer to CFO's Report
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rental of facilities and equipment	58 500	-	**58 500**	122 188	**63 688**	*
Agency services	22 500 000	6 500 000	**29 000 000**	27 268 047	**(1 731 953)**	*
Operational revenue	180 600	-	**180 600**	786 971	**606 371**	*
Interest received - investment	23 465 000	-	**23 465 000**	30 743 872	**7 278 872**	*
Total revenue from exchange transactions	**46 204 100**	**6 500 000**	**52 704 100**	**58 921 078**	**6 216 978**	
Revenue from non-exchange transactions						
Taxation revenue						
Licences and permits (non-exchange)	791 400	-	**791 400**	1 359 119	**567 719**	*
Transfer revenue						
Government grants & subsidies	880 172 000	94 000 000	**974 172 000**	931 703 046	**(42 468 954)**	*
Public contributions and donations	-	-	**-**	5 250 000	**5 250 000**	*
Fines, penalties and forfeits	1 302 000	-	**1 302 000**	2 150 801	**848 801**	*
Total revenue from non-exchange transactions	**882 265 400**	**94 000 000**	**976 265 400**	**940 462 966**	**(35 802 434)**	
'Total revenue from exchange transactions'	46 204 100	6 500 000	**52 704 100**	58 921 078	**6 216 978**	
'Total revenue from non-exchange transactions'	882 265 400	94 000 000	**976 265 400**	940 462 966	**(35 802 434)**	
Total revenue	**928 469 500**	**100 500 000**	**1 028 969 500**	**999 384 044**	**(29 585 456)**	
Expenditure						
Employee related costs	(214 885 651)	(3 075 613)	**(217 961 264)**	(198 894 903)	**19 066 361**	*
Remuneration of councillors	(18 236 919)	239 713	**(17 997 206)**	(17 127 602)	**869 604**	*
Depreciation and amortisation	(18 013 040)	(5 874 700)	**(23 887 740)**	(21 201 833)	**2 685 907**	*
Finance costs	(182 280)	(102 200)	**(284 480)**	(31 825)	**252 655**	*
Lease rentals on operating lease	(1 921 700)	(4 456 319)	**(6 378 019)**	(4 735 699)	**1 642 320**	*
Inventory consumed	(5 811 350)	701 614	**(5 109 736)**	(4 211 855)	**897 881**	*
Contracted services	(80 898 430)	11 894 605	**(69 003 825)**	(62 369 799)	**6 634 026**	*
Transfers and subsidies	(643 253 131)	(68 914 065)	**(712 167 196)**	(724 849 857)	**(12 682 661)**	*
Operational costs	(61 728 274)	(9 391 437)	**(71 119 711)**	(59 776 246)	**11 343 465**	*
Total expenditure	**(1 044 930 775)**	**(78 978 402)**	**(1 123 909 177)**	**(1 093 199 619)**	**30 709 558**	
	928 469 500	100 500 000	**1 028 969 500**	999 384 044	**(29 585 456)**	
	(1 044 930 775)	(78 978 402)	**(1 123 909 177)**	(1 093 199 619)	**30 709 558**	
Operating deficit	**(116 461 275)**	**21 521 598**	**(94 939 677)**	**(93 815 575)**	**1 124 102**	
Loss on disposal of assets and liabilities	-	-	**-**	(1 371 551)	**(1 371 551)**	*
Fair value adjustments	-	-	**-**	(131 804)	**(131 804)**	
Actuarial gains/losses	-	-	**-**	(344 000)	**(344 000)**	*
	-	**-**	**-**	**(1 847 355)**	**(1 847 355)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference *Refer to CFO's Report
	(116 461 275)	21 521 598	**(94 939 677)**	(93 815 575)	**1 124 102**	
	-	-	-	(1 847 355)	**(1 847 355)**	
Deficit before taxation	**(116 461 275)**	**21 521 598**	**(94 939 677)**	**(95 662 930)**	**(723 253)**	
Surplus before taxation	(116 461 275)	21 521 598	**(94 939 677)**	(95 662 930)	**(723 253)**	
Taxation	-	-	-	-	-	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**(116 461 275)**	**21 521 598**	**(94 939 677)**	**(95 662 930)**	**(723 253)**	



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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference *Refer to CFO's Report
Statement of Financial Position						
Assets						
Current Assets						
Inventories	140 420 000	-	**140 420 000**	33 360 980	**(107 059 020)**	*
Construction contracts and receivables	-	-	**-**	26 427 584	**26 427 584**	*
Receivables from non-exchange transactions	-	-	**-**	9 412 311	**9 412 311**	*
VAT receivable	17 299 273	-	**17 299 273**	10 471 525	**(6 827 748)**	*
Prepayments	-	-	**-**	1 670 484	**1 670 484**	
Consumer debtors	238 000	-	**238 000**	84 932	**(153 068)**	*
Cash and cash equivalents	480 341 335	-	**480 341 335**	193 032 798	**(287 308 537)**	*
	638 298 608	**-**	**638 298 608**	**274 460 614**	**(363 837 994)**	
Non-Current Assets						
Property, plant and equipment	242 717 930	(9 417 951)	**233 299 979**	224 873 017	**(8 426 962)**	*
Intangible assets	14 605 030	-	**14 605 030**	12 540 238	**(2 064 792)**	*
Heritage assets	-	-	**-**	508 772	**508 772**	*
Investments	64 409 000	-	**64 409 000**	76 640 876	**12 231 876**	*
	321 731 960	**(9 417 951)**	**312 314 009**	**314 562 903**	**2 248 894**	
Non-Current Assets	321 731 960	(9 417 951)	**312 314 009**	314 562 903	**2 248 894**	
Current Assets	638 298 608	-	**638 298 608**	274 460 614	**(363 837 994)**	
Total Assets	**960 030 568**	**(9 417 951)**	**950 612 617**	**589 023 517**	**(361 589 100)**	
Liabilities						
Current Liabilities						
Operating lease liability	-	-	**-**	125 582	**125 582**	
Payables from exchange transactions	259 221 695	-	**259 221 695**	130 894 744	**(128 326 951)**	*
Consumer deposits	15 030	-	**15 030**	14 030	**(1 000)**	*
Employee benefit obligation	405 243	-	**405 243**	792 000	**386 757**	*
Long service awards	-	-	**-**	693 000	**693 000**	*
	259 641 968	**-**	**259 641 968**	**132 519 356**	**(127 122 612)**	
Non-Current Liabilities						
Employee benefit obligation	12 479 000	-	**12 479 000**	20 578 000	**8 099 000**	*
Long service awards	23 251 000	-	**23 251 000**	6 625 000	**(16 626 000)**	*
	35 730 000	**-**	**35 730 000**	**27 203 000**	**(8 527 000)**	
	259 641 968	-	**259 641 968**	132 519 356	**(127 122 612)**	
	35 730 000	-	**35 730 000**	27 203 000	**(8 527 000)**	
	-	-	**-**	-	**-**	
Total Liabilities	**295 371 968**	**-**	**295 371 968**	**159 722 356**	**(135 649 612)**	
Assets	960 030 568	(9 417 951)	**950 612 617**	589 023 517	**(361 589 100)**	
Liabilities	(295 371 968)	-	**(295 371 968)**	(159 722 356)	**135 649 612**	
Net Assets	**664 658 600**	**(9 417 951)**	**655 240 649**	**429 301 161**	**(225 939 488)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference *Refer to CFO's Report
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	664 658 600	(9 417 951)	**655 240 649**	429 301 160	**(225 939 489)**	*

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Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference *Refer to CFO's Report
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Operational revenue	2 274 000	-	**2 274 000**	4 701 139	**2 427 139**	*
Government grant - operating	877 831 000	94 000 000	**971 831 000**	906 318 663	**(65 512 337)**	*
Government grant - capital	2 341 000	-	**2 341 000**	7 591 000	**5 250 000**	*
Interest income	23 465 000	-	**23 465 000**	30 743 872	**7 278 872**	*
Rental from fixed assets	58 500	-	**58 500**	122 188	**63 688**	*
Agency Fees	22 500 000	6 500 000	**29 000 000**	27 268 047	**(1 731 953)**	*
	928 469 500	**100 500 000**	**1 028 969 500**	**976 744 909**	**(52 224 591)**	
Payments						
Employees costs	(214 885 651)	(3 076 000)	**(217 961 651)**	(212 542 505)	**5 419 146**	*
Suppliers	(812 032 084)	(70 028 000)	**(882 060 084)**	(762 339 875)	**119 720 209**	*
Movement in VAT	-	-	-	(2 948 788)	**(2 948 788)**	
	(1 026 917 735)	**(73 104 000)**	**(1 100 021 735)**	**(977 831 168)**	**122 190 567**	
Total receipts	928 469 500	100 500 000	**1 028 969 500**	976 744 909	**(52 224 591)**	
Total payments	(1 026 917 735)	(73 104 000)	**(1 100 021 735)**	(977 831 168)	**122 190 567**	
Net cash flows from operating activities	**(98 448 235)**	**27 396 000**	**(71 052 235)**	**(1 086 259)**	**69 965 976**	
Cash flows from investing activities						
Purchase of property, plant and equipment	(60 195 000)	7 673 751	**(52 521 249)**	(34 465 478)	**18 055 771**	*
Proceeds from sale of property, plant and equipment	-	-	-	-	**111 000**	*
Proceeds from sale of investment property	-	-	-	621 884	**621 884**	
Decrease/(Increase) of Investments	-	-	-	(4 452 164)	**(4 452 164)**	
Net cash flows from investing activities	**(60 195 000)**	**7 673 751**	**(52 521 249)**	**(38 295 758)**	**14 336 491**	
Cash flows from financing activities						
Finance lease payments	-	-	-	(755 492)	**(755 492)**	
Finance costs	-	-	-	(31 827)	**(31 827)**	
Net cash flows from financing activities	-	-	-	**(787 319)**	**(31 827)**	
Net increase/(decrease) in cash and cash equivalents	(158 643 235)	35 069 751	**(123 573 484)**	(40 169 336)	**84 270 640**	*
Cash and cash equivalents at the beginning of the year	-	-	-	233 333 938	**233 333 938**	
Fair value adjustment to cash and cash equivalents	-	-	-	(131 804)	**(131 804)**	
Cash and cash equivalents at the end of the year	**(158 643 235)**	**35 069 751**	**(123 573 484)**	**193 032 798**	**317 472 774**	
Reconciliation						

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Significant Accounting Policies

Figures in Rand	Note(s)	2024	2023

1. Presentation of Annual Financial Statements

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

1.1 Basis of preparation

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.

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

These accounting policies are consistent with the previous period.

1.2 Presentation currency

These annual financial statements are presented in the South African Rand rounded to the nearest Rand, which is the functional currency of the municipality.

1.3 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.

1.4 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.The 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:

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and/or loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and/or loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors such as exchange rates, inflation and interest.

Provisions

Significant Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 18 - Provisions.

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1.4 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of property,plant and equipment, and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment, and other assets. This estimate is based on industry norms. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Defined Benefit Obligations

The municipality obtains actuarial valuations of its defined benefit plan and other long term employee benefits. The defined benefit plan and other long term employee benefits identified are post retirement health benefit obligations and long service awards. The estimated liabilities are recorded in accordance with GRAP 25.

1.5 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.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

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.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

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Significant Accounting Policies

1.5 Property, plant and equipment (continued)

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:

Item	Depreciation method	Average useful life
Land	Straight-line	Indefinite life
Buildings	Straight-line	15 to 30 years
Leased assets	Straight-line	3 years
Machinery and equipment	Straight-line	5 to 20 years
Furniture and office equipment	Straight-line	1 to 15 years
Transport assets	Straight-line	7 to 20 years
Computer equipment	Straight-line	1 to 10 years
Infrastructure: Electricity	Straight-line	20 years
Infrastructure: Roads, Pavements,Bridges and Stormwater	Straight-line	10 to 30 years

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.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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 gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 10).

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

1.6 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.

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1.6 Intangible assets (continued)

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.

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.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

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

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For 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.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

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	3 to 15 years

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 11).

Intangible assets are derecognised:

- 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 intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

Significant Accounting Policies

1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

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.

Subsequent measurement

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

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).

1.8 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.

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Significant Accounting Policies

1.8 Financial Instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Investments	Financial asset measured at amortised cost
Bank	Financial asset measured at amortised cost
Cash	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other payables	Financial liability measured at amortised cost
Long term liabilities	Financial liability measured at amortised cost
Finance leases	Financial liability measured at amortised cost
Other receivables	Financial liability measured at amortised cost

The entity has the following types of residual interests (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

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

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial 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.

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 fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

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1.8 Financial instruments (continued)

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

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 municipality 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.

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

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 carrying amount of the asset is reduced directly OR through the use of an allowance account. 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.

Derecognition

Financial assets

The municipality derecognises financial assets using trade date accounting.

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the municipality, 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 municipality :

- 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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Significant Accounting Policies

1.8 Financial instruments (continued)

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.

Financial liabilities
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).

1.9 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.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

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 interest rate implicit in the lease.

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 except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term except where other systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.10 Inventories

The municipality constructs infrastructure projects, which will subsequently be transferred to local municipalities in its area of jurisdiction at no cost when the project is completed. Projects still in progress and not yet completed are disclosed as inventory. Inventory is measured at the actual costs.

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1.10 Inventories (continued)

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.

1.11 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 municipality 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 the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

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.

1.12 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Assets that are subject to impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered.

An impairment loss is recognised if the recoverable amount of an asset is less than its carrying amount. The impairment loss is recognised as an expense in the statement of financial performance immediately. The recoverable amount of the asset is the higher of the asset's fair value less cost to sell and its value in use.

The fair value represents the amount obtained obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties.

The value in use of an asset represents the expected future cash flows, from continuing use and disposal that are discounted to their present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and the risks specified to the asset.

Significant Accounting Policies

1.12 Impairment of cash-generating assets (continued)

For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the assets belong. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash flows from other assets or group of assets. An impairment loss is recognised whenever the recoverable amount of a cash-generating unit is less than its carrying amount.

The impairment loss is allocated to reduce the carrying amount of the asset. The carrying amount of individual assets are not reduced below the higher of the value in use, R1.00 or fair value less cost to sell.

A previously recognised impairment loss related to assets is reserved if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carryIng amount that would have been determined had no impairment loss been recognised in prior periods.

After the recognition of an impairment loss, any depreciation charge for the asset is adjusted for future periods to allocate the assets' revised carrying amount on a systematic basis over its remaining useful life.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between nowledgeable, willing parties, less the costs of disposal.

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

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.]

Identification

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

The municipality assesses at each reporting date whether there is any indication that a 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 cash-generating intangible asset with an indefinite useful life or a 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.

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1.12 Impairment of cash-generating assets (continued)

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

If the recoverable service 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.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating 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.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued 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 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 cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

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1.12 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

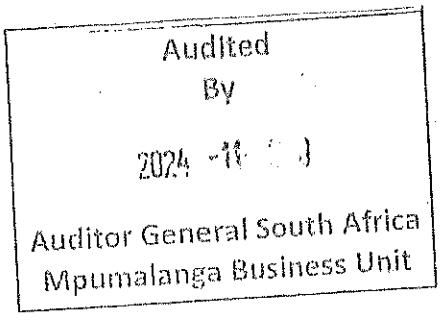
An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.



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1.12 Impairment of 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 cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a 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 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 cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued 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 cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.13 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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

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1.13 Impairment of non-cash-generating assets (continued)

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.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service 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 service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity 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 service 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 non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

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

Recognition and measurement

If the recoverable service 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 Standards 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.

