

2022/2023

**MERAFONG CITY  
LOCAL MUNICIPALITY**

**ANNUAL REPORT**

# Contents

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## REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

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

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

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

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and
- The other financial years will follow a similar sequence as explained above.

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

MFMA Implementation Unit, National Treasury

July 2023

# Chapter 1

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

### COMPONENT A: MAYOR’S FOREWORD

#### MAYOR’S FOREWORD

##### MAYOR’S FOREWORD

###### a. Vision:

The municipality took a conscious decision in response to evolving socio-economic challenges that facing the community of Merafong City Local Municipality by changing the mission and vision statements of the municipality. The vision and mission statements of Merafong City Local Municipality were reflecting “a prosperous, sustainable and community-oriented city” and the mission stated to “provide quality services to our community through accountable governance”. The above mentioned statements lasted until recently when the municipality unveiled new vision and mission statements focusing to the current socio-economic challenges of the communities. The new mission statement of Merafong City Local Municipality is “An Economically Sustainable, Community Oriented and Safe City”.

The new Mission Statement is “To Create an Enabling Environment that is Transparent and Accountable to the Community, by providing Excellent, Effective and Efficient Services”, which collectively striving to bring stability, socio-economic recovery plans and community development programs.

The municipality is upholding to the values and practices that reflect the core guidelines and constitutional obligations for the provision of basic services to the community. The values of the municipality considered as follows:

- Accountable : Constitutionally democratic responsibility
- Transparency : Open, good governance
- Responsive : Empathetic to community needs, caring, empowering, enabling, facilitating
- Integrity : Honest, reliable conduct
- Professionalism: Knowledge-driven, non-partisan, ethical, flexible, teamwork, inclusiveness
- Excellence: Effective, efficient, enhanced, innovative, above average performance

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As guided by our new vision to provide quality services to our community through accountable governance remains our guiding tool towards delivering of quality services that is responsive to the demands and challenges of the community. As a result, the Municipality has fully aligned its political vision to the recent District Development Model (DDM) concept, National Development Plan (NDP) guidelines such as the National Development Framework; the Growing Gauteng Together Plan at provincial level; and fourteen (14) Regional Outcomes at the district level. For the municipality to perform maximally it is important to firstly capacitating the workforce starting from the executive management level until to other critical areas such as infrastructure and finance sections.

The municipality is committed to provide basic services to the people of Merafong community without fail by applying all interventions, opinions and the strategies approved. The municipality still operating under Section 154 intervention which gradually improving the basic services to our people. The officials of the municipality are adhering to other compliance measures such as cost containment measures, implementation of financial recovery plans, application of Municipal Financial Turnaround strategy, communication strategy and the enforcement of Memorandum Of Understanding with the Gauteng Provincial Department of Public Transport and Roads Infrastructure.

The past financial year the municipality has been noted with a disclaimer which amplified our commitment to attend to the issues raised by the Auditor General. The municipality is intensifying state capacity to address the challenges that resulted into AG's opinion to fill the critical positions, especially for senior vacancies. The municipality has successfully appointed Municipal Manager as critical position to account for the institution. The municipality has further established committees in terms of the Local Government Municipal Systems Act. No 32 of 2000 for compliance issues and effective performance such Section 80 Committees, MPAC Committee and other Section 79 committees.

## **b. Key Policy Developments:**

The municipality is committed to apply and implement all policies that are capable to address the challenges of communities and the institution such as implementation of District Development Model and Back to Basics Priorities. Through the Intergovernmental Relation Forums (IGR) the municipality re-affirmed its commitment to focus primarily on the development of policies and directives that address the improvement of revenue collection. This unfolded through the review and

# Chapter 1

implementation of its strategic pillars of the Financial Turn Around Priority Plan. The municipality starting to realize few results for the councilors workshop held on 19 to 20 January 2022 for policies meant to refined the measures to improve revenue collection. The Municipality undertook the process for the review and adoption of the Merafong Spatial Planning and Land Use Management Bylaws as well as its Land Use Scheme in compliance with the SPLUMA, 2013 that seeks to create spatial cohesion and promotion of socio-economic development within the Municipality.

The Municipality concluded its Water Services Master Plan and Water Services Development Plan through the support of the Development Bank of South Africa. The municipality is ready to implement the recent promulgated Local Government Municipal Staff Regulations approved by the Minister for Corporate Governance and Traditional Affairs Dr Nkosazana Dlamini Zuma which supposed to be applied with effect from the 1<sup>st</sup> of July 2022. The introduction of this regulation will benefit the municipality against the labour issues that are compromising the performance of the municipality, especially on service delivery issues.

The new vision and mission statements of the municipality is to create a conducive environment to implement the local economic development policies to our townships.

## **c. Key Service Delivery Improvements:**

Following the researches made about challenges of service delivery to the municipalities, our government is encouraging collaboration of stakeholders to communities. Collective efforts are required to address common challenges on usage of electricity and water by our communities. It is against the above mentioned statement to announce that the municipality has managed to keep the payment arrangements for these major service delivery commodities. For the sustainable supply of these service delivery drivers the municipality applied the measures of Municipal Finance Turnaround Plan which including illegal disconnections, electricity load reduction and water restriction to areas identified.

The above mentioned campaign resulted into an improvement for 2021/2022 quarter three (3) on low payments of services and a number of payments arrangements by the departments, businesses and owing rent payers. The improvement is as a results of an established collaborated "Revenue Blitz Team" consists of finance, water, electricity, municipal social development and public safety sections observed by the respective ward councilors.

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Key service delivery improvements were concentrated essentially on the 14 regional outcomes mandated by the district and the interventions on water supply included the following:

- Maintenance plans developed and continuously monitored,
- Continuous efforts to improve the billing system for accuracy towards reduction of unaccounted water,
  - Constant community outreach programs for payment of services,
  - Comprehensive implementation of indigent policy to address water loss,
- War on water leaks community project

The municipality prioritized purchasing of service delivery fleet to improve the basic service delivery to the communities. The Executive Mayor relaunched a service delivery program conducted on weekly basis in collaboration with other related stakeholders including CDWs, EPWP and such government interventional structures. Greater challenges of service delivery are experienced mainly from Khutsong Township due to sinkholes devastation.

#### **d. Public Participation:**

The municipality complied with IDP/Budget consultation processes for 2022/2023 IDP/Budget consultation with the communities. A democratic process and public participation by the stakeholders improved the public engagements for the community development of Merafong City Local Municipality. The community raised critical issues affecting their lives including lack and shortage of electricity, sewer blockages, pot holes, non-functional street lights, poor solid waste management, collection of dust bins and further basic community services. Public Participation encourages government by the people for the people on issues relating to improvement of lives of the people.

Section 152(1)(a) of the Constitution provides that the objects of the local government are to encourage the involvement of communities and community organizations in the matters of local government; also with Section 28 of the Municipal System Act, Act 32 of 2000 requires that each Municipal Council adopts a process plan that would guide the planning, drafting, adoption and review of the IDP, Budget and Performance.

The municipality has reliable structures that are sustaining and improving the public participation as required in terms of Local Government Systems Act. No32 of 2000 Chapter 4, on community participation. Public Participation is led by a legislated Ward



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Committees structure and other collaborated structures such as Ward Based War Room Structures, Community Development Workers, Expanded Public Works Programs, Clinic Committees, School Governing Bodies, Community Forums including Gender, Youth, Disabled sector and further community designated groups.

The municipality is committed to create various channels of public participation and communication as approved a communication strategy which complemented by COGTA advised public participation guidelines such as:

- i. WhatsApp Groups,
- ii. Facebook,
- iii. Media, E.G. Radio and News Papers,
- iv. Municipal Website,
- v. SMS bundles,
- vi. Email Addresses,
- vii. Posters at the strategic points,
- viii. Creation of WhatsApp number for consultation,
- ix. WhatsApp ChatBots,
- x. Govchat Platform.

The above mentioned communication platforms were applied in line with the adopted municipal strategy to reach every citizen of Merafong for the purpose of public participation. The recent 2021/2022 IDP/Budget quarter 4 community consultation was a success following the above mentioned guidelines. The introduction of new District Development Model (DDM) as well amplifying the public participation of the community members on issues relating to their developments. The DDM intensified public participation programs at ward levels through the Ward Based War Room structures coordinated by the ward councilors. Following the experience of COVID-19 all public participation programs are subject for the protocols and the introduced regulations.

## **e. Future Actions:**

Amongst the priorities of the community, the municipality is focusing mainly to address the challenges of sinkholes, disaster of the previous floods, infrastructure challenges, water and electricity challenges, waste solid management and revenue collection. Continuous review of the revenue Collection, Revenue Management, Water Management Strategies and Waste Management Strategies in manner that will build confidence of Merafong residents and the improvement of Municipal Finances.