Reversal of an 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 service 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 service 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 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.

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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 or for the termination of employment.

The Municipality provides short term benefits, long term benefits and retirement benefits for its employees and councillors.

Short-term Employee Benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The costs of all short-term employee benefits are recognised during the period in which the employee renders the related service.

Leave pay

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total accrued leave days at year end to a maximum of 48 days as per the limitation of the bargaining council agreement and is shown as an accrual in the Statement of Financial Position.

Bonus Provisions

The Municipality recognises the expected cost of bonuses as a provision only when the Municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made at reporting date.

Post-employment Benefits: Defined Contribution Plans

A defined contribution plan is a plan under which the Municipality pays fixed contributions into a separate entity. The Municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The Municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees.

Post-employment Benefits: Defined Benefit Plans

A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out by independent qualified actuaries regularly, as may be required for fair presentation.

Actuarial gains or losses recognised immediately in the Statement of Financial Performance.

Post-retirement Health Care Benefits

The Municipality has an obligation to provide post-retirement health care benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the Municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

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1.14 Employee benefits (continued)

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is secured by the long term investments. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out annually by independent qualified actuaries.

Past-service costs are recognised immediately, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Long-service Allowance

The Municipality has an obligation to provide Long-service Allowance Benefits to all its employees. In terms of the Bargaining council agreement, which the Municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 5, 10, 15, 20, 25 and 30 years of continued service. The Municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

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

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: (a) an entity's decision to terminate an employee's employment before the normal retirement date; or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment.

1.15 Remuneration of councillors

Remuneration of councillors is all forms of consideration given by the municipality in exchange for time dedicated by councillors and is paid in terms of the determination of upper limits for municipal officer bearers .

The Municipality provides short term benefits, long term benefits and retirement benefits for its employees and councillors.

1.16 Contracted services

Contracted services refer to services that the municipality hires an external provider or vendor to perform, typically under a formal contract. These services can be related to various functions such as consulting, maintenance, legal advice, accounting, IT support, or other specialized activities. The accrual method of accounting is used to account for these.

1.17 Transfers and subsidies

Transfers and subsidies are made in kind or monetary to local municipalities initiated through the annual budget and IDP process. These transfers are recognised in the financial statements as expenses in the period that the projects of an opperational nature occurs. Projects of a capital nature are recognised as transfers and subsidies in the statement of Financial performance when they are complete and as Inverntory - Work in progres in the Statement as Financial position. All transfer and subsidies are recognised at cost to bring the asset to use after completion.

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Significant Accounting Policies

1.18 Operational costs

Operational costs refer to the expenses that a company incurs as part of its normal business activities to produce and deliver goods or services. These costs are necessary for the day-to-day functioning of the municipality.The accrual method of accounting is used to account for these.

1.19 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 amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle 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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

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

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

If an municipality 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 a municipality:

- 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.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

Significant Accounting Policies

1.19 Provisions and contingencies (continued)

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 38.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, an municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.20 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-cancellable or only cancellable 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.

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Significant Accounting Policies

1.21 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.

Sale of goods

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

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental from fixed assets

Rental of facilities arising from the use by others of entity assets yielding interest is recognised when:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;

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 using the effective interest rate method.

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Significant Accounting Policies

1.22 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

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.

Expenses paid through the tax system are amounts that are available to beneficiaries regardless of whether or not they pay taxes.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Tax expenditures are preferential provisions of the tax law that provide certain taxpayers with concessions that are not available to others.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

1.23 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.24 Finance costs

Finance costs are interest and other expenses incurred by an entity in connection with the borrowing of funds or when a finance lease are recognised and accrued in the period under review.

Finance costs are recognised as an expense in the period in which they are incurred.

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Significant Accounting Policies

1.25 Payables from exchange transactions

An exchange transaction occurs when goods or services are provided or received in exchange for consideration, typically monetary payment or an equivalent value. In the case of payables, this reflects amounts owed to suppliers or vendors for goods or services received, where the payment is expected in the future.

Payables arising from exchange transactions should be recognised when the following conditions are met:

Obligation: The municipality has a present obligation to transfer resources to another party (e.g., a supplier) based on a past event (e.g., receipt of goods or services).

Measurability: The amount of the payable can be reliably measured. This is typically the agreed-upon amount for the goods or services, less any discounts, returns, or allowances.

Probable Outflow: It is probable that the settlement of the payable will require the outflow of economic resources (typically cash or cash equivalents).

1.26 Comparative figures

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

1.27 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense and where recovered, it is subsequently accounted for as revenue in statement of financial performance.

1.28 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, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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1.29 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 excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

National Treasury circular 68 guides procedures and recognition of UIF&W.

Irregular expenditure that was incurred and identified during the current financial and which was condoned/found to not be recoverable before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned/found to not be recoverable in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned/found to not be recoverable.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned/found to not be recoverable by the Council must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as not recoverable and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned/found to not be recoverable and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.30 Segment information

A segment is an activity of an entity:

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

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

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

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Significant Accounting Policies

1.31 Budget information

The Municipality is 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.

The approved budget is prepared on a accrual basis and presented by economic 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.

1.32 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 venturers).

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.

1.33 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.

Significant Accounting Policies

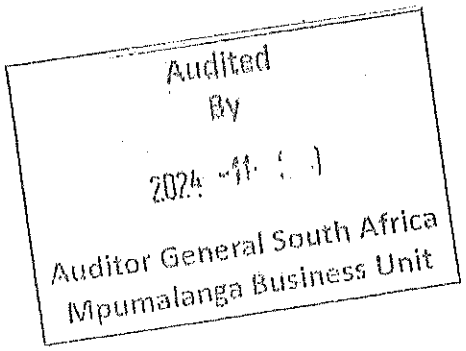
1.33 Events after reporting date (continued)

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.

1.34 Value Added Taxation

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 (No. 89 of 1991).

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



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Figures in Rand 2024 2023

2. New standards and interpretations

2.1 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 104: Financial Instruments	1 April 2025	Unlikely there will be a material impact

3. Cash and cash equivalents

3.1 Cash and cash equivalents consist of:

Cash on hand	30 200	10 200
Bank balances	6 556 515	16 672 117
Short-term deposits	186 446 083	216 651 621
	193 032 798	**233 333 938**

3.2 The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
ABSA CURRENT ACCOUNT-1040161836	20 834	6 179 290	20 834	6 179 290
STANDARD BANK CURRENT ACCONT-042244552	6 535 680	10 492 825	6 535 680	10 492 825
ABSA FIXED DEPOSIT-4083615135	6 506 894	2 894 484	6 506 894	2 894 484
ABSA FIXED DEPOSIT-2080975902	-	5 000 000	-	5 000 000
NEDBANK FIXED DEPOSIT-03/7881531304/000188	1 391 492	6 783 689	1 391 492	6 783 689
FNB TERM DEPOSIT-62786703184	4 568 797	10 966 913	4 568 797	10 966 913
STANLIB-N001I	89 761 681	82 232 668	89 761 681	82 232 668
SANLAM-NDCKON	47 116 453	43 730 000	47 116 453	43 730 000
INTEREST ACCRUED	316 562	1 442 459	316 562	1 442 459
INVESTEC-FIXED DEPOSIT-1400-121751-500-JB5M52361	5 068 287	7 601 816	5 068 287	7 601 816
FNB RETENTION-74794690154	30 000 000	25 000 000	30 000 000	25 000 000
NEDBANK FIXED DEPOSIT-03/7881531304/000358	-	10 000 000	-	10 000 000
FNB TERM DEPOSIT-76202613644	-	5 000 000	-	5 000 000
STANDARD BANK NOTICE DEPOSIT-038433834#081	1 715 918	5 999 596	1 715 918	5 999 596
STANDARD BANK NOTICE DEPOSIT-03843383#177	-	5 000 000	-	5 000 000
INVESTEC FIXED DEPOSIT-1400-121751-452-JB11270054	-	5 000 000	-	5 000 000
Total	**193 002 598**	**233 323 740**	**193 002 598**	**233 323 740**

4. Inventories

Work in progress	33 360 980	81 175 839

Inventory pledged as security

No inventories were pledged as security for liabilities in the current financial year.

5. Construction contracts and receivables

Receivables

Receivables due	26 427 584	16 429 846

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

5. Construction contracts and receivables (continued)

Receivables from Department of Water and Sanitation.

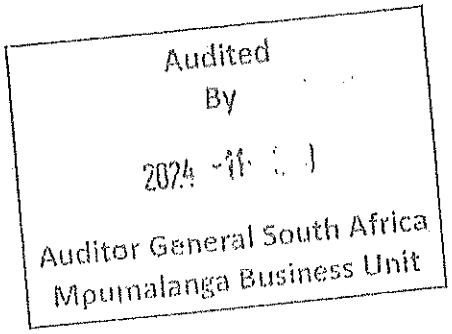
6. Prepayments

Prepayments	1 670 484	87 480

2023 - Prepayment relates to payment of Nashua monthly rental for July 2023.

7. Receivables from non-exchange transactions

Fines	1 616 666	1 600 000
Government grants and subsidies (LGSETA)	7 795 645	-
	9 412 311	**1 600 000**
Statutory receivables are as follows:		
Vat Receivable	10 471 520	7 522 732
Fines	1 616 666	1 600 000
	12 088 186	**9 122 732**
Statutory receivables not included in receivables from non-exchange transactions are as follows:		
Vat Receivable (Refer to Note 9)	10 471 520	7 522 732
	-	-



Notes to the Annual Financial Statements

Figures in Rand			2024	2023

7. Receivables from non-exchange transactions (continued)

Total receivables from non-exchange transactions			9 412 311	1 600 000
Other (specify)				
Current (0 -30 days)	-	-	8 962 311	-
31 - 60 days	-	-	-	-
61 - 90 days	-	-	-	-
91 - 120 days	-	-	-	-
121 - 365 days	-	-	450 000	1 600 000
> 365 days	-	-	-	-
	-	-	**9 412 311**	**1 600 000**

i) The municipality identified the following statutory receivables in terms of GRAP 108 that stem from various legislations:

Value Added Tax (VAT): Value-Added Tax Act 89 of 1991

Fines: National Environmental Management: Air Quality Act (No. 39 of 2004

ii) Transactions are determined as follows:

VAT VAT is claimed on the payment basis at 15% as per current VAT act

Fines Fines are determined as per the relevant legislation applicable to the activity

iii) Interest and other charges are not applicable.

iv) Impairment testing does not apply as all statutory receivables are paid on a short term basis.

v) All statutory receivables are paid on a short term basis and no discounted rates are applicable.

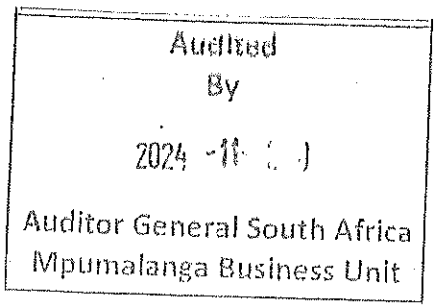
vi) The municipality did not incur any impairment losses as impairment is not applied as per iv above.

vii) No impairment losses are disclosed in a separate allowance account as no impairment is applied as per iv above.

viii) No main events lead to the recognition or reversal of impairment loss as no impairment was applied as per iv above.

ix) The municipality does not hold any collateral over any statutory receivables.

x) No analysis was done on statutory receivables past due for impairment as it was not applied as per iv above and those not impaired was assessed as ix above.



Notes to the Annual Financial Statements

Figures in Rand	2024	2023

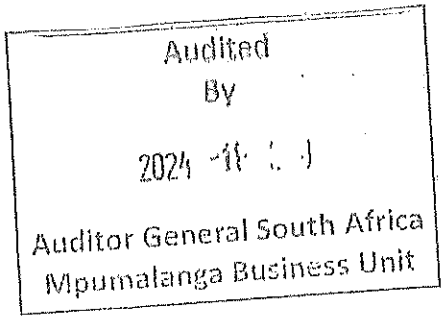
8. Trade and other receivables from exchange transactions

Gross balances		
Debtors	110 663	531 577
Less: Allowance for impairment		
Debtors	(25 731)	(25 731)
Net balance		
Debtors	84 932	505 846
Other (specify)		
Current (0 -30 days)	-	454 516
31 - 60 days	4 841	-
121 - 365 days	80 090	51 330
> 365 days	25 731	25 731
	110 662	**531 577**

9. VAT receivable

VAT Receivable	10 471 525	7 522 732

The municipality is registered on the payment basis.



Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment

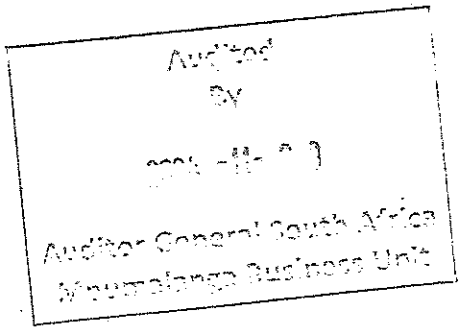
	2024			2023		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	1 713 105	-	1 713 105	1 713 105	-	1 713 105
Machinery and Equipment	56 464 874	(31 225 082)	25 239 792	47 409 703	(27 862 684)	19 547 019
Furniture and Office Equipment	19 357 751	(12 330 887)	7 026 864	18 552 584	(11 555 705)	6 996 879
Transport Assets	78 015 063	(30 947 812)	47 067 251	71 229 406	(31 601 271)	39 628 135
Computer Equipment	17 818 333	(7 901 122)	9 917 211	20 699 363	(8 951 715)	11 747 648
Community-Buildings	76 049 726	(15 606 408)	60 443 318	75 259 778	(13 055 146)	62 204 632
Other property, plant and equipment- Buildings	84 441 962	(37 811 185)	46 630 777	83 460 809	(35 223 465)	48 237 344
Sanitation Infrastructure	1 811 234	(292 778)	1 518 456	1 811 234	(202 029)	1 609 205
Water Supply Infrastructure	6 218 194	(37 305)	6 180 889	1 110 909	(29 694)	1 081 215
Roads Infrastructure	3 954 149	(2 033 758)	1 920 391	3 954 149	(1 744 029)	2 210 120
Stormwater Infrastructure	6 595 311	(3 214 604)	3 380 707	6 595 311	(2 978 023)	3 617 288
Electrical Infrastructure	13 740 611	(2 670 485)	11 070 126	8 725 003	(2 250 231)	6 474 772
ICT Infrastructure	6 282 114	(3 517 984)	2 764 130	5 813 653	(2 603 726)	3 209 927
Leased Assets	-	-	-	2 711 110	(2 006 694)	704 416
Total	**372 462 427**	**(147 589 410)**	**224 873 017**	**349 046 117**	**(140 064 412)**	**208 981 705**

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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers received	Work in Progress	Depreciation	Total
Land	1 713 105	-	-	-	-	-	1 713 105
Machinery and Equipment	19 547 019	9 132 275	(341)	-	-	(3 439 161)	25 239 792
Furniture and Office Equipment	6 996 879	1 086 156	(45 349)	-	-	(1 010 822)	7 026 864
Transport Assets	39 628 135	2 414 889	(1 426 319)	5 250 000	4 190 117	(2 989 571)	47 067 251
Computer Equipment	11 747 648	343 915	(521 426)	-	-	(1 652 926)	9 917 211
Community assets for Fire Sations and Disaster	62 204 632	789 949	-	-	-	(2 551 263)	60 443 318
Other property, plant and equipment	48 237 344	-	-	-	981 152	(2 587 719)	46 630 777
Sanitation Infrastructure	1 609 205	-	-	-	-	(90 749)	1 518 456
Water Supply Infrastructure	1 081 215	155 100	-	-	4 952 184	(7 610)	6 180 889
Roads Infrastructure	2 210 120	-	-	-	-	(289 729)	1 920 391
Stormwater Infrastructure	3 617 288	-	-	-	-	(236 581)	3 380 707
Electrical Infrastructure	6 474 772	5 015 608	-	-	-	(420 254)	11 070 126
ICT Infrastructure	3 209 927	468 461	-	-	-	(914 258)	2 764 130
Leased Assets	704 416	-	-	-	-	(704 416)	-
	208 981 705	**19 406 353**	**(1 993 435)**	**5 250 000**	**10 123 453**	**(16 895 059)**	**224 873 017**