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The municipality is intensifying the stakeholder's engagements and IGR platforms to explore the solutions for challenges of the community. South African Local Government Association (SALGA) is coordinating the programs for interventions of the municipalities and Merafong City Local Municipality is a member of this association to engage for solutions of the constituency.

The municipality has a continuous engagement with Gauteng Provincial Department of Public Transport and Roads Infrastructure about approved Memorandum of Understanding on infrastructure issues, amendments on MOU made and services delivered in an ad hoc so far.

A Department of Human Settlement at national level in collaboration with other stakeholders such as War Room structures, Human Development Agency, preparing an intervention plan for Khutsong sinkholes condition.

## **f. Agreements / Partnerships:**

The collaboration and partnership with other stakeholders is a priority by the municipality to address the challenges such as service delivery ones. The Municipality has a Memorandum of Understanding with Gauteng Provincial Department of Public Transport and Roads Infrastructure.

The municipality and Rand water has an ingoing Memorandum of Understanding towards addressing of water losses, maintenance plans, including water loss management programs with special focus on leaking residential and business water meters add to water losses.

The municipality is maintaining its relationship with Municipal Infrastructure Support Agent (MISA), recently a partnership produced an employment contracts of four hundred (400) workforce to maintain environment.

Also we have entered into further partnership with COGTA towards funding initiative through MISA funds to establish mitigation measures to overcome the challenges faced due to the interruption of power supply, illegal connections and poor maintenance of station to overcome damages and losses suffered by the municipality as a result of the power cuts.

Currently the municipality and National Department of Human Settlement are initiating intervention for Khutsong sinkholes disaster. This is approached in collaboration with other key stakeholders such as COGTA and Humane Development

# Chapter 1

Agency (HAD).

**g. Conclusion:**

The new vision and mission statements of the municipality pointed to the prosperity and socio-economic solutions of the community of Merafong City Local Municipality. We are re affirming our commitment to comply and apply all necessary measures in order to turn around things for the benefits of our people, especially service delivery initiatives. The challenges of our people should be directly confronted with all government and community stakeholders to provide some collective solutions that will take Merafong City forward.

Our new vision and mission statements should be prioritised at all times.



(Signed by :) \_\_\_\_\_

Mayor/Executive Mayor

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# Chapter 1

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### MUNICIPAL MANAGER'S OVERVIEW

In the 2022/23 financial year, the Merafong City Local Municipality was still battling with its financial situation. The main contributor of this situation has been attributed to the culture of non - payment of services by the community. The municipality has also been grappling with distribution losses in terms of water and electricity. There has been an increase in the Water and Electricity losses during the 2022/23 period. The main reason for the excessive water and electricity losses is due to the non-technical losses that are caused by the bypassed/bridged meters, unmetered areas and an increase in the culture of nonpayment. To reduce the electricity losses, the municipality has conducted a Cost of Supply and Tariff Study that will be implemented during the 2023/24 period to ensure that electricity is provided at cost reflective tariffs.

Furthermore, through the COGTA support, the municipality has commenced with the Automated Meter Reading (AMR) contract for Large Power Users (LPU's) such as Industrial and Commercial customers. The aim of the AMR project is to modernize the billing system and for the enhancement and protection of municipal energy revenue derived from the LPU customer base. The municipality is in process of reviewing both the Water and Sanitation Bylaws and the Electricity Supply Bylaws as part of putting control measures on the use of water and electricity services and for protection of Council services infrastructure.

The other challenges regarding losses that are attributed to the overflowing of reservoirs, high pressure in water network, damaged pipes as a result of Zama- Zama's, old rigid water pipes cracking due inflexibility, leaking valves and hydrants and bypassed meters. The municipality will continue addressing these challenges through improving the capacity of the maintenance teams and ensuring that the required maintenance tools and equipment are available.

There has been great performance in the maintenance of gravel roads due to the procurement of the new municipal owned Road Motor Grader. Performance of the maintenance of stormwater drainage systems improved due to the increased availability in number of machinery during the December period. The persistent heavy rains in December 2022 that threaten to flood properties had compelled the municipality to increase the number of rented machinery for stormwater maintenance and in the process the backlog was addressed.

The municipality has concluded a Memorandum of Understanding (MoU) with the Gauteng Department of Roads and Transport (GDRT). The purpose of the MoU is to regulate and strengthen intergovernmental relations ensuring a co-operative, cost-effective and efficient service delivery implementing partnership. The GDRT has started to assist the municipality with the patching of potholes on some of the critical municipal roads. The GDRT has commenced with major rehabilitation of the provincial roads that are within the municipal jurisdiction such as the resealing of road R500 and stormwater maintenance on road D2581 entrance to Khutsong North. For the 2023/24 period, the municipality has submitted to GDRT the list of the critical municipal roads that require major rehabilitation.

# Chapter 1

Furthermore, in the 2023/24 procurement plan, the municipality will be implementing the three (3) year contract for road rehabilitation to improve the condition of municipal roads.

The maintenance of the municipal Waste Water Treatment Works (WWTW) in the areas of Khutsong, Wedela, Oberholzer and Kokosi have been greatly affected by the persistent theft and vandalism of infrastructure. The rehabilitation of the above plants is underway through the CAPEX programme and developer funded programs. However, the progress on the Wedela WWTW is not moving in line with the planned construction programme due to persistent theft and vandalism challenges and poor performance by the appointed contractor who has now been issued with letter of intention to terminate contract. The Oberholzer WWTW has recently been refurbished through funding donated by the Harmony Gold Capital Mine. The rehabilitation of the Kokosi WWTW was completed in July 2023 and the maintenance works at the Khutsong WWTW will be undertaken in 2023/24 by the developer of

There were challenges in the implementation of the credit control measures due to resistance from the communities which made it difficult for the municipal employees and Revenue Credit Control service providers to gain access to the townships and into the substation and pump-stations

The revenue collection for the municipality closed at 52% which has been deteriorating and being lower than the budgeted 60% revenue collection. In addressing this situation, the municipality came up with various strategies. One of the strategies was to implement a load reduction on electricity, a strategy that has translated to communities experiencing 12 to 13 hours of switch off. The municipality appreciates the frustration brought about by this strategy however it is the only way to deal with the growing ESKOM bill.

In view of the above discussion, it is clear that this situation will have a negative impact in the municipality's ability and capacity to render quality services. The Municipality achieved an overall performance of 57% on the implementation of its Service Delivery and Budget Implementation Plan for the year under review compared to 50% in the previous financial year. This indicates that the Municipality was not fully effective in its implementation of the SDBIP due to the reasons indicated under each indicator. See the detailed Annual Performance Report (Annexure B) of this report.

The municipality consolidated its SDBIP into 6 goals aligned to the Nation Framework, and are the following:

- Goal 1: Basic Service Delivery
- Goal 2: Local Economic and Social Development
- Goal 3: Transformation and Organisational Development
- Goal 4: Municipal Financial Viability and Management
- Goal 5: Good Governance and Public Participation
- Goal 6: Integrated Spatial Development Framework



**MR DUMISANI MABUZA**  
**MUNICIPAL MANAGER**  
**DATE:**

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# Chapter 1

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

#### Water and Sanitation

Provision of Water and Sanitation to the community of Merafong statistically for the year 2022/23 for water 97% and sanitation 90%. Although the provision of water and sanitation are at these levels, the section experienced a lot of service interruptions. Causes for these problems range from theft, vandalism of infrastructure, unavailability of equipment to attend to urgent service queries and collapse of infrastructure due to ageing. The municipality strives by all means to ensure this basic service continues to be provided to the community even in light of the limited budget resources. The municipality also experienced high levels of water losses which prompted the municipality to restrict water in some high consuming areas in order to reduce the losses. The municipality has financial challenges that affect the implementation of 'war on leaks' programme which is intended to reduce water losses.

Municipality is providing 57 192 formal households with access to weekly refuse removals using 240l wheelie bins, which the level of service is in line with refuse removal norms and standards. Refuse removal service is rendered to the formal and informal settlements.

The service coverage to the formal settlements is 96.7% and comparatively the coverage in the informal settlements is lower.

The phase-in approach is utilised for the introduction of service to the newly developed formal areas. Planning process for rendering the refuse removal service to the community.

#### Roads and Stormwater

One of the obligations of the municipality is to provide good quality roads and stormwater infrastructure to the community. To achieve this there has to be financial resources and Human resources. The municipality has to generate revenue from internally through provision of services to the community. From the generated income all maintenance needs have to be met, including roads and stormwater.

On previous financial years, the Municipal Infrastructure Grant made an allowance to cater for maintenance needs within the grant. The condition set to access the grant is that the municipality must have an existing Master Plan, that will then inform the maintenance projects to be implemented by the grant. The municipality does not have the Master Plan in place, therefore cannot utilise the grant.

Since the municipality experienced challenges with generating sufficient income to cater for Infrastructure Maintenance, there has been drastic deterioration of the infrastructure. Financial constraints affected the performance of the municipality on roads maintenance. The conditional grants that are supposed to fund construction of new roads and stormwater are also not sufficient to address the current backlog that the municipality has.

The resealing of roads that were done with municipal revenue are no longer taking place due to the decline in revenue collection.

We are exploring the alternative sources of funding for implementation of roads and stormwater projects to reduce or eliminate the backlog.

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Operational funding generated by the municipality is the only source of fund that is utilised for maintenance of roads and stormwater infrastructure. The municipality has got more gravel roads in its network, that requires periodic maintenance in a form of grading. That could not be properly adhered to due to budgetary constraints that made it impossible to acquire the machinery. This affected the townships more, since they are historically disadvantaged areas with gravel roads.

## **ELECTRICITY SERVICES**

The year under review was characterized by significant increase in the vandalism and theft of Infrastructure. This had a significant impact on repairs and maintenance budget. A lot of intervention strategies were piloted to mitigate this problem. It is anticipated that in the next Financial Year, a comprehensive project shall be implemented.

The municipality partnered with Municipal Infrastructure Support Agency (MISA) to plan, review and finalise the Infrastructure Master Plan of electricity services for Merafong City. This programme shall be finalized in 2022/2023.

The municipality also partnered with COGTA to implement an Automatic Meter Reading (AMR) solution to support the Financial Turnaround Strategy of the municipality. The programme planning and resumption of the procurement processes by Cogta. The programme has been rolled-out in the 2022/2023 Financial Year. It shall continue in the 2022/2023 Financial Year

The Programme for the development/improvement on the Bulk Supply Capacity from Eskom also commenced in the current year. This includes the Bulk Supply Upgrade for Fochville areas and the Khutsong South Extensions/Welverdiend areas. The Municipality Financial Requirements were finalised in the current financial year with the Funding from the DMRE with the anticipation that Eskom will commence with their obligation I the next Financial Year

The Phase 6 Streetlight Project that is Funded by MIG as a multi-year programme was completed. It is anticipated that an additional funding from MIG shall commence in the next Financial Year.

## **Roads and Storm Water**

The performance of the municipality on roads is currently affected by budgetary constraints faced by the municipality. Most of the long term maintenance plans that the maintenance embarked on previous years had to be abandoned. Those include the resealing of roads and construction of new roads and stormwater infrastructure which were funded through the internal revenue. The municipality currently depends on conditional grants which are not coping well with addressing of the backlogs.

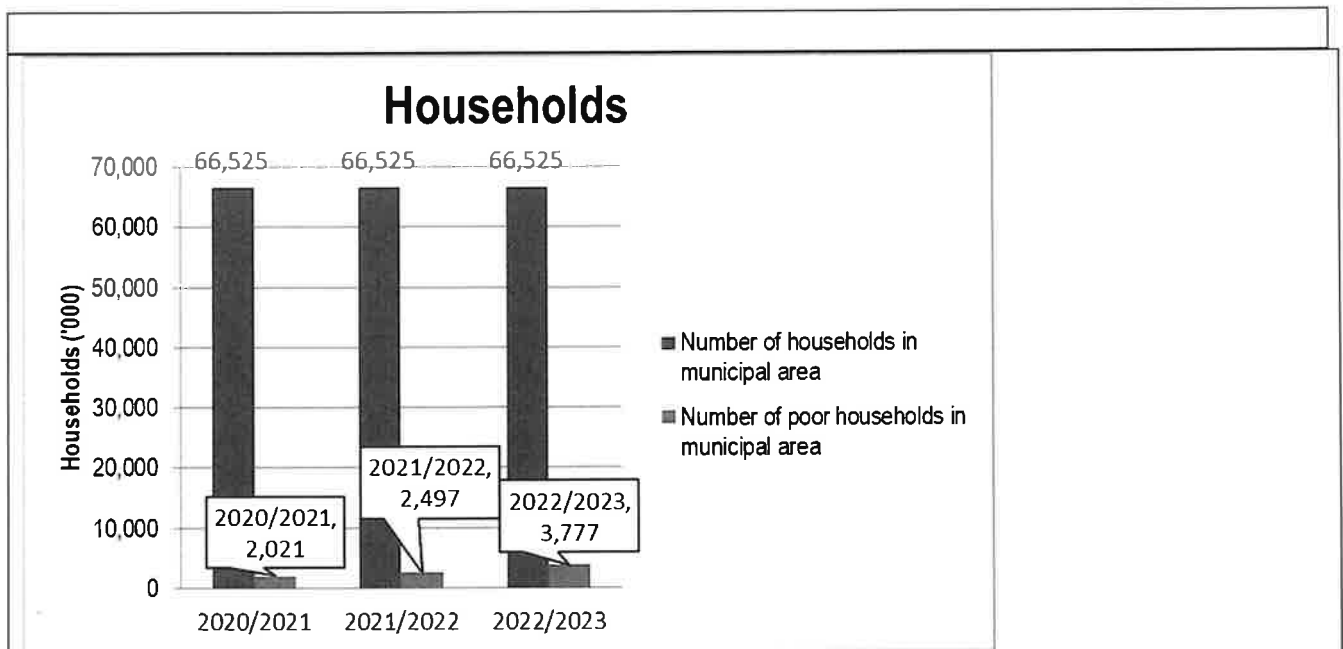
Maintenance of roads and stormwater drainage is being adhered to through operational funding generated by the municipality. Gravel roads are graded and stormwater system is being cleaned timeously. Townships are being prioritised since most population regarded as historically disadvantaged resides there and has got backlog in terms of provision of services. Informal settlements are also provided with the level of service applicable to them as per the available infrastructure. Challenges of old fleet of yellow machines which cannot be renewed due to bad financial state of the municipality hinders with the frequency that has to be met on maintenance of roads and stormwater infrastructure.

*T 1.2.1*

# Chapter 1

POPULATION DETAILS							Population '000		
Age	2020/2021			2021/2022			2022/2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	8613	7814	16427	8613	7814	16427	8613	7814	16427
Age: 5 - 9	7226	7163	14389	7226	7163	14389	7226	7163	14389
Age: 10 - 14	6435	6755	13190	6435	6755	13190	6435	6755	13190
Age: 15 - 19	6256	7148	13404	6256	7148	13404	6256	7148	13404
Age: 20 - 24	7352	7934	15286	7352	7934	15286	7352	7934	15286
Age: 25 - 29	9161	9304	18465	9161	9304	18465	9161	9304	18465
Age: 30 - 34	8280	7344	15624	8280	7344	15624	8280	7344	15624
Age: 35 - 39	10031	7388	17419	10031	7388	17419	10031	7388	17419
Age: 40 - 44	9618	6608	16226	9618	6608	16226	9618	6608	16226
Age: 45 - 49	8724	5438	14162	8724	5438	14162	8724	5438	14162
Age: 50 - 54	7339	4391	11730	7339	4391	11730	7339	4391	11730
Age: 55 - 59	4787	3747	8534	4787	3747	8534	4787	3747	8534
Age: 60 - 64	3200	2314	5514	3200	2314	5514	3200	2314	5514
Age: 65 - 69	1850	1528	3378	1850	1528	3378	1850	1528	3378