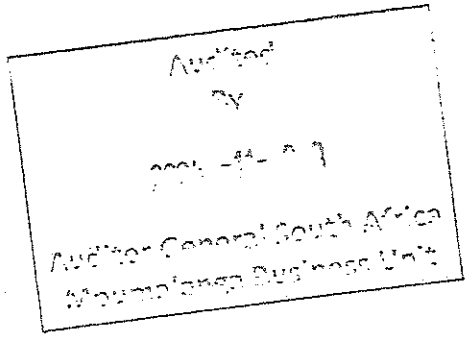
10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Work in Progress	Depreciation	Total
Land	1 713 105	-	-	-	-	1 713 105
Machinery and Equipment	18 229 985	4 507 076	(355 687)	-	(2 834 354)	19 547 019
Furniture and Office Equipment	7 320 587	674 681	(48 620)	-	(949 771)	6 996 879
Transport Assets	27 605 126	14 891 624	-	-	(2 868 615)	39 628 135
Computer Equipment	10 426 248	3 104 517	(175 003)	-	(1 608 114)	11 747 648
Community assets for Fire Sations and Disaster	59 415 027	4 296 419	-	856 131	(2 362 945)	62 204 632
Other property, plant and equipments	44 909 358	470 080	-	5 426 792	(2 568 886)	48 237 344
Sanitation Infrastructure	1 699 703	-	-	-	(90 498)	1 609 205
Water Supply Infrastructure	106 660	-	-	981 047	(6 492)	1 081 215
Roads Infrastructure	2 499 056	-	-	-	(288 936)	2 210 120
Stormwater Infrastructure	3 853 223	-	-	-	(235 935)	3 617 288
Electrical Infrastructure	6 439 606	-	-	410 814	(375 648)	6 474 772
ICT Infrastructure	4 103 960	-	-	-	(894 033)	3 209 927
Leased Assets	1 607 289	-	-	-	(902 873)	704 416
	189 928 933	**27 944 397**	**(579 310)**	**7 674 784**	**(15 987 100)**	**208 981 705**

Pledged as security

None of assets pledged as security.



Notes to the Annual Financial Statements

Figures in Rand	2024	2023

10. Property, plant and equipment (continued)

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

Cumulative expenditure recognised in the carrying value of property, plant and equipment		
Buildings	7 007 278	6 026 126
Community	-	932 784
Water Supply Infrastructure	5 933 229	981 046
Electrical Infrastructure	-	410 814
Transport Assets	4 190 117	-
	17 130 624	**8 350 770**

Slow implementatin of capital projects:

Installation of a passenger lift (Development Facilitation): The project to Installation of the passenger lift has slowed due to a disptute lodged by the contractor on contractual matters, parties has requested the Arbitration Foundation of South Africa to nominate a mediator.

Fire Academy (Comunity Development Services): After discussions with Eskom derailed, discusions are now underway with Marapyane Agricultural College for the co-useage of the College's infrastucture and a MoA is being drafted.

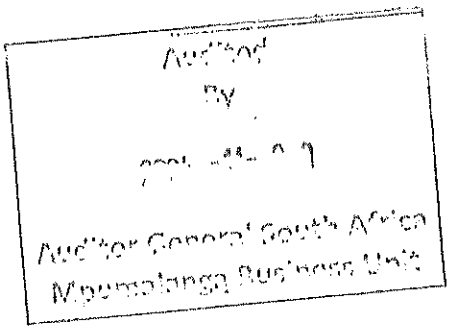
Borehole (Development Facilitation): There were delays in appointing the contractor, the project is now underway and should be completed during the course of the upcoming financial year.

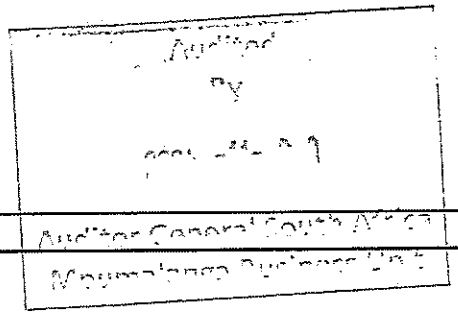
Disaster Management Centre: (Comunity Development Service): The contractor was appointed during the financial year and the municipality is currently waiting for the construction work permit for the project.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Machinery and equipment	1 209 052	2 093 934
Transport assets	4 646 995	2 999 749
Other property, plant and equipment	12 065 236	5 096 313
Information and communication infrastructure	4 935 902	6 482 600
	22 857 185	**16 672 596**

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.





Notes to the Annual Financial Statements

Figures in Rand

11. 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	17 691 590	(10 087 024)	7 604 566	17 691 590	(5 780 235)	11 911 355
Intangible assets under development	4 935 672	-	4 935 672	-	-	-
Total	**22 627 262**	**(10 087 024)**	**12 540 238**	**17 691 590**	**(5 780 235)**	**11 911 355**

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software, other	11 911 355	-	(4 306 789)	7 604 566
Intangible assets under development	-	4 935 672	-	4 935 672
	11 911 355	**4 935 672**	**(4 306 789)**	**12 540 238**

Reconciliation of intangible assets - 2023

	Opening balance	Transfers received	Transfers	Amortisation	Total
Computer software, other	7 474 206	5 894 420	-	(1 457 271)	11 911 355
Intangible assets under development	5 894 420	-	(5 894 420)	-	-
	13 368 626	**5 894 420**	**(5 894 420)**	**(1 457 271)**	**11 911 355**

Pledged as security

None of the intangible assets were pledged as security.

Expenditure incurred to repair and maintain intangible assets

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

12. Heritage assets

	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Heritage assets	508 772	-	508 772	508 772	-	508 772

Reconciliation of heritage assets 2024

	Opening balance	Total
Municipal Jewellery	508 772	508 772

Reconciliation of heritage assets 2023

	Opening balance	Total
Municipal Jewellery	508 772	508 772

13. Investments

At amortised cost		
Fixed term deposit The investment was made on 2 October 2020 and the maturity is 2 October 2025 i.e after 5 years.	76 640 876	72 188 712
	-	-
	-	-
	76 640 876	72 188 712
Non-current assets		
At amortised cost	76 640 876	72 188 712
Non-current assets	76 640 876	72 188 712
Current assets	-	-

Long Term Investments

Long term investment movement

Opening balance	72 188 712	67 748 712
Interest capitalised	4 452 164	4 440 000
	76 640 876	**72 188 712**

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023

14. Consumer deposits

Rental of facilities	14 030	14 030

Deposits relates to rental of NDM facilities.

15. Payables from exchange transactions

Trade payables	57 889 914	42 835 402
Advanced Payments	527	66 491
Retentions	62 239 230	28 968 230
Accrued leave pay	10 765 077	9 395 257
Performance Bonus	-	2 383 240
	130 894 748	**83 648 620**

16. Finance lease obligation

Minimum lease payments due		
- within one year	-	787 319
	-	787 319
less: future finance charges	-	(31 827)
Present value of minimum lease payments	**-**	**755 492**

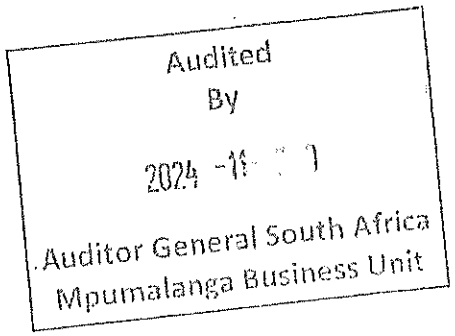
It is municipality policy to lease office equipment under finance leases.

The average lease term was 30-36 months and the average effective borrowing rate was 10% (2023: 10%).

17. Employee benefit obligations

Projected accrued liability

The post-employent medical aid benefits are provided for retired employees and their legitimate spouses and is paid monthly. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The provision is an estimate of the liability based on historical staff turnover and life expectancy of the relevant people and is discounted by using the inflation rate at the reporting date. The following is a reconciliation of the unfunded accrued liability:



Notes to the Annual Financial Statements

Figures in Rand	2024	2023

17. Employee benefit obligations (continued)

The amounts recognised in the statement of financial position are as follows:

Carrying value		
Opening Balance	17 959 000	19 097 000
Current service cost	1 355 000	1 496 000
Interest cost	2 226 000	2 236 000
Actuarial (gain)/loss	344 000	(4 405 000)
Employer benefits payments	(514 000)	(465 000)
	21 370 000	**17 959 000**
Non-current liabilities	(20 578 000)	(17 445 000)
Current liabilities	(792 000)	(514 000)
	(21 370 000)	**(17 959 000)**

The method used is called the "projected unit credit method". Under this method the accrued service liabilities are determined by projecting all future payments which will be made by the employer in respect of benefits accrued up to the valuation date. Assumptions are made in respect of, inter-alia, medical scheme contribution increases, withdrawals, deaths and ill-health, early and normal retirements. These payments are discounted at the valuation rate of discount to determine the present value of the liabilities at the valuation date.

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17. Employee benefit obligations (continued)

Key assumptions used

The following key assumptions were used to calculate the unfunded accrued liability and the expense figures for the current financial year:

Discount rates used	12.34 %	12.57 %
Health care cost inflation rate	7.80 %	8.17 %
Net-of-health care cost inflation discount rate	4.21 %	4.07 %
Maximun subsiby inflation rate	5.48 %	5.75 %
Net of maximum subsidy inflation discount rate	6.51 %	6.45 %

Sensitivity Analysis

The liability at the valuation Date was recalculated to show the effect of :
(i) A one percentage point increase and decrease in the assumed rate of health care cost inflation;
(ii) A one percentage point increase and decrease in the discount rate;
(iii) A one-year age increase and decrease in the assumed rates of post-employment mortality;
(iv) A one-year decrease in the assumed average retirement age; and
(v) A decrease of ten percentage points in the assumed proportion of in-service members that remain members at retirement.

The table below summerises the results of the sensitivity on the accrued liability:

Assumption	Change	Eligible Employee	Continuation Members	Total	% Change
Central assumptions		14.059	7.311	21.370	
Medical aid contribution inflation rate	+1% -1%	15.192 12.536	7.656 6.902	22.848 19.438	7% -9%
Discount rate	+1% -1%	11.923 16.770	6.760 7.951	18.683 24.721	-13% 16%
Post-employment mortality	+1yr -1yr	13.779 14.332	7.108 7.511	20.887 21.843	-2% 2%
Average retirement age	-1yr	15.552	7.311	22.863	7%
Membership continuation	-10%	12.315	7.311	19.626	-8%

The table below summarises the results of the sensitivity analysis on the current service and interest costs for the year ending June 30, 2024

Assumptions	Change	Current Service Cost	Interest Cost	Total Cost	% Change
Central assumptions		1 355 000	2 226 000	3 581 000	
Medical aid contribution inflation rate	+1% -1%	1 462 000 1 1960 000	2 379 000 2 020 000	3 841 000 3 216 000	7% -10%
Discount rate	+1% -1%	1 126 000 1 647 000	2 083 000 2 391 000	3 209 000 4 038 000	-10% 13%
Post-employment mortality	+1yr -1yr	1 328 000 1 381 000	2 175 000 2 276 000	3 503 000 3 657 000	-2% 2%
Average retirement age	-1yr	1 482 000	2 402 000	3 884 000	8%
Membership continuation	-10%	1 193 000	2 038 000	3 231 000	-10%

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

17. Employee benefit obligations (continued)

Reconciliation of the movement in post-employment medical aid benefit long term portion

Reconciliation of movement in post-employment medical aid benefit long term portion		
Opening balance	17 445 000	18 632 000
Contribution to post employment medical aid benefit	3 925 000	(673 000)
Transfer to the current post-employment medical aid benefit	(792 000)	(514 000)
	20 578 000	**17 445 000**

Post retirement medical benefit projection for the year	**Year ending 30 June 2026**	**Year ending 30 June 2025**
Opening balance	24 636 000	21 370 000
Current service costs	1 649 000	1 468 000
Interest cost	2 986 000	2 590 000
Expected employer benefit payment	(899 000)	(792 000)
	28 372 000	**24 636 000**

Amounts for the current and previous four years are as follows:

	2024	2023	2022	2021	2020
Defined benefit obligation	21 370 000	17 959 000	19 097 000	16 322 000	12 789 000

Defined contribution plans

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

Included in defined contribution plan information above, is the following plan(s) which is (are) a Multi-Employer Funds and is (are) a Defined Benefit Plans, but due to the fact that sufficient information is not available to enable the municipality to account for the plan(s) as a defined benefit plan(s). The municipality accounted for this (these) plan(s) as a defined contribution plan(s).

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Figures in Rand	2024	2023

18. Long service awards

Non-current liabilities	6 625 000	5 871 000
Current liabilities	693 000	1 034 000
	7 318 000	**6 905 000**

Long service awards		
Opening balance	6 905 000	6 933 000
Current service cost	923 000	1 045 000
Interest cost	743 000	736 000
Actuarial (gain)/loss	(219 000)	(964 000)
Expected employer benefit payment	(1 034 000)	(845 000)
	7 318 000	**6 905 000**

Key financial assumptions

The following key financial assumption were used to calculate the unfunded accrued liability and the expense figures for the current year:

Assumption		
Discount rate	11.53%	11.60%
Salary inflation rate	6.62%	6.81%
Net effective discount rate	4.61%	4.49%

Sensitivity Analysis

The liability at the valuation date was recalculated to show the effect of:

An indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph 7.1.

(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.

The table below summarises the results of the sensitivity on the accrued liability:

Assumption	Change	Liability	% Change
Central assumptions	-	7 318 000	-
General earnings inflation rate	+1%	7 801 000	7%
	-1%	6 879 000	-6%
Discount rate	+1%	6 873 000	-6%
	-1%	7 815 000	7%
Average retirement age	+2 yrs	7 853 000	7%
	-2 yrs	6 750 000	-8%
Withdrawal rates	x2	5 659 000	-23%
	x0.5	8 453 000	16%

The table below summarises the results of the sensitivity analysis on the Current-Service and Interest Costs for the year ending 30 June 2024.

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

18. Long service awards (continued)

Assumption	Change	Current service costs	Interest cost	Total	% Chang
Central assumptions		923 000	743 000	1 666 000.00	
General earnings inflation rate	+1%	996 000	795 000	1 791 000.00	8%
	-1%	859 000	696 000	1 555 000.00	-7%
Discount rate	+1%	866 000	755 000	1 621 000.00	-3%
	-1%	989 000	728 000	1 717 000.00	3%
Average retirement age	+2 yrs	971 000	796 000	1 767 000.00	6%
	-2 yrs	854 000	682 000	1 536 000.00	-8%
Withdrawal rates	x2	666 000	564 000	1 230 000.00	-26%
	x0.5	1 110 000	867 000	1 977 000.00	19%

Reconciliation of movement in long service awards provision-Long term portion

Movement		
Balance at the beginning of the year	5 817 000	6 088 000
Contribution to long service benefit	1 501 000	817 000
Transfer to current long service benefit	(693 000)	(1 034 000)
	6 625 000	**5 871 000**

An indication of the uncertainties about the amount or timing of those outflows. Where necessary to provide adequate information, an entity shall disclose the major assumptions made concerning future events, as addressed in paragraph 7.1.

Long service award benefit projections for the year	**Year ending 30 June 2026**	**Year ending 30 June 2025**
Opening balance	8 422 000	7 318 000
Current service cost	1 106 000	992 000
Interest cost	923 000	805 000
Expected employer benefit payment	(856 000)	(693 000)
	9 595 000	**8 422 000**

19. Rental of Fixed Assets

Premises		
Buildings	122 188	50 700
Premises	122 188	50 700
Garages and parking	-	-
Facilities and equipment	-	-

20. Agency services

Water and Sanitation	27 268 047	8 492 681

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023

21. Operational Revenue

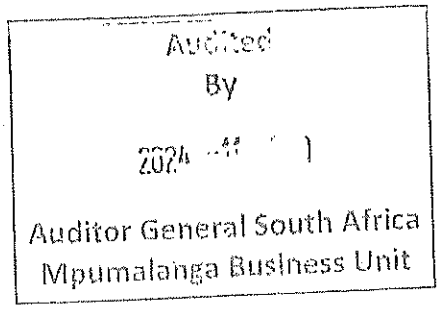
Request for access of information	11 172	1 370
Staff Recoveries	85 498	58 005
Insurance Refund	5 604	441 698
Commision	35 971	35 831
Electricity usage recoveries	-	67 821
Inspection fees	96 605	31 249
Skills development	510 949	419 995
Staff and Councillor recoveries	41 172	261 707
Merchandising, Jobbing and Contracts	-	38 996
	786 971	**1 356 672**

22. Interest Revenue

Interest revenue		
Short term Investments and Call Accounts	29 274 591	24 045 585
Bank accounts	1 469 281	975 202
	30 743 872	**25 020 787**
	-	-
	30 743 872	25 020 787

23. Licences and permits (non-exchange)

Health Certificates	1 359 119	1 093 519



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Figures in Rand	2024	2023

24. Government grants & subsidies

Operating grants		
Equitable share	401 237 000	388 810 000
Financial Management Grant	1 000 000	1 000 000
Expanded Public Works Programme Intergrated Grant.	2 094 000	2 315 000
Water Service Infrastructure Grant	512 485 401	290 639 006
LGSETA Learnership Grant	12 545 645	-
	929 362 046	**682 764 006**
Capital grants		
Rural Road Asset Management System Grant	2 341 000	2 332 000
	929 362 046	682 764 006
	2 341 000	2 332 000
	931 703 046	**685 096 006**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services.

	2024	2023
Equitable Share	31 172 000	29 280 000
RSC Levy	370 065 000	359 530 000

Rural Road Asset Management Systems Grant

Current-year receipts	2 341 000	2 332 000
Conditions met - transferred to revenue	(2 341 000)	(2 332 000)
	-	-

Financial Management Grant

Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)
	-	-

Expanded Public Works Programme Intergrated Grant.

Current-year receipts	2 094 000	2 315 000
Conditions met - transferred to revenue	(2 094 000)	(2 315 000)
	-	-

Water Service Infrastructure Grant

Balance unspent at beginning of year	(16 429 846)	(6 080 068)
Current-year receipts	486 991 717	280 289 228
Conditions met - transferred to revenue	(496 989 455)	(290 639 006)
	(26 427 584)	**(16 429 846)**

LG Seta Grant

Current-year receipts	4 750 000	-
Conditions met - transferred to revenue	(12 545 645)	-
	(7 795 645)	-

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Figures in Rand	2024	2023

24. Government grants & subsidies (continued)

Condition met and not yet paid - remain receivables see note 5

25. Public contributions and donations

Public contributions and donations (Seriti)	5 250 000	-
Transfer to PPE	(5 250 000)	-
	-	-

Seriti Mine donated a Jet Patcher Truck to Nkangala District Municipality.

26. Fines, Penalties and Forfeits

Law Enforcement Fines	2 132 200	2 773 042
Retentions Forfeits	18 601	1 900
	2 150 801	**2 774 942**

27. Total Revenue

Rental of facilities and equipment	122 188	50 700
Agency services	27 268 047	8 492 681
Operational revenue	786 971	1 356 672
Interest revenue	30 743 872	25 020 787
Government grants & subsidies	931 703 046	685 096 006
Public contributions and donations	5 250 000	-
Fines, Penalties and Forfeits	2 150 801	2 774 942
Licences and permits (Non-exchange)	1 359 119	1 093 519
	999 384 044	**723 885 307**

The amount included in revenue arising from exchanges of goods or services are as follows:		
Rental of facilities and equipment	122 188	50 700
Agency services	27 268 047	8 492 681
Operational revenue	786 971	1 356 672
Interest revenue	30 743 872	25 020 787
	58 921 078	**34 920 840**

The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Licences or permits	1 359 119	1 093 519
Transfer revenue		
Government grants & subsidies	931 703 046	685 096 006
Public contributions and donations	5 250 000	-
Fines, Penalties and Forfeits	2 150 801	2 774 942
	940 462 966	**688 964 467**

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Figures in Rand	2024	2023

28. Employee related costs

Basic Salary and Wages	117 974 323	109 482 269
Salaries Wages and Allowances: Bonuses	11 041 754	9 815 703
Social Contributions: Medical	10 597 324	9 870 419
Social Contributions: Unemployment Insurance	588 397	594 755
Leave pay provision charge	4 499 107	1 320 540
Social Contributions: Pension	19 363 510	18 405 543
Allowance: Overtime	9 724 067	9 172 904
Allowance: Service Related Benefits: Long Service Award	1 667 035	928 379
Allowance: Acting and Post Related Allowances	186 396	428 942
Allowance: Travel or Motor Vehicle	14 027 415	12 715 357
Allowance: Housing Benefits and Incidental: Housing Benefits	798 427	752 755
Standby Allowance	1 418 786	842 468
Social Contributions: Group Life Insurance	998 388	996 240
Allowance: Cellular and Telephone	2 332 026	2 110 304
Social Contributions: Bargaining Council	36 812	34 486
Post-retirement Benefit: Medical	3 641 136	3 708 217
	198 894 903	**181 179 281**

Remuneration of Municipal Manager

Annual Remuneration	1 479 726	1 225 453
Performance Bonus	50 572	116 260
Contributions to UIF, Medical and Pension Funds	327 051	299 966
Cellphone Allowance	42 174	39 329
Car Allowance	120 000	110 000
Leave Pay	110 062	103 443
	2 129 585	**1 894 451**

Remuneration of Chief Finance Officer

Annual Remuneration	1 062 011	939 899
Car Allowance	126 000	126 000
Performance Bonuses	64 506	99 292
Contributions to UIF, Medical and Pension Funds	230 983	227 730
Cellphone Allowance	30 834	30 834
Leave Pay	64 344	60 475
Acting Allowance	1 651	11 418
	1 580 329	**1 495 648**

Remuneration of Manager: Planning and Economic Development

Annual Remuneration	1 170 152	898 351
Car Allowance	151 980	122 660
Contributions to UIF, Medical and Pension Funds	58 105	49 386
Cellphone Allowance	30 834	26 324
Leave Pay	64 344	45 356
Acting Allowance	-	14 368
	1 475 415	**1 156 445**

Remuneration of Manager: Corporate Services

Annual Remuneration	1 150 850	614 864
Car Allowance	120 000	70 000
Performance Bonuses	23 518	-
Contributions to UIF, Medical and Pension Funds	123 911	70 562

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
28. Employee related costs (continued)		
Acting Allowance	15 687	21 517
Cellphone Allowance	30 834	18 929
Leave Pay	64 344	35 277
	1 529 144	**831 149**
Remuneration of Manager: Technical Services		
Annual Remuneration	955 085	438 936
Car Allowance	144 000	56 000
Contributions to UIF, Medical and Pension Funds	78 178	36 620
Cellphone Allowance	30 834	15 417
Leave Pay	54 693	105 762
	1 262 790	**652 735**
Remuneration of Manager: Social Services		
Annual Remuneration	756 912	236 933
Car Allowance	268 800	89 600
Contributions to UIF, Medical and Pension Funds	156 692	49 679
Acting Allowance	6 458	-
Cellphone Allowance	30 712	10 278
Leave Pay	9 116	17 135
	1 228 690	**403 625**

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Figures in Rand

	2024	2023

29. Remuneration of councillors

Councillors	10 946 097	10 500 595
Councillors' pension contribution	866 554	810 968
Councillors' medical and other contributions	5 314 951	5 669 593
	17 127 602	**16 981 156**

In-kind benefits

The Executive Mayor,Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor, Speaker and the Council Whip have the use of separate Council owned vehicles for official duties.

Remuneration of the Executive Mayor		
Annual Remuneration	916 758	834 872
Car Allowance	115 981	165 321
Cellphone Allowance	49 877	42 600
Contributions to UIF, Medical and Pension Funds	111 486	108 706
	1 194 102	**1 151 499**
Remuneration of the Speaker		
Annual Remuneration	642 156	583 203
Car Allowance	224 028	216 041
Cellphone Allowance	51 037	42 600
Contributions to UIF, Medical and Pension Funds	55 478	87 952
	972 699	**929 796**
Remuneration of the Chief Whip		
Annual Remuneration	576 812	575 390
Car Allowance	186 044	202 545
Cellphone Allowance	48 208	42 600
Contributions to UIF, Medical and Pension Funds	79 190	53 839
	890 254	**874 374**
Remuneration of the Mayoral Committee Members		
Annual Remuneration	4 135 927	4 003 132
Car Allowance	1 353 649	1 287 713
Cellphone Allowance	341 770	298 200
Contributions to UIF, Medical and Pension Funds	475 795	473 519
	6 307 141	**6 062 564**
Remuneration of Other Councillors		
Annual Remuneration	4 674 444	4 495 836
Car Allowance	1 344 120	1 310 044
Cellphone Allowance	1 479 113	1 926 733
Contributions to UIF, Medical and Pension Funds	265 728	219 425
	7 763 405	**7 952 038**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

30. Depreciation and amortisation

Property, plant and equipment	16 895 044	15 987 104
Intangible assets	4 306 789	1 457 272
	21 201 833	**17 444 376**

31. Transfer and subsidies

Operational		
Community and Social Services	3 589 990	5 526 245
Finance and Admin	-	563 091
Planning and Development	42 689 387	23 868 719
Road Transport	7 316 831	2 332 000
Health	387 532	181 081
Waste water management	42 931 887	94 146 726
Water Management	522 635 640	196 492 281
	619 551 267	**323 110 143**
Capital		
Disaster	-	2 731 613
Planning and Development	48 297 205	18 777 935
Road Transport	20 853 835	83 027 616
Waste Water Management	1 352 131	23 780 631
Water	34 795 419	5 640 713
	105 298 590	**133 958 508**
Grants paid to ME's	619 551 267	323 110 143
Other subsidies	105 298 590	133 958 508
	724 849 857	**457 068 651**
Transfers and Subsidies paid classified by region		
General	46 336 305	28 435 230
Dr JS Moroka	48 748 854	61 008 471
Emakhazeni	18 834 090	1 088 123
Emalahleni	628 185	20 806 085
Steve Tshwete	2 277 483	26 066 587
Thembisile Hani	540 809 961	194 454 296
Victor Khanye	67 214 979	125 209 855
	724 849 857	**457 068 647**

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31. Transfer and subsidies (continued)

WIP transfer from Inventory to Transfers and subsidies		
Dr JS Moroka	36 304 442	71 664 753
Emakhazeni	4 553 111	1 295 513
Emalahleni	628 184	11 191 196
Steve Tshwete	3 206 187	10 082 973
Thembisile Hani	21 742 559	14 262 467
Victor Khanye	14 741 356	25 876 243
	81 175 839	**134 373 145**
WIP transfer to Inventory from Transfers and Subsidies		
Dr JS Moroka	702 951	36 304 442
Emakhazeni	1 347 596	4 553 111
Emalahleni	5 914 160	628 184
Steve Tshwete	9 611 523	3 206 187
Thembisile Hani	15 784 750	21 742 559
Victor Khanye	-	14 741 356
	33 360 980	**81 175 839**

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
32. Finance Costs		
Finance leases	31 825	126 331
33. Inventory Consumed		
Inventory Consumed	4 211 855	2 815 439

Materials and supplies all directly expensed and no stores in place.

34. Contracted services

Outsourced Services		
Administrative and Support Staff	75 650	148 230
Business and Advisory	2 755 320	2 351 918
Cleaning Services	2 753 910	2 580 120
Personnel and Labour	-	144 000
Translators, Scribes and Editors	172 400	20 760
Consultants and Professional Services		
Business and Advisory	12 398 107	21 244 419
Infrastructure and Planning	47 260	214 632
Laboratory Services	1 940 997	1 791 759
Legal Cost	3 621 376	5 473 890
Contractors		
Artists and Performers	68 680	43 820
Auctioneers	173 900	-
Audio-visual Services	140 140	-
Catering Services	4 438 914	3 528 701
Employee Wellness	991 000	731 535
Fire Protection	-	82 418
Gardening Services	1 904 160	1 827 731
Maintenance of Buildings and Facilities	7 932 754	5 096 313
Maintenance of Equipment	3 191 757	2 093 934
Maintenance of Unspecified Assets	8 700 764	9 482 349
Pest Control and Fumigation	220 484	78 689
Plants, Flowers and Other Decorations	119 330	303 790
Transportation	1 053 347	1 146 782
Safeguard and Security	9 265 945	7 303 371
Stage and Sound Crew	403 604	1 059 985
Presented previously	-	-
Outsourced Services	5 757 280	5 245 028
Consultants and Professional Services	18 007 740	28 724 700
Contractors	38 604 779	32 779 418
	62 369 799	**66 749 146**

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023

35. Operating lease

Lease rentals on operating lease		
Operating lease payments for intangibles	4 735 699	3 452 794

Operating lease expense refers to the Performance Management System, Risk Management System, Electronic Document Management System, Papercut Software and E-Signature that the municipality is renting.