T1.2.2



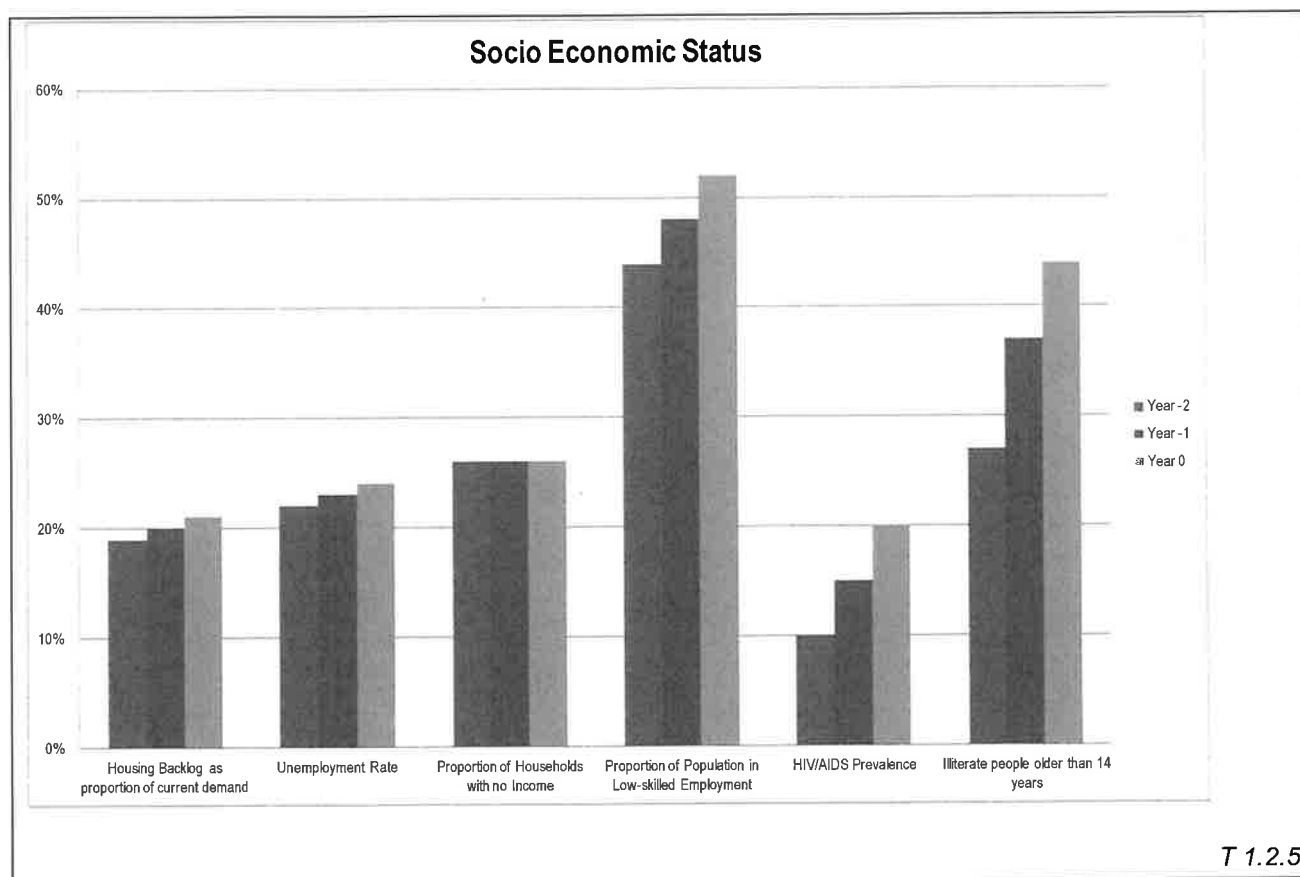
T1.2.3



# Chapter 1

Year	Socio Economic Status				
	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	Illiterate people older than 14 years
2020/2021	22%	20%	15%	27%	4%
2021/2022	22%	20%	15%	27%	4%
2022/2023	8%	20%	15%	27%	4%

Source: StatsSa Community Survey 2016 & Own Source T1.2.4



# Chapter 1

Overview of Neighborhoods within 'Merafong Municipality'			
Settlement Type	Population 2011	Projection 2019	Projection 2024
<b>NORTHERN URBAN AREA</b>			
Carletonville	26 486	26 950	29 800
Welverdiend	2 706	2 801	2 901
Blybank	1 889	4 750	3 250
Khutsong (North)	62 457	37 630	28 519
Khutsong South		21 907	26 317
Elijah Barayi	0	1 200	4 953
<b>Sub-Total</b>	<b>93 538</b>	<b>95 238</b>	<b>95 740</b>
<b>SOUTHERN URBAN AREA</b>			
Fochville	9 504	9 837	10 811
Kokosi	26 400	26 400	25 576
Greenspark	2 586	3 312	3 362
Wedela	17 931	18 245	17 995
Losberg	0	0	0
<b>Southern Total</b>	<b>56 421</b>	<b>57 794</b>	<b>57 744</b>
<b>MINING BELT</b>			
Mining Belt	40 341	26 721	22 044
<b>PROCLAIMED URBAN TOTAL</b>	<b>149 970</b>	<b>153 390</b>	<b>153 659</b>
<b>NON-URBAN</b>	<b>7 220</b>	<b>4 860</b>	<b>4 131</b>
<b>Grand Total</b>	<b>197 520</b>	<b>185 240</b>	<b>179 659</b>
Own Source			T 1.2.6

Natural Resources	
Major Natural Resource	Relevance to Community
Agriculture	Vast tracks of unproductive agricultural zoned land owned by the mines and the Far West Rand Dolomitic Water Association (FWRDWA) present an opportunity for agricultural production and related industrial development, e.g. Establishment of a Bioenergy Park and Agricultural Parks (Agri- Parks)
Mining	The declining trend in the performance of the mining sector is due to temporary and permanent shut downs of mining activities which have weakened Merafong' s GDP contribution to WRDM economy. High outmigration rates are fostered by job losses in mining and low incomes relative to earnings in other major cities within the Gauteng Province. The future of gold mining in the area lies in automation and mechanisation which will change the mines' workforce and

# Chapter 1

	impact on employment in the Municipality.
Infrastructure & Access to Services	The provision of essential services such as housing, electricity, access to clean water, health facilities, etc. is vital in determining the quality of life and satisfaction in residing in a locality (GCRO, 2015). Almost three quarters (74.2%) of households in Merafong were living in formal dwellings in 2016. This indicates an improvement from 2006, where almost 40% of the population were staying in informal settlements. This signifies formalisation of housing arrangements in the Municipality. The number of households accessing electricity marginally increased from 79.7% in 2006 to 82.5% in 2016. Although 83% of the households had access to piped water on their erven, there was a slight increase in the number of households relying on communal water (from 15% in 2006 to 16% in 2016). This was as a result of a 1% decrease of households relying on other sources of water supply (borehole, dam, well, etc.) during 2006-2016.
Source: Quantec 2017	
T 1.2.7	

## COMMENT ON BACKGROUND DATA:

The decline in the population of Merafong City due to the net outmigration figures as a result of the declining mining economy, poses a serious risk to sustainable growth and development.

### Population Profile

According to Global Insight 2016, the Merafong population profile was male dominated with males accounting for 54, 3% of the total population and females at 45, 7%. This was a clear demonstration of the impact of mining in the area. This trend has however changed considerably according to the 2017 Quantec data reports, where males account for 48, 8% and females 51, 2% of the population. This clearly demonstrates the impact of the steadily declining mining sector.

### Education Profile

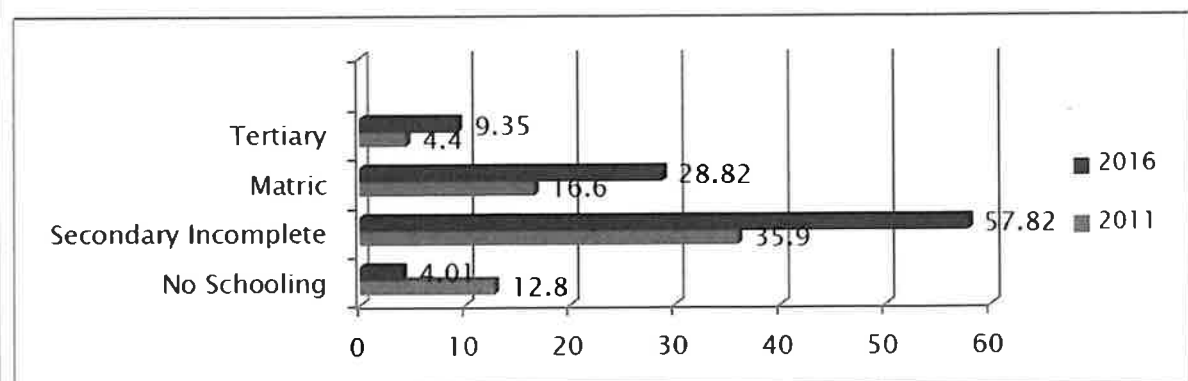
With regard to the education profile, there has been a remarkable improvement in the literacy levels since 2011 - 2016 in the following:

Population with tertiary education: 4.4%  $\Rightarrow$  9.3%

Population with matric education: 16.6%  $\Rightarrow$  28.8%

Population with secondary education: 35.9%  $\Rightarrow$  57.8%

Population with no schooling education: 12.8%  $\Rightarrow$  4%

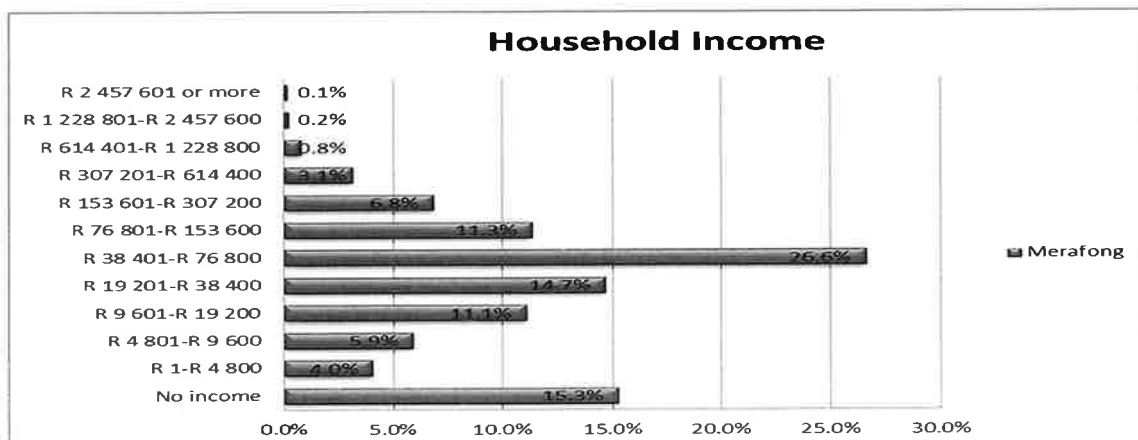


# Chapter 1

(Source: Quantec 2017)

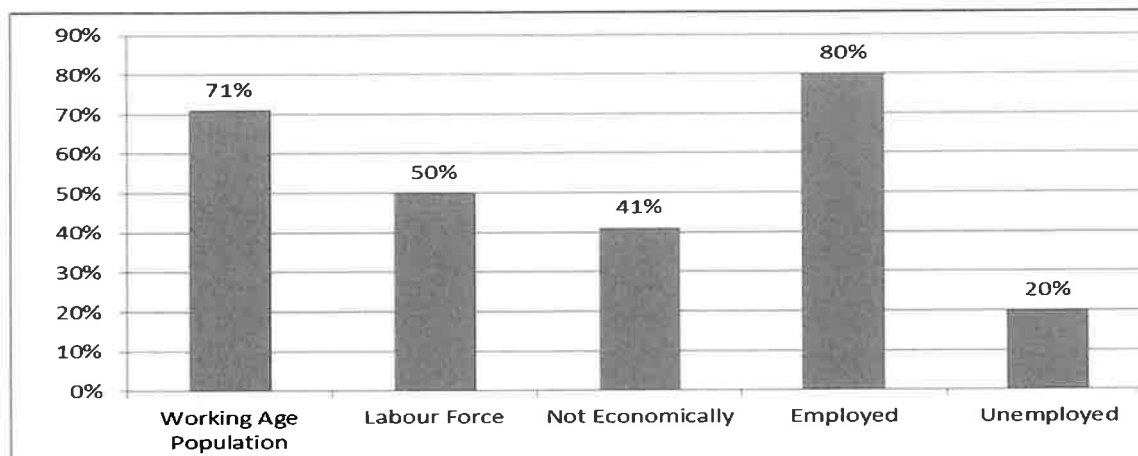
## Household Income Profile

The majority household income is between R19 201 to R76 800 per annum, similar to Gauteng Province and WRDM. The average household income of R6 750 per month is lower than the district's household average income of R8 690 and almost 50% lower than Gauteng's average household income. It is therefore clear that Merafong is a relative poor community which negatively impacts on the ability of households to afford municipal services.



(Source: Quantec 2017)

## Economic & Employment Profile



(Source: Quantec 2017)

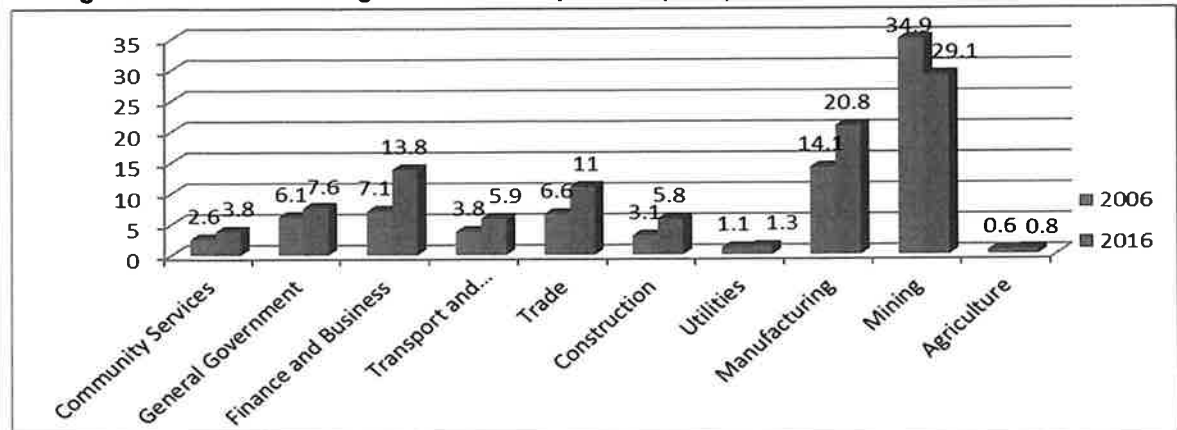
## Economic Performance

Although mining has shown a declining trend relative to its share in 2006, the mining sector remains the largest contributor to the municipality's GDP.

Conversely, all the other sectors have been steadily growing, with the greatest increases reported in the manufacturing sector and finance and business division.

# Chapter 1

The figure below shows the gross domestic product (GDP) contribution per sector in the MCLM.



(Source: Quantec 2017)

T 1.2.8

## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

#### HOUSING & ADMINISTRATION

Merafong City Local Municipality is located within the southwestern portion of the Gauteng Province. The Municipal Area is connected to the rest of Gauteng and neighbouring Provinces through the N12, N14 and R500 that traverses the Municipal area.

The area is characterized by a number of informal settlements scattered throughout the Municipal Area. These scattered settlement pattern, is largely due to mining activities concentrated along the mining belt running through the centre of the Municipal Area.

Merafong City as a predominant mining community is also characterized by the migration patterns linked to the mining industry. This has led to the growing informal settlements.

A socio-economic analysis of informal settlements in Merafong City has revealed that 3 distinguishable groups exist:

- ☐ People living on the fringes of townships,
- ☐ People living close to mine shafts, and
- ☐ People living on farms, not associated with those localities mentioned above.

There are 20 810 informal settlement households within Merafong City LM. These informal settlements have access to basic services, such as water, sanitation and high mast lighting, whereas the informal settlements located on farm land around these areas, basically only have access to water and basic sanitation.

# Chapter 1

Taking the above mentioned into consideration Merafong City Local Municipality has a Housing Plan in place which is revised annually to actively address the backlog in the areas and promote service delivery to the residents. Funding is secured through the Department of Human Settlement to actively address the backlog and the infra structure to develop the new areas for permanent housing. In the 2022/23 financial year the

Housing & Administration Section had secured a budget of R77,540,565.00 for infra structure to develop the new areas as follows:

- Khutsong Roads & Storm water	R30 000 000
- Khutsong Electrification	R 5 000 000
- Khutsong Alternative Bulk Water	R13 434 905
- Kokosi Waste Water Treatment Plant	R29 105 660

The above-mentioned projects were implemented to secure the services to be able to relocate the informal settlements around these areas to permanent structures with services.

## **WATER AND SANITATION**

A comprehensive evaluation on challenges within the section in terms of the generic procedures and requirements to provide basic services to the community and to address major water losses was completed in 2018. The assessment has indicated that Merafong Water and Sanitation does not comply with any of the minimum requirements in terms of the relevant legislation and procedures regulating the provision of basic services and infrastructure, leaving Council wide open for legal action from DWAFF and the Department of Environment Affairs. Furthermore, the situation creates a negative perception towards Council and officials from the residents in terms of the following challenges,

Water losses as a result of limited maintenance of infrastructure, Non-compliance of wastewater effluent, Critical vacancies on the organogram and Failing infrastructure as a result of dolomitic incidents, Unavailability of material to address urgent matters and limited mechanical equipment.

Under all the financial strain the municipality finds itself in we are still striving to give the basic quality service to the community we serve. Revenue collection is not in good state to improve the service but we manage to give the basic level service. All Merafong residence have access to basic level of services.

## **WASTE MANAGEMENT**

Achievements:

Sibanye mine managed to donate Roll-On Roll-Off (RORO) truck to municipality to improve the service delivery of 30 cm<sup>3</sup> skip containers. Although there is still shortage of 30 cm<sup>3</sup> containers to fit on the Roll-On Roll-Off (RORO) truck.

The Integrated Waste Management Plan (IWMP) is implemented and aligned with the Integrated Development Plan.

# Chapter 1

Solid Waste Operations managed to render the service of refuse removal internally although they have shortage of personnel and fleet especially compactor trucks.

## **Challenges**

Shortage of personnel, illegal dumping equipment including solid waste fleet at large hamper the solid waste collection. Also municipal financial constraints to fund implementation of waste collection strategy in the informal settlement hindered the delivery of quality of waste collection service.