36. Operational Costs

Advertising Publicity and Marketing	6 789 718	7 057 585
Bank Charges Facility and Card Fees	640 850	541 837
Hire Charges	561 439	279 669
Insurance Underwriting	3 886 114	3 159 087
External Computer Services	17 488 471	7 162 380
Skills Development Fund Levy	1 725 829	1 610 205
Motor Vehicle Expenses	191 093	138 152
Wet Fuel	3 296 715	4 012 037
Printing Publications and Books	4 711	29 000
Uniform and Protective Clothing	1 241 474	1 666 579
Subscriptions and Membership Fees	296 025	263 427
Communication	4 985 499	5 515 001
Transport	207 892	-
Seating Allowance for Traditional Leaders	95 604	21 000
Travel and Subsistence	7 089 632	6 454 128
Achievements and Awards	58 100	-
Municipal Services - Rates, Water & Electricity	5 485 999	4 828 639
Bursaries	2 393 599	2 390 476
Samples and Specimens	102 419	44 624
Toll Gate Fees	161 081	130 031
Travel Agency Fees	329 539	269 314
Workmen's Compensation Fund	1 158 567	1 155 524
Registration Fees	1 046 983	2 512 283
Learnerships and Internships	538 893	595 951
	59 776 246	**49 836 929**

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37. Cash (used in) generated from operations

Deficit	(95 662 930)	(67 907 993)
Adjustments for:		
Depreciation and amortisation	21 201 831	17 444 376
Gain on sale of assets and liabilities	1 371 551	437 748
Fair value adjustments	131 804	106 485
Actuarial gains/losses	344 000	(4 405 000)
Interest paid	31 827	126 331
Movements in employee benefits	3 067 000	3 267 000
Movements in provisions	413 000	(28 000)
Donations	(5 250 000)	-
Movement in operating lease	125 582	-
Changes in working capital:		
Inventories	47 814 859	53 197 306
Consumer debtors	420 914	(282 244)
Other receivables from non-exchange transactions	(7 812 311)	(1 600 000)
Prepayments	(1 583 004)	(83 245)
Construction contracts and receivables	(9 997 738)	(10 349 769)
Payables from exchange transactions	47 246 144	31 051 845
VAT	(2 948 788)	19 929 039
	(1 086 259)	**40 903 879**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

38. Contingencies

Contigent liabilities		
TC Makola	-	1 950 000
Magiya Women Development	2 187 705	2 187 705
TC Makola	1 834 739	1 834 739
Balushi Chartered Accountants	476 104	-
Diamond Ntuli	-	90 000
	4 498 548	**6 062 444**

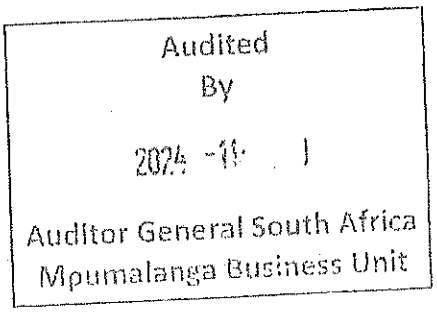
(i) TC Makola is claiming to be paid an amount of R 1 560 000 and R390 000 (three (3) months remuneration at R130 000pm) , totalling R1 950 000. The matter has become finalised. TC Makola's appeal was dismissed with no order as to costs. The municipality paid TC Makola his three (3) months salary as per the order of the Labour Court dated 08 April 2021.

(ii) Messrs Magiya Women Development is suing NDM an amount of R 1 887 705 for termination of contract done in December 2015 in accordance with the GCC and legal costs of R300 000.

(iii) The Plaintiff, Mr. Makola has issued a summons against NDM & 7 Others claming for payment of damages for loss of income due to the unfair dismissal, legal costs for his unfair suspension case which was due to a misrepresentation of a sick note on his disciplinary on his disciplinary hearing. The financial exposure is R 1 609 739 which is made up as follows, R 1 534 739 (12 months salary) R 25 000 (mental anguish) R 50 000 (fraud allegations). Costs in the event NDM losses the matter are estimated at R 300 000. Total exposure is R 1 834 739

(iv) The municipality was served with a summons on the 17th of May 2024 by Balushi Chartered Accountants claiming non-payment of an outstanding professional fee invoice for Co-Sourced Internal Audit. Balushi is demanding a payment of R388 103.96 plus interest at the rate of 11.75%. Legal costs are estimated at R80 000.00 in the event the municipality loses the claim. The total financial exposure is R476 103.96

(v) Mr Diamond Ntuli is suing NDM an amount of R 45 000 for loss of Councillors allowances from September 2014 to the date of reinstatement. Legal costs are estimated at R 45 000. The matter was finalised on the 3rd of October 2023 in favour of the municipality.



Figures in Rand	2024	2023

39. Prior-year adjustments

Presented below are those items contained in the statement of financial position and statement of financial performance that have been affected by prior-year adjustments:

The amount of R227 939 relates to VAT and retention, amount for retention was erroneously captured under VAT.

The amount of R257 568 ralates to the clearing of the disposal clearing clearing amount opening balance.

Statement of financial position

2023

	Note	As previously reported	Correction of error	Restated
Vat receivable		7 294 793	227 939	7 522 732
Payables from exchange transactions		(83 163 113)	(485 507)	(83 648 620)
Accumulated surplus		(525 221 652)	257 568	(524 964 084)
		(601 089 972)	**-**	**(601 089 972)**

Statement of financial performance

2023

	Note	As previously reported	Correction of error	Restated
Other income		(1 498 234)	141 562	(1 356 672)

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023

40. Commitments

Authorised capital expenditure

Total capital commitments		
Already contracted for but not provided for	12 569 147	3 175 273

Authorised operational expenditure

Already contracted for but not provided for		
• Victor Khanye	117 012 710	144 135 320
• Dr JS Moroka	-	35 801
• Emalahleni	18 245 644	-
• Steve Tshwete	2 109 324	-
• Emakhazeni	25 908 906	41 043
• Thembisile Hani	926 375 686	1 117 248 369
• Nkangala	38 944 064	4 661 021
	1 128 596 334	**1 266 121 554**
Total operational commitments		
Already contracted for but not provided for	1 128 596 334	1 266 121 554

Total commitments

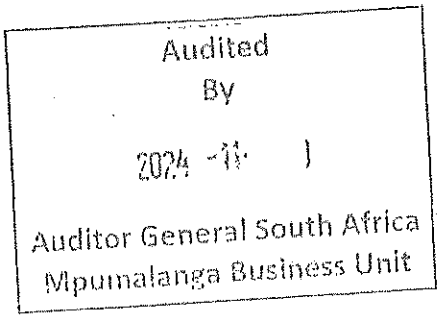
Total commitments		
Authorised capital expenditure	12 569 147	3 175 273
Authorised operational expenditure	1 128 596 334	1 266 121 554
	1 141 165 481	**1 269 296 827**

The district municipality entered into contracts with service providers to construct projects which will subsequently be transferred to local municipalities on completions.

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	1 894 998	1 935 595
- in second to fifth year inclusive	2 100 475	466 667
	3 995 473	**2 402 262**

Operating lease expense refers to the Performance Management System, Risk Management System, Electronic Document Management System and E-Signature that the municipality is renting



Notes to the Annual Financial Statements

Figures in Rand	2024	2023

41. Related parties

Related parties include councillors and senior executives of the municipality.

Other than the related parties mentioned below municipality does not have any other related parties.

Remuneration of Senior Managers amounted to R9 205 953 and remuneration of Councillors amounted R17 127 602 for the current financial year 2023/24. Attached as Appendix A (refer to page 84) of these statements is a breakdown of the amounts.

No transactions occured with related parties that were not at arm's length or not in the ordinary course of business.

When the municipality enters into agreements with service providers who made declarations that close family members or directors are in service of the State. The municipality considers the transactions to be at an arms length and in the ordinary course of business.

42. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's risk management policies are established and analyse the risk faced by the municipality, to set up limits and controls to monitor risks and adherence to limits The risk management policy is reviewed annually and a risk assessment is performed annually and monitored regulary to effect changes in the municipality's activities and risk profile .

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.

Financial instrument				2024	2023
Trade payables				(57 889 914)	(42 835 402)
Advanced payments				(523)	(66 492)
Retentions				(62 239 230)	(28 968 230)
At 30 June 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	
Finance Leases	-	-	-	-	
At 30 June 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	
Finance Leases	755 494	-	-	-	

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42. Risk management (continued)

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.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2024	2023
Receivables from exchange transactions	84 932	505 846
Construction contracts and receivables	26 427 584	16 429 846
Investments	76 640 876	72 188 712
Cash and cash equivalents	193 032 798	233 333 938

Market risk

Interest rate risk

Nkangala District Municipality has a long term investment in the form of a promissory note.The municipality 's interest rate risk aries from long-term borrowings which are issued at variable rates thereby exposing the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

43. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

44. Nkangala Economic Development Agency (NEDA)

During 2020/21 financial year the District Municipality council took a resolution to establish the Nkangala Economic Development Agency (NEDA). The NEDA board of directors was appointed in August 2023. The establishment is still in process as the municipality is busy with the recruitment of adminstrative staff. The NEDA will have future financial reporting implications on the Nkangala District Municipality when the NEDA becomes operational. Thus far only the CEO and CFO of NEDA have been appointed.

45. Nkangala District Municipality Fire Academy

The Nkangala District Municipality council took a resolution to establish a fire fighting training academy. The project is still in early developmental stages. Discussions are still underway with stakeholders.The Fire Academy when completed and operational will have financial reporting implication on the Nkangala District Municipality.

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46. Fruitless and wasteful expenditure

Opening balance as previously reported	261 669	8 344
Add: Fruitless and wasteful expenditure identified - current	277 658	261 669
Less: Amount written off - current	(261 669)	(8 344)
Closing balance	**277 658**	**261 669**

Interest and penalties were charged by SARS for VAT and PAYE and COIDA during the current financial year

R261 669 was written-off during the financial year .

Refer to UIF&W Register on page 91

47. Irregular expenditure

Opening balance as previously reported	266 881	266 881

The amounts recorded above are exclusive of VAT.

An investigation on the irregular expenditure has commenced and is still in progress.

Refer to UIF&W register on page 97

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48. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	2 172 148	2 229 400
Amount paid - current year	(2 172 148)	(2 229 400)
	-	-

Audit fees

Current year subscription / fee	5 493 981	6 304 624
Amount paid - current year	(5 493 981)	(6 304 624)
	-	-

PAYE and UIF

Current year subscription / fee	39 043 527	35 379 705
Amount paid - current year	(39 043 527)	(35 379 705)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	29 326 576	28 275 962
Amount paid - current year	(29 326 576)	(28 275 962)
	-	-

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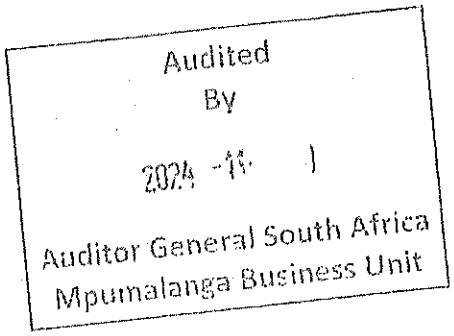
Figures in Rand	2024	2023

49. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them at the next meeting of the council and includes a note to the annual financial statements.

Deviations for the current financial year amounts to R681 416.33 as per the deviation register (refer to page 92, Annexure B).



Notes to the Annual Financial Statements

Figures in Rand	2024	2023

50. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of six major functional areas:Council, Governance, Finance, Social Services, Planning and Development, Technical Services and Administrative and Corporate Support. The segments were organised around the type of service delivered. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

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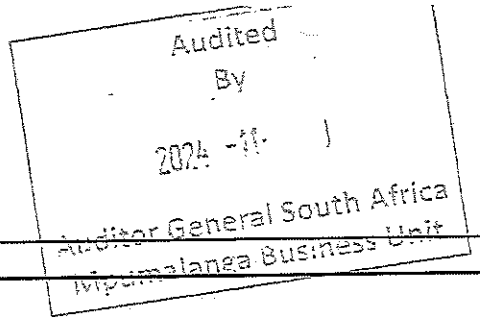
Figures in Rand

50. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2024

	Council Governance	Finance	Community Development Services	Planning & Economic Development	Technical Services	Administrative and Corporate Support	Total
Revenue							
Operational Revenue	642	715 884	96 605	-	-	96 028	909 159
Fines Penalties and Forfeits	-	798 601	1 352 200	-	-	-	2 150 801
Licences or Permits	-	-	1 359 119	-	-	-	1 359 119
Interest Revenue	-	30 743 872	-	-	-	-	30 743 872
Agency Services	-	-	-	-	27 268 047	-	27 268 047
Government Grants and Subsidies	-	402 237 000	-	2 094 000	520 076 401	12 545 645	936 953 046
Total segment revenue	**642**	**434 495 357**	**2 807 924**	**2 094 000**	**547 344 448**	**12 641 673**	**999 384 044**
Entity's revenue							**999 384 044**
Expenditure							
Employee Related Costs	35 796 817	17 932 569	93 930 894	13 950 536	10 501 489	26 782 595	198 894 900
Remuneration of Councilors	17 127 602	-	-	-	-	-	17 127 602
Contracted Services	18 962 387	6 576 650	8 888 018	464 607	7 554	27 470 582	62 369 798
Depreciation and Amortisation	7 238 946	116 969	7 396 693	121 625	527 953	5 799 646	21 201 832
Finance Costs	7 897	1 066	8 086	1 066	1 066	12 644	31 825
Inventory Consumed	1 909 586	182 563	1 321 094	46 360	32 243	720 007	4 211 853
Operational Costs	26 962 641	5 629 443	9 989 704	4 250 524	546 271	17 133 355	64 511 938
Transfers and Subsidies	72 809	-	1 022 491	30 070 933	678 182 947	15 500 675	724 849 855
Loss on Disposal of Assets and Liabilities	331 498	3 783	970 063	52 027	1 035	13 146	1 371 552
Fair Value Adjustments	-	131 804	-	-	-	-	131 804
Actuarial Gains/Losses	63 062	43 135	161 144	23 247	19 102	34 310	344 000
Total segment expenditure	**108 473 245**	**30 617 982**	**123 688 187**	**48 980 925**	**689 819 660**	**93 466 960**	**1 095 046 959**
Total segmental surplus/(deficit)	**(7 613 092)**	**14 674 597**	**(9 300 777)**	**(8 404 977)**	**(8 578 375)**	**(8 673 828)**	**(95 662 915)**



Notes to the Annual Financial Statements

Figures in Rand

	Council Governance	Finance	Community Development Services	Planning & Economic Development	Technical Services	Administrative and Corporate Support	Total
50. Segment information (continued)							
Assets							
Cash and Cash Equivalents	(283 545 163)	1 782 441 134	(227 253 608)	(163 414 052)	(618 228 851)	(296 966 662)	193 032 798
Inventory	-	33 360 980	-	-	-	-	33 360 980
Trade and Other Receivables from Exchange	(248 857)	84 932	1 616 666	-	-	248 857	1 701 598
Construction Contracts and Receivable	-	-	-	-	26 427 584	-	26 427 584
Receivables from Non-Execchange	-	-	-	-	-	7 795 645	7 795 645
Prepayment	-	-	-	-	-	1 670 484	1 670 484
Vat	8 791 519	4 844 054	4 138 107	6 099 123	(18 796 514)	5 395 237	10 471 526
Property, Plant and Equipment	(2 305 591)	469 707	147 399 671	442 154	9 425 215	69 441 849	224 873 005
Heritage Assets	508 772	-	-	-	-	-	508 772
Intagible Assets	13 133 337	(2 549)	25 018	-	-	(615 569)	12 540 237
Long Term Investments	-	76 640 877	-	-	-	-	76 640 877
Total segment assets	**(263 665 983)**	**1 897 839 135**	**(74 074 146)**	**(156 872 775)**	**(601 172 566)**	**(213 030 159)**	**589 023 506**
Total assets as per Statement of financial Position							**589 023 506**
Liabilities							
Consumer Deposit	-	(14 030)	-	-	-	-	(14 030)
Operating lease Straigt lining	(125 582)	-	-	-	-	-	(125 582)
Defined Benefit Obligations	-	(21 370 000)	-	-	-	-	(21 370 000)
Long Service	-	(7 318 000)	-	-	-	-	(7 318 000)
Trade and Other Payables from Exchange Transactions	(357 962)	(131 072 991)	472 353	45 348	1 533	16 975	(130 894 744)
Total segment liabilities	**(483 544)**	**(159 775 021)**	**472 353**	**45 348**	**1 533**	**16 975**	**(159 722 356)**
Total liabilities as per Statement of financial Position							**(159 722 356)**

Notes to the Annual Financial Statements

Figures in Rand

50. Segment information (continued)

Audited
By
2024 -11- 1
Auditor General South Africa
Mpumalanga Business Unit

2023

	Council Governance	Finance	Community Development Services	Planning & Economic Development	Technical Services	Administrative and Corporate Support	Total
Revenue							
Operational Revenue	1 370	1 198 227	31 249	-	-	125 826	1 356 672
Fines, Penalties and Forfeits	-	1 057 490	1 717 452	-	-	-	2 774 942
Licences or Permits	-	-	1 093 519	-	-	-	1 093 519
Interest Revenue	-	25 071 486	-	-	-	-	25 071 486
Agency Services	-	-	-	-	8 492 681	-	8 492 681
Government Grants and Subsidies	-	389 810 000	-	2 315 000	292 971 006	-	685 096 006
Total segment revenue	**1 370**	**417 137 203**	**2 842 220**	**2 315 000**	**301 463 687**	**125 826**	**723 885 306**
Entity's revenue							**723 885 306**
Expenditure							
Employee Related Costs	30 553 610	18 645 616	85 346 661	12 813 255	9 350 558	24 469 575	181 179 275
Remuneration of Councillors	16 981 155	-	-	-	-	-	16 981 155
Contracted Services	29 477 692	7 147 279	8 360 937	1 064 474	9 437	20 689 328	66 749 147
Depreciation and Amortisation	4 490 863	117 242	7 010 575	142 900	287 741	5 395 049	17 444 370
Finance Costs	31 442	4 233	32 002	4 233	4 233	50 187	126 330
Inventory Consumed	1 530 960	181 527	573 395	43 178	20 416	465 961	2 815 437
Operational Costs	17 545 942	5 840 857	8 913 809	3 583 640	452 913	16 952 575	53 289 736
Transfers and Subsidies	249 217	-	4 184 327	23 145 268	425 235 226	4 254 610	457 068 648
Loss on Disposal of Assets and Liabilities	-	437 748	-	-	-	-	437 748
Fair Value Adjustment	-	106 485	-	-	-	-	106 485
Acturial Gains/Losses	-	(4 405 000)	-	-	-	-	(4 405 000)
Total segment expenditure	**100 860 881**	**28 075 987**	**114 421 706**	**40 796 948**	**435 360 524**	**72 277 285**	**791 793 331**
Total segmental surplus/(deficit)	**(18 308 769)**	**18 634 046**	**7 940 049**	**(9 687 314)**	**(78 588 901)**	**(2 636 959)**	**(67 908 025)**

Audited
By
2024
Auditor General South Africa
Mpumalanga Business Unit

	Council Governance	Finance	Community Development Services	Planning & Economic Development	Technical Services	Administrative and Corporate Support	Total
50. Segment information (continued)							
Assets							
Cash and cash equivalents	(232 544 139)	1 651 866 215	(198 374 504)	(131 025 372)	(629 984 523)	(226 603 739)	233 333 938
Inventory	-	81 175 839	-	-	-	-	81 175 839
Trade and Other Receivables from Exchange	(248 857)	309 302	1 796 544	-	-	248 857	2 105 846
Construction Contracts and Receivable	-	-	-	-	16 429 846	-	16 429 846
Prepayments	87 480	-	-	-	-	-	87 480
VAT	7 817 071	(1 436 865)	3 759 150	5 174 519	(12 576 920)	4 785 777	7 522 732
Property, Plant and Equipment	32 493	521 677	146 461 827	555 115	3 414 630	57 995 964	208 981 706
Heritage Assets	508 772	-	-	-	-	-	508 772
Intangible Assets	12 354 981	(2 548)	25 018	-	-	(466 096)	11 911 355
Long Term Investments	-	72 188 712	-	-	-	-	72 188 712
Total segment assets	**(211 992 199)**	**1 804 622 332**	**(46 331 965)**	**(125 295 738)**	**(622 716 967)**	**(164 039 237)**	**634 246 226**
Total assets as per Statement of financial Position							**634 246 226**
Liabilities							
Consumer deposit	-	(14 030)	-	-	-	-	(14 030)
Defined benefit obligations	-	(17 959 000)	-	-	-	-	(17 959 000)
Long service awards	-	(6 905 000)	-	-	-	-	(6 905 000)
Finance Lease Obligation	(53 225)	(220 082)	(229 355)	(31 929)	5 320	(226 220)	(755 491)
Trade and Other Payables Exchange Transactions	117 808	(83 797 801)	(16 242)	34 247	1 457	11 910	(83 648 621)
Total segment liabilities	**64 583**	**(108 895 913)**	**(245 597)**	**2 318**	**6 777**	**(214 310)**	**(109 282 142)**
Total liabilities as per Statement of financial Position							**(109 282 142)**

Notes to the Annual Financial Statements

Figures in Rand	2024	2023

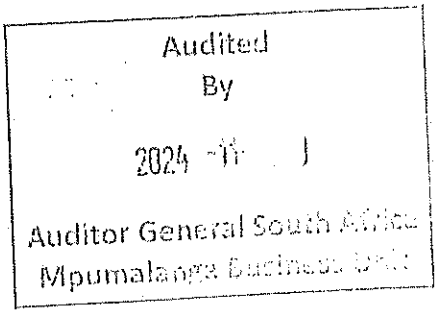
51. Change in estimate

Property, plant and equipment

The useful lives of all asset classes were adjusted during the 2023/2024 to more accurately reflect the period of economic benefits or service potential derived from these assets. Refer to note 10. The effect of changing the remaining useful life of assets for the Municipality during 2023/2024 has decreased the depreciation charge for the current year by R164 563.41. It is impractible to estimate the effect of the changes on future periods.

52. Operating lease asset (liability)

Current liabilities	125 582	-



Annexure A

RELATED PARTIES

Remuneration of Senior Management	2024	2023
Remuneration of Municipal Manager		
Annual Remuneration	1 479 726	1 225 453
Performance Bonus	50 572	116 260
Contribution to UIF,Medical And Pension Funds	327 051	299 966
Cellphone Allowance	42 174	39 329
Car Allowance	120 000	110 000
Leave Pay	110 062	103 443
	2 129 585	**1 894 451**
Remuneration of Chief Finance Officer		
Annual Remuneration	1 062 011	939 899
Car Allowance	126 000	126 000
Performance Bonuses	64 506	99 292
Contributions to UIF, Medical and Pension Funds	230 983	227 730
Cellphone Allowance	30 834	30 834
Leave Pay	64 344	60 475
Acting Allowance	1 651	11 418
	1 580 329	**1 495 648**
Remuneration of Manager: Planning and Economic Development		
Annual Remuneration	1 170 152	898 351
Car Allowance	151 980	122 660
Contributions to UIF, Medical and Pension Funds	58 105	49 386
Cellphone Allowance	30 834	26 324
Leave Pay	64 344	45 356
Acting Allowance	0	14 368
	1 475 415	**1 156 445**
Remuneration of Manager: Corporate Services		
Annual Remuneration	1 150 850	614 864
Car Allowance	120 000	70 000
Performance Bonuses	23518	-
Contributions to UIF, Medical and Pension Funds	123 911	70 562
Acting Allowance	15 687	21 517
Cellphone Allowance	30 834	18 929
Leave Pay	64 344	35 277
	1 529 144	**831 149**

* See Note

Remuneration of Manager: Technical Services		
Annual Remuneration	955 085	438 936
Car Allowance	144 000	56 000
Contributions to UIF, Medical and Pension Funds	78 178	36 620
Cellphone Allowance	30 834	15 417
Leave Pay	54 693	105 762
	1 262 790	**652 735**
Remuneration of Manager: Social Services		
Annual Remuneration	756 912	236 933
Car Allowance	268 800	89 600
Contributions to UIF, Medical and Pension Funds	156 692	49 679
Acting Allowance	6 458	-
Cellphone Allowance	30 712	10 278
Leave Pay	9 116	17 135
	1 228 690	**403 625**
Remuneration of Councillors	**2024**	**2023**
Remuneration of the Executive Mayor		
Annual Remuneration	916 758	834 872
Car Allowance	115 981	165 321
Cellphone Allowance	49 877	42 600
Contribution to UIF,Medical and Pension Funds	111 486	108 706
	1 194 102	**1 151 499**
Remuneration of the Speaker		
Annual Remuneration	642 156	583 203
Car Allowance	224 028	216 041
Cellphone Allowance	51 037	42 600
Contribution to UIF,Medical and Pension Funds	55 478	87 952
	972 699	**929 796**
Remuneration of the Chief Whip		
Annual Remuneration	576 812	575 390
Car Allowance	186 044	202 545
Cellphone Allowance	48 208	42 600
Contribution to UIF,Medical and Pension Funds	79 190	53 839
	890 254	**874 374**
Remuneration of the Mayoral Committee Members		
Annual Remuneration	4 135 927	4 003 132
Car Allowance	1 353 649	1 287 713
Cellphone Allowance	341 770	298 200
Contribution to UIF,Medical and Pension Funds	475 795	473 519
	6 307 141	**6 062 564**

* See Note

Remuneration of other Councillors		
Annual Remuneration	4 674 444	4 495 836
Car Allowance	1 344 120	1 310 044
Cellphone Allowance	1 479 113	1 926 733
Contribution to UIF,Medical and Pension Funds	265 728	219 425
	7 763 405	**7 952 038**

* See Note

ANNEXURE B	DEVIATION REPORTS 2023 - 2024 FINANCIAL YEAR													
NO.	VIATION NUMB	DESCRIPTION OF SERVICES REQUIRED	REQUESTING DEPARTMENT	APPROVED SERVICE PROVIDER	VALUE OF PROJECT / SERVICES / GOODS	ATE OF DECISIO	REASONS FOR DEVIATION			PAYMENT			
							DEPARTMENT	AM: SCM	DEPUTY	RDER NUMBE	PAYMENT NO	AYMENT DA	TUAL PAYMEN
					JULY 2023								
1	000001	Registration fees for the Mpumalanga Provincial Members assembly to take place from the 05th July 2023	Corporate Services	South African Local Government Association (SALGA)	R 2 000.00	06/07/2023	Registration fees for the Mpumalanga Provincial Members assembly to take place from the 05th July 2023	If such goods or services are produced or available from a single provider only		035258	Deleted		
2	000002	Multichoice is the only service provider for the TV programs and facilities of pay per view subscription services. The requested deviation is for a period of 36 months	Corporate Services	Multichoice SA	R 24 900.00	07/07/2023	Multichoice is the only service provider for the TV programs and facilities of pay per view subscription services. The requested deviation is for a period of 36 months	If such goods or services are produced or available from a single provider only		035264	EF073901-000	07/07/2023	R 24 900.00
				TOTAL	R 26 900.00							TOTAL	R 24 900.00
					AUGUST 2023								
3	000003	Payment to SALGA for workshops,conferences,training and registration for NDM conciliors & officials	Corporate Services	SALGA	Rates	17/08/2023	Payment to SALGA for workshops,conferences,training and registration for NDM conciliors & officials	If such goods or services are produced or available from a single provider only		035655	EF073984-0009	14/09/2023	R 5 000.00
				TOTAL								TOTAL	R 5 000.00
					SEPTEMBER 2023								
4	000004	Repairing of audio vidual in the Council Chamber	Corporate Services	Shellard Media	R 161 161.00	11/09/2023	If such goods or services are produced or available from a single provider only	If such goods or services are produced or available from a single provider only		035637	EF074030-000	11/09/2023	R 161 161.00
5	000005	Online workshop for EHP's	Community Development Services	Central University of Technology	R 25 200.00	22/09/2023	If such goods or services are produced or available from a single provider only	If such goods or services are produced or available from a single provider only		035723	EF074203-001	26/09/2023	R28 980.00
6	000006	Repairs of tools of trade for 11 laptops for NDM employees	ICT	Acer Africa (Pty)Ltd	R 45 690.98	27/09/2023	Repairs and maintenance- on strip and quote	Repairs and maintenance- on strip and quote		035902	EF074071-000	09/10/2023	R 52 544.63
				TOTAL	R 232 051.98							TOTAL	R 242 685.63
					Oct-23								
7	000007	Online database package for National Legislation & Local Government Legislations	Corporate Services	Lexis Nexis	R 367 487.41	2023/10/10	Online database package for National Legislation & Local Government Legislations	If such goods or services are produced or available from a single provider only		035913	EF074102-000	27/10/2023	R116 570.15

* See Note

8	000008	Registration fees for IMPSA confrence in Cape Town	Corporate Services	IMPSA	R 5 325.00	2023/10/10	Registration fees for IMPSA confrence in Cape Town	If such goods or services are produced or available from a single provider only		038615	EF074056-001	20/10/2023	R 5 325.00
				TOTAL	R 372 812.41							TOTAL	R 121 895.15
							Nov-23						
9	000009	The sound from Ndm couldn't connect properly to the SABC equipment for the live	Corporate Services	Strickly Projects	R 8 625.00	2023/02/11	The sound from Ndm couldn't connect properly to the SABC	In any other exceptional case where it		035992	EF074066-001	06/11/2023	R 8 625.00
10	000010	Payment for NDM TV licenses for the period 2023-12-01 to 2024-11-30	Corporate Services	SABC TV Licence	R 4 813.06	15/11/2023	Payment for NDM TV licenses for the period 2023-12-01 to 2024-11-30	If such goods or services are produced or available from a single provider only		036043	EF074080-000	16/11/2023	R 4 813.06
11	000011	Registration fees for CIAGOL confrence in Birchwood Hotel-Boksburg	Corporate Services/Internal Audit	Chartered Institute of Audit Governance,Oversight and Leadership (CIAGOL)	R 8 300.00	22/11/2023	Registration fees for CIAGOL confrence in Birchwood Hotel-Boksburg	If such goods or services are produced or available from a single provider only		036078	EF074079-000	22/11/2023	R 8 300.00
12	000012	Registration fees for CIAGOL confrence in Birchwood Hotel-Boksburg	Internal Audit	Chartered Institute of Audit Governance,Oversight and Leadership (CIAGOL)	R 0.00	N/A	Registration fees for CIAGOL confrence in Birchwood Hotel-Boksburg	If such goods or services are produced or available from a single provider only	Not approved by MM				
13	000013	Registration fees for CIAGOL confrence in Birchwood Hotel-Boksburg	Municipal Managers Office	Chartered Institute of Audit Governance,Oversight and Leadership (CIAGOL)	R 0.00	N/A	Registration fees for CIAGOL confrence in Birchwood Hotel-Boksburg	If such goods or services are produced or available from a single provider only	Not approved by MM				
				TOTAL	R 21 738.06							TOTAL	R 21 738.06
							Dec-23						
14	000014	Registration fees for CIAGOL confrence in Birchwood Hotel-Boksburg	Office of the Mayor	Chartered Institute of Audit Governance,Oversight and Leadership (CIAGOL)	R 8 700.00	2023/01/12	Registration fees for CIAGOL confrence in Birchwood Hotel-Boksburg	If such goods or services are produced or available from a single provider only		036125	EF074164-001	01/12/2023	R 8 700.00
15	000015	Registration fees for CIAGOL confrence in Birchwood Hotel-Boksburg	Office of the Chiefwhip	Chartered Institute of Audit Governance,Oversight and Leadership (CIAGOL)	R 4 350.00	2023/01/12	Registration fees for CIAGOL confrence in Birchwood Hotel-Boksburg	If such goods or services are produced or available from a single provider only		036127	EF074175-001	01/12/2023	R 4 350.00
				TOTAL	R 13 050.00							TOTAL	R 13 050.00
							Jan-24						