The unfriendly usable roads infrastructure in the newly development areas delays the extension of waste collection service.

## **ELECTRICITY**

The Electricity Section of Merafong City is managed under the Infrastructure Development Department. The primary functions are the Management of the Network; the Repairs and Maintenance as well as Customer Services.

## **Achievements**

The projects and programmes planned for the year were achieved with challenges that were managed and mitigated.

The response to Network Faults resulting from normal wear and tear were responded and attended to within the prescribed standards.

Unplanned network repairs as a result of vandalism and theft were also responded to. Some of the work in these category of power outages took longer due to the nature of it being an unplanned event.

## **Challenges**

Theft and vandalism remain the biggest challenges to the electricity services. This compromises the reliability of supply to the communities.

The above creates a challenge in the planning and procurement of Contingency+ Spares and Material. This also depletes the Budget of the Department due to unforeseen expenditure.

## **ROADS AND STORMWATER**

## **Achievements**

During the year under review, the municipality has managed to maintain various roads and stormwater infrastructure. The maintenance Activities as contained in the annual maintenance plan included grading of roads in townships and informal settlements as well as farming areas that fall within our jurisdiction. Patching of potholes throughout the municipality was also performed.

# Chapter 1

New stormwater infrastructure was also installed within roads and stormwater projects implemented through MIG funding. The townships of Kokosi, Khutsong and Wedela have benefitted in the projects since they all have backlog of unsurfaced roads. In Kokosi the backlog has been addressed very well as a result there are only few internal streets that still need to be surfaced. The municipality has achieved well in addressing the backlogs in that township.

## Challenges

Due to the limitation of funds the municipality is struggling to engage on certain maintenance activities. We have abandoned certain programmes that had to do with long term maintenance of roads and stormwater infrastructure. That have also affected the filling of vacancies which has left the municipality with staff shortage that also impacts negatively on the proper functioning of the maintenance sections.

Surfacing of all existing gravel roads remains a critical need for the municipality, since the challenge makes it difficult and expensive to maintain roads and stormwater infrastructure. The challenge remains the non-availability of funds to address the issue.

T1.3.1

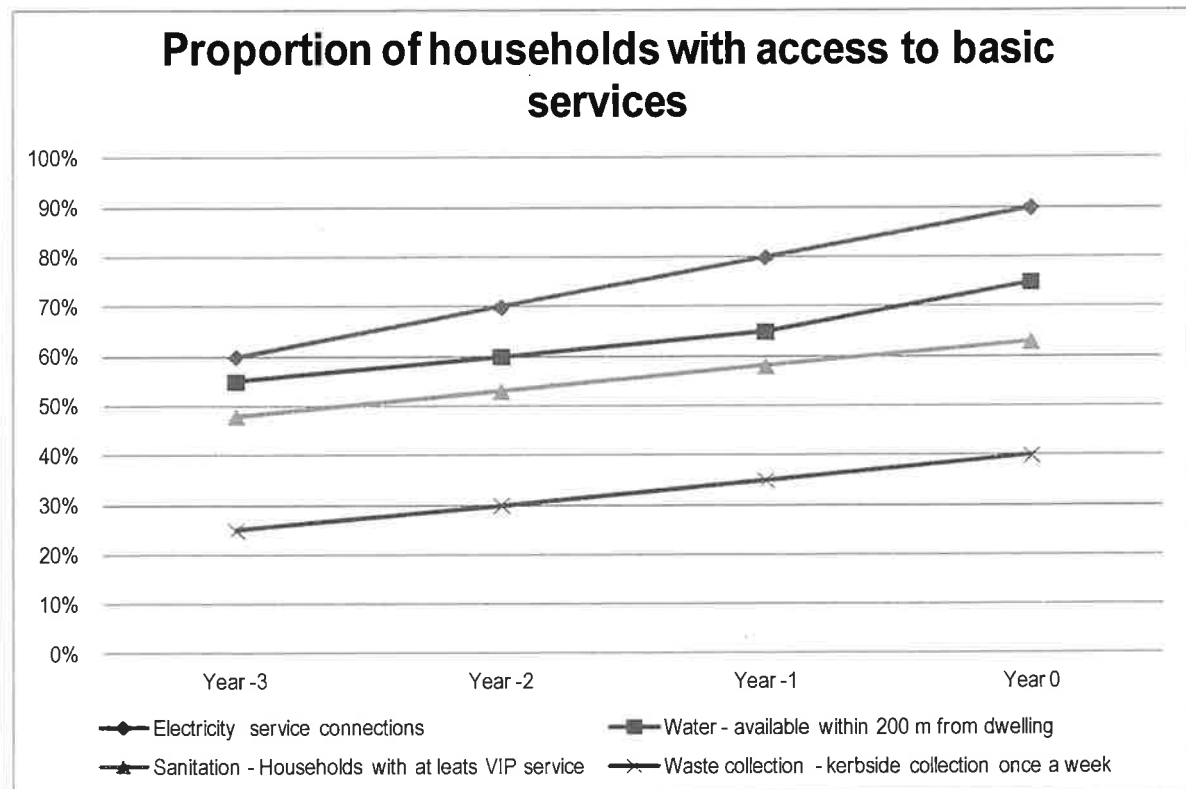


Table T 1.3.2



# Chapter 1

## COMMENT ON ACCESS TO BASIC SERVICES:

### **WATER AND SANITATION**

Provision of Water and Sanitation to the community of Merafong statistically for the year 2022/23 for water 97% and sanitation 90%.

### **WASTE MANAGEMENT**

Eighty-two percent of the households in the informal areas did not have access to the refuse removal service due to the lack of financial resources to give effect to the implementation of the Waste Collection Strategy in the informal settlements.

The Solid Waste department is still experiencing the shortage of staff in terms of the middle management, top management and operational personnel although there is acting's on the positions, the service delivery is not effective due to acting rotations and this resulted in the backlog of newly development formal areas households which are without access to the weekly kerbside refuse removal service.

### **ELECTRICITY**

Formal households in the municipal Jurisdiction of electricity services have access to Basic Services. Planning for future extensions has been completed. Planning for the improvement of Bulk Services has been completed and being implemented on a multi-year basis as per the allocation of budgets and funds from the Department of Mineral Resources and Energy.

### **ROADS AND STORMWATER**

All areas of the municipality have got access to Roads infrastructure. The infrastructure comes at different standards whereby some are paved and some unpaved roads. The municipality is in the process of clearing the backlog of un paved roads, since they are heavy on the maintenance budget. The stormwater infrastructure is also provided according to the type of road in a specific area. For unpaved roads the municipality offers mitre drains and open earth channels, whereas on paved roads we get stormwater reticulation in a form of piped network as well as concrete lined channels. The municipality has got approved business plans to address the backlog of gravel roads on all townships.

*T 1.3.3*

# Chapter 1

## 1.4. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

The Municipality closed off with a deficit of R230 814 830 comparing to a budgeted surplus of R240 000. Cash flow had deteriorated in 2022/2023.

Liquidity ratio had deteriorated in 2022-2023.

The liquidation of Blyvooruitzicht mine had a detrimental effect on council's collection performance. Blyvooruitzicht mine is owing council R1 008 662 825.87 as at the end of June 2023 which represents 35% of council's outstanding debt owed by consumers. Council's outstanding debtors as at 30 June 2023 stands at R5 311 790 000.

The cash flow constrains had resulted in that council had to implement serious cost cutting measures and creditors were prioritised for payment.

Council were not be able to cover its fixed operating expenditure.

Council adopted a turn-around strategy to turn the financial situation around. Water and Electricity losses remain a serious challenge. The municipality, like most municipalities in the country has faced the usual challenges for the last three years in maintaining positive cash flows and administering successful debtor collections.

Council's average payment levels for the past twelve months were between 48% and 54%.

The non-payment of services by consumers is a serious situation. Council needs an average payment level of 80% and more to enable them to service its creditors.