* See Note

16	000016	Assessment Toolbox had a contract with the municipality until 31 December 2023.Human Resource requested for quotation and bookings for 8 candidated (3 x CFO and 4 CEO NEDA) on the 08th of December 2023 but unfortunately the service provider was already fully booked until the 14th December 2023 and could not take on further bookings since they had to finalize the assessment reports before they closed for festive recess and could only confirm the 2024 available dates upon reopening from the 08th of	Corporate Services	Assesment Toolbox	R 43 724.20	15/01/2024	Assessment Toolbox had a contract with the municipality until 31 December 2023.Human Resource requested for quotation and bookings for 8 candidated (3 x CFO and 4 CEO NEDA) on the 08th of December 2023 but unfortunately the service provider was already fully booked until the 14th December 2023 and could not take on further bookings since	In any other exceptional case where it is impractical or impossible to follow the official procurement processes		036353	EF074153-000	06/02/2024	R 43 724.20
17	000017	Government Printing Works is the only service provider that deals with the promulgation of by-laws and any other documents tht requires to be gazetted. It is therefore requested that the deviation should be for a period of not exceeding 36 months from the date of approval by Accounting officer	Corporate Services	Government Printing Works	rates	2024/01/16	Government Printing Works is the only service provider that deals with the promulgation of by-laws and any other documents tht requires to be gazetted. It is therefore requested that the deviation should be for a period of not exceeding 36 months from the date of approval by Accounting officer	If such goods or services are produced or available from a single provider only		036594	EF074204-000	22/03/2024	R13 114.40
				TOTAL	R 43 724.20							TOTAL	R 56 838.60
						Feb-24							
						No Deviations							
						Mar-24							
18	000018	Scanners with licensing	Finance Services	Munsoft	R 188 107.14	14-Mar-24	Scanners with licensing	If such goods or services are produced or available from a single provider only		036611	EF074308-000	26/03/2024	R 188 107.14
				TOTAL	R 188 107.14							TOTAL	R 188 107.14
						Apr-24							
						No Deviations							
						May-24							
19	000019	Registration fees for TB conference in Durban ICC	Community Development Services	Foundation for Professional Development Fund (FPD)	R 12 000.00	31-May-24	Registration fees for TB conference in Durban ICC	If such goods or services are produced or available from a single provider only		036968	EF074297-000	04/06/2024	R6 000.00

* See Note

				TOTAL	R 12 000.00							TOTAL	R6 000.00
						Jun-24							
20	000020	Annual membership fees for South African Institute of Occupation Safety & Health for Ronald Makulane	Corporate Services	South African Institute of Occupation Safety & Health (SAIOSH)	R 1 201.75	06-Jun-24	Annual membership fees for South African Institute of Occupation Safety & Health for Ronald Makulane	If such goods or services are produced or available from a single provider only		037050	EF074326-000	19/06/2024	R 1 201.75
				TOTAL	R 1 201.75							TOTAL	R 1 201.75
				GRAND TOTAL	R 911 585.54							GRAND TOTAL	R 681 416.33

* See Note

2023/2024 REGISTER OF UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

ANNEXURE C

NKANGALA DISTRICT MUNICIPALITY

NO	Date of discovery	Date reported to the Accounting Officer	Service Provider	Amount	Description of incident	Person liable (Official or Political	Type of prohibited expenditure	Status						
								UI	DP	CS	TR	P	WO	General comments
	2022/23 Opening Balance (Audited)			R 528 550.66										
	Cumulative balance as at 30 June 2024			R 528 550.66										
	Amounts investigated and written off by Council.			-R 261 669.17									✓	
	Amounts incurred during the current financial year:													
			SARS: VAT	R 153 324.98	Vat penalty and interest	A.Hlongwa		✓						
			SARS: PAYE	R 8 476.45	PAYE interest	C.Kwakwa		✓						
			COIDA	R 115 857.00	COIDA interest	C.Kwakwa		✓						
	Amounts recovered			R -										
	Closing balance as at 30 June 2024			R 544 539.92										

Abbreviations

UI:	Irregular expenditure under investigation
DP:	Disciplinary process initiated against responsible person
CS:	Criminal charges laid with SAPS
TR:	Transferred to receivables for recovery
P:	Paid or in process of paying in installments
WO:	Written-off by Council as irrecoverable

* See Note

Annexure D

Nkangala District Municipality

Interpretation of results

The green indicate that the results is within the norm

	RATIO	FORMULA	DATA SOURCE	NORM/BENCHMARK	TOU DESCRIPTION	DATA ITEMS 2024	DATA ITEMS 2023
1. FINANCIAL POSITION							
A. Asset Management/Utilisation							
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%	Total Operating Expenditure	1 093 199 619	795 664 080
					Taxation Expense		
					Total Capital Expenditure	34 779 809	35 619 181
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment (Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%	PPE, Investment Property and Intangible Impairment	21 201 833	17 444 376
					PPE at carrying value	225 331 791	209 460 478
					Investment at carrying value		
					Intangible Assets at carrying value	12 540 238	11 911 855
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%	Total Repairs and Maintenance Expenditure	22 857 165	16 672 596
					PPE at carrying value	287 922 629	251 401 833
					Investment Property at Carrying value		

* See Note

B. Debtors Management

1	Collection Rate	((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off) Billed Revenue) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		2021	2020
					Gross Debtors closing balance	1 701 595	2 105 846
					Gross Debtors opening balance	2 105 846	223 602
					Bad debts written Off		
					Billed Revenue	1 600 000	2 100 000
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/ Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		0%	0%
					Consumer Debtors Bad debts written off		-
					Consumer Debtors Current bad debt Provision	25 731	25 731
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		2021	2020
					Gross debtors	1 701 595	2 105 846
					Bad debts Provision	25 731	25 731
					Billed Revenue	1 600 000	2 100 000

C. Liquidity Management

1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-year Reports and AR	1 - 3 Months		2 Month	4 Month
					Cash and cash equivalents	193 052 758	233 333 936
					Unspent Conditional Grants	(34 233 239)	-16 429 840
					Overdraft		
					Short Term Investments		
					Total Annual Operational Expenditure	1 093 199 619	795 654 099
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1		2.07	3.96
					Current Assets	274 460 614.0	340 655 681
					Current Liabilities	132 519 356.0	85 966 135

D. Liability Management

1	Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost(Interest Paid and Redemption) / Total Operating Expenditure x 00	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		0%	0%
					Interest Paid	11 435	126 331
					Redemption	755452	923 432
					Total Operating Expenditure	1 093 199 619	795 654 099
					Taxation Expense		
2	Debt (Total Borrowings) / Revenue	((Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue -	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		0%	24
					Total Debt	-	755 491
					Total Operating Revenue	999 354 044	723 855 307
					Operational Conditional Grants	929 362 046	482 764 006

* See Note

E. Sustainability

1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment + Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	Cash and cash Equivalents	193 002 788	233 333 938
					Bank Overdraft		
					Short Term Investment		
					Long Term Investment	76 640 675	72 185 712
					Unspent Grants		
					Net Assets	429 301 150	534 964 090
					Share Premium		
					Share Capital		
					Revaluation Reserve		
					Fair Value Adjustment Reserve		
					Accumulated Surplus	429 301 150	534 964 090

2. FINANCIAL PERFORMANCE

A. Efficiency

						-9%	-8%
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure) Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	Total Operating Revenue	969 384 044	723 685 307
					Depreciation - Revalued Portion (Only non-cash gross amount from the Statement of Financial	21 201 433	17 444 376
					Total Operating Expenditure	1 093 190 639	795 654 099
					Taxation Expense		

* See Note

C. Revenue Management							
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI			
					CPI	6	6%
					Total Revenue (Previous)	723 885 307	431 584 250
					Total Revenue (Current)	909 384 044	723 885 307
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI			
					CPI	6	6%
					Total Revenue Exl.Capital (Previous)	721 553 307	431 584 250
					Total Revenue Exl.Capital (Current)	997 250 044	721 553 307

* See Note

D. Expenditure Management							
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) * 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days			
					Trade Creditors	57 829 914	42 577 835
					Contracted Services	39 512 614	50 076 550
					Repairs and Maintenance	22 857 185	16 672 514
					General expenses	750 460 882	509 721 018
					Bulk Purchases		
					Capital Outlay Purchases (Capital Outlay Purchases refers to purchases of Non-Current Property		
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%			
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure	277 658	261 665
					Total Operating Expenditure	1 093 159 619	795 654 099
					Taxation Expense		
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		29%	23%
					Employee personnel related cost	198 894 993	181 179 279
					Councillors Remuneration	17 127 602	16 881 155
					Total Operating Expenditure	1 093 159 619	795 654 099
					Taxation Expense		
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		6%	8%
					Contracted Services	62 369 799	65 749 146
					Total Operating Expenditure	1 093 159 619	795 654 099
					Taxation Expense		

* See Note

E. Grant Dependency

1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		100%	100%
					Internally generated funds	34 779 806	35 619 181
					Borrowings		
					Total Capital Expenditure	34 779 806	35 619 181
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		100%	100%
					Internally generated funds	34 779 806	35 619 181
					Total Capital Expenditure	34 779 806	35 619 181
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		6%	6%
					Total Revenue	999 384 044	723 885 307
					Government grant and subsidies	920 382 046	652 764 005
					Public contributions and Donations	5 250 000	-
					Capital Grants	2 341 000	2 332 000

3. BUDGET IMPLEMENTATION

1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		56%	81%
					Actual Capital Expenditure	34 779 806	35 619 181
					Budget Capital Expenditure	62 521 240	44 578 597
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		97%	84%
					Actual Operating Expenditure	1 093 199 619	795 854 056
					Budget Operating Expenditure	1 123 909 177	793 381 375
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		97%	91%
					Actual Operating Revenue	999 384 044	721 553 307
					Budget Operating Revenue	1 025 909 500	791 049 375

* See Note

Nkangala District Municipality
Unaudited Appendix G1
Budgeted Financial Performance (revenue and expenditure by functional classification)
for the year ended 30 June 2024

	2024/2023													2023/2022
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue - Functional															
Municipal governance and administration	452 041 100	-	452 041 100	-		452 041 100	447 137 672		(4 903 428)	99 %	99 %				417 264 398
Executive and council	-	-	-	-		-	642		642	DIV/0 %	DIV/0 %				1 369
Finance and administration	452 041 100	-	452 041 100	-		452 041 100	447 137 030		(4 904 070)	99 %	99 %				417 263 029
Internal audit	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Community and public safety	829 000	-	829 000	-		829 000	1 481 837		652 837	179 %	179 %				890 046
Community and social services	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Sport and recreation	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Public safety	479 000	-	479 000	-		479 000	248 805		(230 195)	52 %	52 %				48 701
Housing	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Health	350 000	-	350 000	-		350 000	1 233 032		883 032	352 %	352 %				841 345
Economic and environmental services	475 599 400	100 500 000	576 099 400	-		576 099 400	550 764 535		(25 334 865)	96 %	116 %				305 730 861
Planning and development	474 435 000	100 500 000	574 935 000	-		574 935 000	549 438 448		(25 496 552)	96 %	116 %				303 778 687
Road transport	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Environmental protection	1 164 400	-	1 164 400	-		1 164 400	1 326 087		161 687	114 %	114 %				1 952 174
Trading services	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Energy sources	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Water management	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Waste water management	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Waste management	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Other	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Other	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Total Revenue - Functional	928 469 500	100 500 000	1 028 969 500	-		1 028 969 500	999 384 044		(29 585 456)	97 %	108 %				723 885 305

Nkangala District Municipality
Unaudited Appendix G1
Budgeted Financial Performance (revenue and expenditure by functional classification)
for the year ended 30 June 2024

	2024/2023														2023/2022
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Expenditure - Functional															
Governance and administration	252 079 745	2 845 688	254 925 433	-	-	254 925 433	223 299 720	-	(31 625 713)	88 %	89 %	-	-	-	194 080 028
Executive and council	44 190 217	1 073 345	45 263 562	-	(117 400)	45 146 162	42 177 281	-	(2 968 881)	93 %	95 %	-	-	-	38 093 558
Finance and administration	196 349 758	730 343	197 080 101	-	86 800	197 166 901	168 774 540	-	(28 392 361)	86 %	86 %	-	-	-	145 574 199
Internal audit	11 539 770	1 042 000	12 581 770	-	(97 000)	12 484 770	12 347 899	-	(136 871)	99 %	107 %	-	-	-	10 412 271
Community and public safety	137 123 677	1 867 030	138 990 707	-	127 600	139 118 307	126 366 511	-	(12 751 796)	91 %	92 %	-	-	-	116 173 939
Community and social services	33 481 352	386 930	33 868 282	-	128 600	33 996 882	27 218 471	-	(6 778 411)	80 %	81 %	-	-	-	29 158 469
Sport and recreation	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Public safety	62 562 020	2 319 900	64 881 920	-	-	64 881 920	59 949 668	-	(4 932 252)	92 %	96 %	-	-	-	52 971 880
Housing	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Health	41 080 305	(839 800)	40 240 505	-	(1 000)	40 239 505	39 198 372	-	(1 041 133)	97 %	95 %	-	-	-	34 043 590
Economic and environmental services	654 823 673	73 965 684	728 789 357	-	-	728 789 357	745 222 215	-	16 432 858	102 %	114 %	-	-	-	481 108 451
Planning and development	647 667 805	74 465 684	722 133 489	-	-	722 133 489	741 354 624	-	19 221 135	103 %	114 %	-	-	-	477 192 856
Road transport	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Environmental protection	7 155 868	(500 000)	6 655 868	-	-	6 655 868	3 867 591	-	(2 788 277)	58 %	54 %	-	-	-	3 915 595
Trading services	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Energy sources	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Other	903 680	300 000	1 203 680	-	-	1 203 680	158 515	-	(1 045 165)	13 %	18 %	-	-	-	430 891
Other	903 680	300 000	1 203 680	-	-	1 203 680	158 515	-	(1 045 165)	13 %	18 %	-	-	-	430 891
Total Expenditure - Functional	1 044 930 775	78 978 402	1 123 909 177	-	-	1 123 909 177	1 095 046 961	-	(28 862 216)	97 %	105 %	-	-	-	791 793 309
Surplus/(Deficit) for the year	(116 461 275)	21 521 598	(94 939 677)	-		(94 939 677)	(95 662 917)		(723 240)	101 %	82 %				(67 908 004)

Nkangala District Municipality
Unaudited Appendix G2
Budgeted Financial Performance (revenue and expenditure by municipal vote)
for the year ended 30 June 2024

	2024/2023														2023/2022
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue by Vote															
Vote1- Municipal Manager	-	-	-	-		-	642		642	DIV/0 %	DIV/0 %				1 369
Vote2- Finance Services	426 041 100	-	426 041 100	-		426 041 100	434 495 358		8 454 258	102 %	102 %				417 137 203
Vote3- Corporate Services	26 000 000	-	26 000 000	-		26 000 000	12 641 672		(13 358 328)	49 %	49 %				125 826
Vote4- Community Development Services	1 993 400	-	1 993 400	-		1 993 400	2 807 924		814 524	141 %	141 %				2 842 220
Vote5- Planning and Economic Development	2 094 000	-	2 094 000	-		2 094 000	2 094 000		-	100 %	100 %				2 315 000
Vote6- Technical Services	472 341 000	100 500 000	572 841 000	-		572 841 000	547 344 448		(25 496 552)	96 %	116 %				301 463 687
	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Total Revenue by Vote	**928 469 500**	**100 500 000**	**1 028 969 500**	**-**		**1 028 969 500**	**999 384 044**		**(29 585 456)**	**97 %**	**108 %**				**723 885 305**
Expenditure by Vote to be appropriated															
Vote1- Municipal Manager	115 421 153	8 089 224	123 510 377	-	(6 416 024)	117 094 353	108 473 246	30 439 261	(8 621 107)	93 %	94 %	-	-	-	100 604 958
Vote2- Finance Services	42 877 066	(6 782 127)	36 094 939	-	(635 600)	35 459 339	30 617 981	-	(4 841 358)	86 %	71 %	-	-	-	31 610 409
Vote3- Corporate Services	105 428 953	2 154 021	107 582 974	-	7 251 522	114 834 495	93 466 960	-	(21 367 536)	81 %	89 %	-	-	-	71 626 961
Vote4- Community Development Services	135 639 787	745 600	136 385 387	-	(23 700)	136 361 687	123 688 187	-	(12 673 500)	91 %	91 %	-	-	-	112 287 872
Vote5- Planning and Economic Development	73 531 033	(13 472 888)	60 058 145	-	224 999	60 283 144	48 980 926	-	(11 302 218)	81 %	67 %	-	-	-	40 520 083
Vote6- Technical Services	572 032 783	88 244 572	660 277 355	-	(401 197)	659 876 158	689 819 661	-	29 943 503	105 %	121 %	-	-	-	435 143 025
	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Total Expenditure by Vote	**1 044 930 775**	**78 978 402**	**1 123 909 177**	**-**	**-**	**1 123 909 177**	**1 095 046 961**	**30 439 261**	**(28 862 216)**	**97 %**	**105 %**	**-**	**-**	**-**	**791 793 308**
Surplus/(Deficit) for the year	**(116 461 275)**	**21 521 598**	**(94 939 677)**	**-**		**(94 939 677)**	**(95 662 917)**		**(723 240)**	**101 %**	**82 %**				**(67 908 003)**

Nkangala District Municipality
Unaudited Appendix G3
Budgeted Financial Performance (revenue and expenditure)
for the year ended 30 June 2024

	2024/2023													2023/2022
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Revenue By Source															
Sale of goods	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Interest earned - external investments	23 465 000	-	23 465 000	-		23 465 000	30 743 872		7 278 872	131 %	131 %				25 020 787
Interest earned - outstanding debtors	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Dividends received	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Fines, penalties and forfeits	1 302 000	-	1 302 000	-		1 302 000	2 150 801		848 801	165 %	165 %				2 773 041
Licences and permits	791 400	-	791 400	-		791 400	1 359 119		567 719	172 %	172 %				1 093 519
Agency services	22 500 000	6 500 000	29 000 000	-		29 000 000	27 268 047		(1 731 953)	94 %	121 %				8 492 681
Transfers and subsidies	677 831 000	94 000 000	971 831 000	-		971 831 000	929 362 046		(42 468 954)	96 %	106 %				682 622 444
Operational revenue	239 100	-	239 100	-		239 100	909 159		670 059	380 %	380 %				1 550 835
Gains on disposal of PPE	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Total Revenue (excluding capital transfers and contributions)	**926 128 500**	**100 500 000**	**1 026 628 500**	**-**		**1 026 628 500**	**991 793 044**		**(34 835 456)**	**97 %**	**107 %**				**721 553 307**

Nkangala District Municipality
Unaudited Appendix G3
Budgeted Financial Performance (revenue and expenditure)
for the year ended 30 June 2024

	2024/2023														2023/2022
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Expenditure By Type															
Employee related costs	214 885 651	-	214 885 651	-	3 075 613	217 961 264	198 894 901	-	(19 066 363)	91 %	93 %	-	-	-	181 179 275
Remuneration of councillors	18 236 919	-	18 236 919	-	(239 713)	17 997 206	17 127 602	-	(869 604)	95 %	94 %	-	-	-	16 981 155
Bad debts	-	-	-		-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Depreciation & asset impairment	18 013 040	3 244 200	21 257 240		2 630 500	23 887 740	21 201 833	-	(2 685 907)	89 %	118 %	-	-	-	17 444 371
Interest expense	182 280	-	182 280	-	102 200	284 480	31 825	-	(252 655)	11 %	17 %	-	-	-	126 329
Operating leases	1 921 700	(1 343 900)	577 800	-	5 811 419	6 389 219	4 735 699	-	(1 653 520)	74 %	246 %	-	-	-	3 452 793
Inventory consumed	5 811 350	(421 755)	5 389 595	-	(279 859)	5 109 736	4 211 853	-	(897 883)	82 %	72 %	-	-	-	2 815 437
Contracted services	80 898 430	8 652 512	89 550 942	-	(20 547 117)	69 003 825	62 369 798	-	(6 634 027)	90 %	77 %	-	-	-	66 749 146
Transfers and subsidies	643 253 131	67 620 781	710 873 912	-	1 293 284	712 167 196	724 849 855	-	12 682 659	102 %	113 %	-	-	-	457 068 647
Operational costs	61 728 274	1 226 564	62 954 838	-	8 153 673	71 108 511	59 776 246	-	(11 332 265)	84 %	97 %	-	-	-	49 836 922
Gain/Losses	-	-	-	-	-	-	1 847 355	-	1 847 355	DIV/0 %	DIV/0 %	-	-	-	(3 860 767)
Total Expenditure	**1 044 930 775**	**78 978 402**	**1 123 909 177**	-	-	**1 123 909 177**	**1 095 046 967**	-	**(28 862 210)**	**97 %**	**105 %**	-	-	-	**791 793 308**
Surplus/(Deficit)	**(118 802 275)**	**21 521 598**	**(97 280 677)**	-		**(97 280 677)**	**(103 253 923)**		**(5 973 246)**	**106 %**	**87 %**				**(70 240 001)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 341 000	-	2 341 000	-		2 341 000	7 591 000		5 250 000	324 %	324 %				2 332 000
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Transfers and subsidies - operational	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Surplus/(Deficit) after capital transfers & contributions	**(116 461 275)**	**21 521 598**	**(94 939 677)**	-		**(94 939 677)**	**(95 662 923)**		**(723 246)**	**101 %**	**82 %**				**(67 908 001)**
Taxation	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Surplus/(Deficit) after taxation	**(116 461 275)**	**21 521 598**	**(94 939 677)**	-		**(94 939 677)**	**(95 662 923)**		**(723 246)**	**101 %**	**82 %**				**(67 908 001)**
Attributable to minorities	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Surplus/(Deficit) attributable to municipality	**(116 461 275)**	**21 521 598**	**(94 939 677)**	-		**(94 939 677)**	**(95 662 923)**		**(723 246)**	**101 %**	**82 %**				**(67 908 001)**
Share of surplus/ (deficit) of associate	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Surplus/(Deficit) for the year	**(116 461 275)**	**21 521 598**	**(94 939 677)**	-		**(94 939 677)**	**(95 662 923)**		**(723 246)**	**101 %**	**82 %**				**(67 908 001)**

Nkangala District Municipality
Unaudited Appendix G4
Budgeted Capital Expenditure by vote, function and funding for the year ended 30 June 2024

	2024/2023														2023/2022
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Single-year expenditure															
Vote1- Municipal Manager	11 195 000	(2 630 250)	8 564 750	-	(175 525)	8 389 225	6 119 850	-	(2 269 375)	73 %	55 %	-	-	-	3 004 385
Vote2- Finance Services	30 000	85 000	115 000	-	-	115 000	76 714	-	(38 286)	67 %	256 %	-	-	-	227 050
Vote3-Corporate Services	16 220 000	6 428 556	22 648 556	-	175 525	22 824 081	22 540 685	-	(283 396)	99 %	139 %	-	-	-	6 137 307
Vote4- Community Development Services	32 450 000	(12 828 857)	19 621 143	-	-	19 621 143	12 542 227	-	(7 078 916)	64 %	39 %	-	-	-	26 250 429
Vote5- Planning and Economic Development	300 000	(228 200)	71 800	-	-	71 800	71 792	-	(8)	100 %	24 %	-	-	-	-
Vote6- Technical Services	-	1 500 000	1 500 000	-	-	1 500 000	1 289 649	-	(210 351)	86 %	DIV/0 %	-	-	-	-
	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Capital single-year expenditure sub-total	**60 195 000**	**(7 673 751)**	**52 521 249**	-	-	**52 521 249**	**42 640 917**	-	**(9 880 332)**	**81 %**	**71 %**	-	-	-	-
Total Capital Expenditure - Vote	**60 195 000**	**(7 673 751)**	**52 521 249**	-	-	**52 521 249**	**42 640 917**	-	**(9 880 332)**	**81 %**	**71 %**	-	-	-	-

Nkangala District Municipality
Unaudited Appendix G4
Budgeted Capital Expenditure by vote, function and funding for the year ended 30 June 2024

	2024/2023														2023/2022
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Capital Expenditure - Functional															
Governance and administration	27 445 000	3 883 306	31 328 306	-	-	31 328 306	28 737 249	-	(2 591 057)	92 %	105 %	-	-	-	9 368 752
Executive and council	1 900 000	(1 100 000)	800 000	-	-	800 000	684 827	-	(115 173)	86 %	36 %	-	-	-	29 980
Finance and administration	25 445 000	4 983 306	30 428 306	-	-	30 428 306	27 965 188	-	(2 463 118)	92 %	110 %	-	-	-	9 318 272
Internal audit	100 000	-	100 000	-	-	100 000	87 234	-	(12 766)	87 %	87 %	-	-	-	20 500
Community and public safety	32 450 000	(12 828 857)	19 621 143	-	-	19 621 143	12 542 226	-	(7 078 917)	64 %	39 %	-	-	-	26 250 429
Community and social services	10 000 000	(6 534 208)	3 465 792	-	-	3 465 792	934 253	-	(2 531 539)	27 %	9 %	-	-	-	4 554 032
Sport and recreation	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Public safety	21 750 000	(6 294 649)	15 455 351	-	-	15 455 351	11 452 873	-	(4 002 478)	74 %	53 %	-	-	-	20 982 941
Housing	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Health	700 000	-	700 000	-	-	700 000	155 100	-	(544 900)	22 %	22 %	-	-	-	713 456
Economic and environmental services	300 000	1 271 800	1 571 800	-	-	1 571 800	1 361 440	-	(210 360)	87 %	454 %	-	-	-	-
Planning and development	300 000	1 271 800	1 571 800	-	-	1 571 800	1 361 440	-	(210 360)	87 %	454 %	-	-	-	-
Road transport	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Trading services	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Energy sources	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Water management	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Total Capital Expenditure - Functional	60 195 000	(7 673 751)	52 521 249	-	-	52 521 249	42 640 915	-	(9 880 334)	81 %	71 %	-	-	-	35 619 181
Funded by:															
National Government	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Provincial Government	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
District Municipality	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Other transfers and grants	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Transfers recognised - capital	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Public contributions & donations	-	-	-	-		-	5 250 000		5 250 000	DIV/0 %	DIV/0 %				-
Borrowing	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Internally generated funds	60 195 000	(7 673 751)	52 521 249	-		52 521 249	37 390 915		(15 130 334)	71 %	62 %				35 619 181
Total Capital Funding	60 195 000	(7 673 751)	52 521 249	-		52 521 249	42 640 915		(9 880 334)	81 %	71 %				35 619 181

Appendix H: Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2024											
Financial Performance											
Interest on investment	(23 523 500)	-	(23 523 500)	-		(23 523 500)	(30 743 872)		(7 220 372)	131 %	131 %
Transfers recognised - operational	(877 831 000)	(94 000 000)	(971 831 000)	-		(971 831 000)	(929 362 046)		42 468 954	96 %	106 %
Other own revenue	(24 774 000)	(6 500 000)	(31 274 000)	-		(31 274 000)	(31 687 126)		(413 126)	101 %	128 %
Total revenue (excluding capital transfers and contributions)	**(926 128 500)**	**(100 500 000)**	**(1 026 628 500)**	**-**		**(1 026 628 500)**	**(991 793 044)**		**34 835 456**	**97 %**	**107 %**
Employee costs	214 885 651	3 075 613	217 961 264	-	-	217 961 264	198 894 901	-	(19 066 363)	91 %	93 %
Remuneration of councillors	18 236 919	(239 713)	17 997 206	-	-	17 997 206	17 127 602	-	(869 604)	95 %	94 %
Depreciation and asset impairment	18 013 040	5 874 700	23 887 740			23 887 740	21 201 833	-	(2 685 907)	89 %	118 %
Finance charges	182 280	102 200	284 480	-	-	284 480	31 825	-	(252 655)	11 %	17 %
Inventory consumed and bulk purchases	5 811 350	(701 614)	5 109 736	-	-	5 109 736	4 211 853	-	(897 883)	82 %	72 %
Contracted Services	80 898 430	(11 894 605)	69 003 825	-	-	69 003 825	62 369 798	-	(6 634 027)	90 %	77 %
Transfers and grants	643 253 131	68 914 065	712 167 196	-	-	712 167 196	724 849 855	-	12 682 659	102 %	113 %
Operational costs	61 728 274	9 380 237	71 108 511	-	-	71 108 511	59 776 246	-	(11 332 265)	84 %	97 %
Operating lease	1 921 700	4 467 519	6 389 219	-	-	6 389 219	4 735 699	-	(1 653 520)	74 %	246 %
Fair value adjustments	-	-	-	-	-	-	131 804	-	131 804	DIV/0 %	DIV/0 %
Gain/loss on disposal of assets and liabilities	-	-	-	-	-	-	1 371 551	-	1 371 551	DIV/0 %	DIV/0 %
Actuarial gains/losses	-	-	-	-	-	-	344 000	-	344 000	DIV/0 %	DIV/0 %
Total expenditure	**1 044 930 775**	**78 978 402**	**1 123 909 177**	**-**	**-**	**1 123 909 177**	**1 095 046 967**	**-**	**(28 862 210)**	**97 %**	**105 %**

* See Note

Appropriation Statement

Figures in Rand	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Total revenue (excluding capital transfers and contributions)	(926 128 500)	(100 500 000)	(1 026 628 500)	-	-	(1 026 628 500)	(991 793 044)	-	34 835 456	97 %	107 %
Total expenditure	1 044 930 775	78 978 402	1 123 909 177	-	-	1 123 909 177	1 095 046 967	-	(28 862 210)	97 %	105 %
Surplus/(Deficit)	**118 802 275**	**(21 521 598)**	**97 280 677**	-		**97 280 677**	**103 253 923**		**5 973 246**	**106 %**	**87 %**

* See Note

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	(2 341 000)	-	(2 341 000)	-		(2 341 000)	(2 341 000)		-	100 %	100 %
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-		-	(5 250 000)		(5 250 000)	DIV/0 %	DIV/0 %
Surplus/(Deficit)	118 802 275	(21 521 598)	97 280 677	-	-	97 280 677	103 253 923	-	5 973 246	106 %	87 %
Capital transfers and contributions	(2 341 000)	-	(2 341 000)	-	-	(2 341 000)	(7 591 000)	-	(5 250 000)	324 %	324 %
Surplus (Deficit) after capital transfers and contributions	**116 461 275**	**(21 521 598)**	**94 939 677**	-		**94 939 677**	**95 662 923**		**723 246**	**101 %**	**82 %**
Surplus (Deficit) after capital transfers and contributions	116 461 275	(21 521 598)	94 939 677	-	-	94 939 677	95 662 923	-	723 246	101 %	82 %
Surplus/(Deficit) for the year	**116 461 275**	**(21 521 598)**	**94 939 677**	-		**94 939 677**	**95 662 923**		**723 246**	**101 %**	**82 %**
Capital expenditure and funds sources											
Total capital expenditure	60 195 000	(7 673 741)	52 521 259	-		52 521 259	42 640 917		(9 880 342)	81 %	71 %