T 1.4.1

Financial Overview: Year 2022/23			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	287,245	294,440	259,387
Taxes, Levies and tariffs	1,406,151	1,474,338	1,435,711
Other	312,537	317,930	220,739
Sub Total	2,005,933	2,086,708	1,915,837
Less: Expenditure	1,984,007	2,086,470	1,374,922
Net Total*	21,926	238	540,915
* Note: surplus/(defecit)			T 1.4.2

# Chapter 1

Operating Ratios	
Detail	%
Employee Cost	28%
Repairs & Maintenance (Contracted Services)	4%
Finance Charges & Impairment	14%
T 1.4.3	

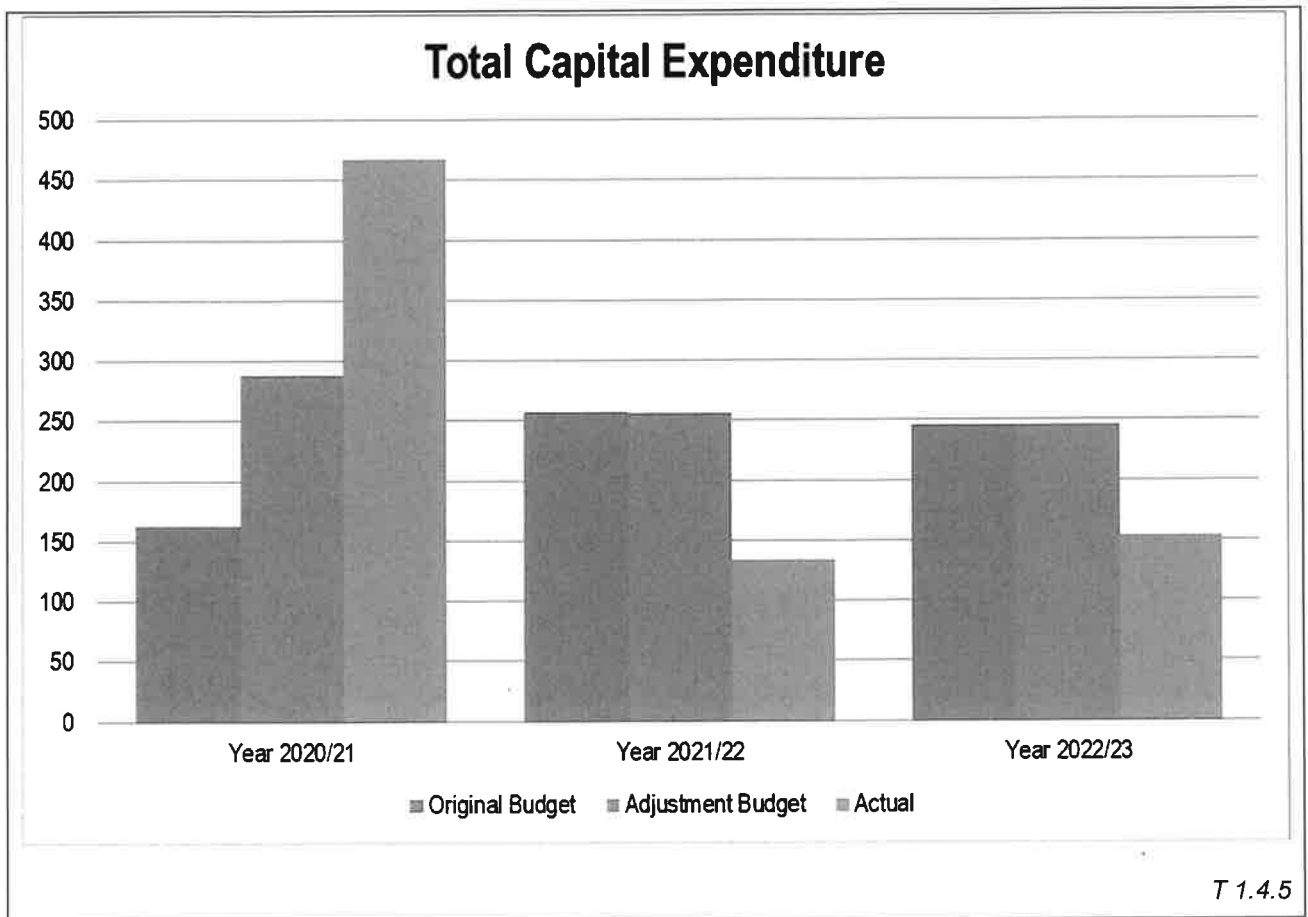
## COMMENT ON OPERATING RATIOS:

**Delete Directive note once comment is completed** - Explain variances from expected norms: 'Employee Costs' expected to be approximately 30% to total operating cost; 'Repairs and maintenance' 20%; Finance Charges and Impairment 10%.

T 1.4.3.1

Total Capital Expenditure: Year 2020/21 TO 2022/23				R'000
Detail	Year 2020/21	Year 2021/22	Year 2022/23	
Original Budget	163	257	246	246
Adjustment Budget	288	256	246	246
Actual	468	134	153	153
T 1.4.4				

# Chapter 1



## COMMENT ON CAPITAL EXPENDITURE:

**Delete Directive note once comment is completed** – Explain variations between Actual and the Original and Adjustment Budgets.

T 1.4.5.1

# Chapter 1

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

Various internships are hosted by other spheres of government are also running in the municipality. Successful sourcing of artisans is still a problem. New efforts and emphases on training of artisans are embarked on.

Positions of Senior Managers on the high level structure of the Council were not filled during the year. The position of Municipal Manager has been filled, COGTA appointed an Acting Chief Financial Officer. The position of the Chief Financial Officer, Chief of Staff, Executive Director Corporate and Shared and Executive Director Economic Development is still not filled but have employees acting in the said position. The vacant positions were re-advertised but appointment were not done.

Policy development is an ongoing process and while new policies are prepared, some older policies are reviewed to adjust to changed circumstances.

Targets of filling funded position on the approved structure of the council proceeded better as planned during the year. Out of analyses of separations during the past ten years, it was found that more employees left the organisation because of natural reasons, such as deaths or reaching pensionable age that employees resigning. The bulk of the workforce remains stable. Merafong therefore became an employer of preference.

T 1.5.1

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT: YEAR 0 (CURRENT YEAR)

The municipality received an adverse audit opinion in the 2020/21 and a disclaimer in 2021/22 financial years. This is due to the continued lack of proper record keeping and lack of reviews of the financial statements and annual performance reports by management. The municipality is currently under section 139(1)(b) of the MFMA

The table below provides summarises areas on key findings.

#### ☐ Quality of financial statement

AGSA identified material misstatements in the 021/22 AFS mainly on the following financial statement areas:

- Property plant and equipment, depreciation, impairment loss,
- Trade payables,
- Revenue from Exchange
- Prior period errors
- Cash flow statement and statement in comparison of budget and actual remained uncorrected.

#### ☐ Performance Reporting

- The quality of the annual performance report regressed from the prior year as there were uncorrected material misstatements relating to ten indicators

# Chapter 1

## ☐ Compliance with legislation

- The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA

- Reasonable steps were not taken to prevent irregular expenditure amounting to R49 127 148 as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. All the irregular expenditure was caused by contravention of regulation 19(a), due to no competitive bidding processes for goods and services procured, non-compliance with regulation 32 and regulation 36(1) on procurement of goods and services under contracts secured by other organs of state and unjustified deviation from supply chain management regulations, respectively.

- Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R74 166 664, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. All the disclosed fruitless and wasteful expenditure was caused by late payments

## ☐ Lack of Service Delivery

- Key service delivery targets were not met, The Municipality achieved only 44% of the service delivery targets.

- Projects were not timely completed for example; the upgrade of the Replacement of Khutsong Reservoir has been an ongoing project since 2015.

- The strategies put in place by the municipality to reduce the impact of distribution losses are not yielding the desired results as the total electricity distribution losses increased from 25% to 46% and water distribution losses increased from 23% to 32% in the current year.

## ☐ Governance, Oversight and Accountability

- lack of competency in the review of the AFS prepared and poor systems of internal control to prevent and detect errors in financial and performance information

- The assurance providers which include executive authority (Mayor), leadership (Municipal manager) and senior management was slow to address the root causes identified in the previous year which lead to the adverse audit opinion.

- Although there has been an insignificant change in IT governance as a focus area, audit findings were noted, as some of the policies were not adequately documented. Therefore, the status has remained unchanged. IT vacancies were concerning and the lack of filling these positions could have led to control deficiencies in the environment. Furthermore, basic IT controls relating to user access management; security management and IT continuity were identified.

- to suppliers which incurred penalties and interest.

- Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R74 166 664, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. All the disclosed fruitless and wasteful expenditure was caused by late payments to suppliers which incurred penalties and interest.

# Chapter 1

- Non- Compliance with SCM regulations in procurement of goods and services
- performance of some of the contractors or service providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA
- Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
- Unauthorised, Irregular and Fruitless & Wasteful Expenditure
  - Irregular expenditure amounting to R49 127 148 was incurred during the year by the municipality. The main contributor is the noncompliance with bid processes as required by the SCM regulation due to the municipality.
- Deteriorating Financial Health
  - Municipality does have financial sustainability issues emanating from non-payment for basic services in the community as evidenced by a large impairment of the consumer debtors' book. Consequently, the municipality was placed under section 139 Administration at the end of the financial year under review.

T 1.6.1

# Chapter 1

## 1.7. STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January
T 1.7.1		



# Chapter 1

## COMMENT ON THE ANNUAL REPORT PROCESS:

Merafong is committed to adhere to the above mentioned deadlines as provided by COGTA and Treasury in order to be in line with Municipal planning and reporting prescripts. Failure to achieve these timeframes will result non-compliance raised by COGTA and Treasury.

Merafong has to a large extent achieved an alignment between the Integrated Development Plan (IDP), Budget and Performance Management Reporting systems, this is evident in that there have not been any non-compliance issues raised by COGTA and Treasury.

*T 1.7.1.1*

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

The Merafong City Local Municipality was established in terms of Chapter 7 of the Constitution of the Republic of South Africa, 1996, section 151. In terms of governance the municipality's IDP process encourages public participation whereby invitation to IDP public consultative meetings are advertised and publicized widely. The community of Merafong is given an opportunity to give input in terms of their needs and these are considered when the IDP as a strategic plan of the Municipality is developed.

The Internal Audit Unit of the Municipality develops an annual plan which is developed based on the risks identified in that particular year. In order to satisfy oversight requirements, the Internal Audit Section functionally to Audit Committee and administratively to the Accounting Officer (Municipal Manager), the Audit Committee holds its meetings on a quarterly basis. The Audit Committee holds accountable those that are charged for governance by a report of the Audit Committee Chairperson which is presented to Council.

The Municipality also has a functional Municipal Public Accounts Committee (MPAC) in terms of Section 79 of the Municipal Structures Act. It is a practice in Merafong to include the MPAC Chairperson to be part of Audit Committee proceeding in order to achieve synergy in the work done by both Oversight Committees.

In addition, the Municipality has a Risk Management Unit in place which is responsible for Enterprise Risk Management, Compliance Management, Ethics Management and Combating of Fraud and Corruption. In order to improve good governance and strengthen oversight the risk management function of the municipality has a functional Risk Management Committee(RMC) with an external chairperson. The chairperson provides an independent view of risk management activities within the organization and whether risk management activities add value in the organization. The RMC Chairpersons report is for the Accounting Officer and also presented to the Audit Committee.

The municipality is using a Shared service model of the district with regard to Section 79 committees. This means that all municipalities within the district are using the same committees in order to standardize and have the same approach in improving governance.

According to the municipality's approved IGR Strategy, the municipality also participates in the IGR engagements within the District, the Province and those that are coordinated by SALGA in order to align the activities of the municipality with the governance initiatives within the Gauteng Province.

*T 2.0.1*

# Chapter 2

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Political and Administrative governance is conducted in terms of the Local Government Municipal Structures Act, No 117 of 1998 and other related regulations. The Executive Mayor of Merafong City Council plays an oversight role over the administration of the municipality led by the Municipal Manager.

The Mayoral Committee which is made up of portfolio heads are playing a vital role to political and administrative governance as well. The Heads of Departments and officials are responsible to implement all political decisions of the council, and ward councillors with their ward committees support and strengthen the public participation.

During this financial year, there has been 1 political regime.

Concerning the administration side, the team is led by the Municipal Manager. The departments are led by Executive Directors(ED) (section 56) who are reporting directly to the Acting Municipal Manager. Due to the high turnover at the top management level, in the five (5) Executive Director positions, only one (2) are in their permanent positions, the other three are in acting positions.

The Municipal Manager is reporting to the Council through the Executive Mayor.

T 2.1.0

### 2.1 POLITICAL GOVERNANCE

#### INTRODUCTION TO POLITICAL GOVERNANCE

The Local Government Municipal Structures Act no. 117 of 1998 determined the Merafong City Local Municipality to be declared a municipality with executive powers, and that would have an Executive Mayoral System combined with a Ward Participation System. The political leadership of the municipality exercise their executive and legislative powers and functions to govern the affairs of the municipality. The legislative function of the council is vested within the full council with the speaker as a chairperson. The passing of by-laws and policies on functions remains the responsibility of council except where delegations have otherwise been made.

The Executive Mayor, Cllr Nozuko Best has an executive strategy and political responsibility for Merafong City and also represents the municipality at the ceremonial functions. Different portfolio committees submit reports with recommendations to the Executive Mayor to be presented to the council.

The speaker of council, Cllr TE Mphithikezi is the chairperson of the council and presides over council meetings to ensure that meetings are held as scheduled, maintains order during council meetings following the rules and regulations of the meeting procedures.

The Chief Whip of the Council, Cllr. T Mokuke is the chairperson of whippy team responsible for building and maintaining relationships between all parties in council to ensure the smooth running of the Portfolio Committees and caucus study groups.

The municipality is complying in terms of the Municipal Structures Act Section 80 committees to assist the executive committee. The section 80 committee consists of ten Mayoral Committee Members who head

# Chapter 2

different departments. The section 80 portfolio heads report to the Executive Mayor by submitting reports from different council departments.

The Independent Audit Committee reports directly to the council, providing opinions and recommendations on financial processes and performance. It is constituted to review the control, governance and risk management within the municipality. It is established in terms of section 166 of the Municipal Finance Management Act. It meets quarterly as scheduled and provides recommendations on financial and non-financial processes of the municipality.

A section 79 Municipal Public Accounts and oversight committee (MPAC) is in place to strengthen the oversight arrangements in the municipality and to ensure the efficient and effective use of municipal resources. Its function includes the analysis of the Annual Report and submission of the oversight report on the annual report to council with recommendations. Once the oversight report has been considered and approved by the council it is published in accordance with the MFMA requirements and guidance.

In the office of the Speaker, the petition committee is established as a section 79 committee and reports directly to the council. The ethics committee, as well, has been established to manage the conduct of the municipal councillors in terms of the approved ethics conduct, especially in compliance with section 54 of municipal systems Act - code of conduct for councillors.

The municipality also subscribed to the Batho-Pele principles in terms of public participation in the communities especially in compliance with Chapter 4 of MFMA, which detailed the development of culture of community participation. The community consultation programme remains a paramount pillar between the municipality and the community stakeholders. The ward committees' structure plays a vital role to coordinate the issues from the community at ward levels to the respective departments by monthly reports. The Executive Mayor consults the community on a quarterly basis except in the case of other compliance programmes such as budget and Integrated Development Plan (IDP) consultation programme.

The executive and legislative authority of a municipality is exercised by the council of the municipality, and the council takes all the decisions of the municipality in terms of Municipal Systems Act.

The Executive Mayor of the municipality has powers and the legislative delegations in terms of section 59 of MFMA Chapter 7. Besides the powers and functions accorded to and imposed on the Executive Mayor in terms of legislation (e.g. the Municipal Systems Act, Municipal Finance Management Act, etc.), the executive function of the council is delegated to the Executive Mayor as the appointed head of the executive function as far as the Constitution and practicalities allow.

In executing and performing the executive functions of council and the municipality, the Executive Mayor is complemented by ten Members of the Mayoral Committee each with a particular portfolio in terms of section 80 of the Municipal Structures Act.

## Whippery

# Chapter 2

The Whippery Committee comprises of the Chief Whip of Council and of all opposition parties represented in the Council. The Whippery is very instrumental in organizing and fostering cooperation between members of the council from different political parties and primarily to promote inter-party relations, party discipline and strive for consensus in issues of mutual interest.

## **Specific Programmes**

- The committee plays an overall coordination of Whippery activities, e.g. managing number and order of members who wish to speak in debates.
- Liaises and monitor performance of members of council to their area of deployment
- Promotes public participation, for example to interact with communities through community outreach programmes and engaging with interest groups

## **Special Programmes**

The political sector of the municipality is also championing the special programmes in the municipality for the purpose of political governance to emphasize and intensify the implementation on these programmes. The Executive Mayor has special projects in her/his office, special programmes among others include the likes of Mayoral soccer cup games, Ward Committees awards, Letsema projects, Mandela Day, Matric Special awards, GEYODI programmes and women empowerment programs. The purpose of the special programs is to complement the legislative in place such as Equity Act, youth empowerment, public participation and compliance of minimum 2% of disability people in the municipality among other objectives.

**T 2.1.1**

# Chapter 2

## POLITICAL STRUCTURE

### POLITICAL STRUCTURE EXECUTIVE MAYOR CLLR N BEST



#### Functions

Presides at meetings of the executive committee and performs the duties, including any ceremonial functions, and exercises the powers delegated to the mayor by the municipal council or the executive committee.

### DEPUTY EXECUTIVE MAYOR CLLR GM SELLO



Discharges the functions of the Executive Mayor in the absence of the Executive Mayor and any delegated functions by the Executive Mayor.

### SPEAKER CLLR TE MPHITHIKEZI



#### Functions

Presides at meetings of the Council; Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the Local Government: Municipal Systems Act 2000 (Act 32 of 2000), Ensures that Council meets at least quarterly; Must maintain order during meetings; Must ensure compliance in the council and council committees with the Code of Conduct set out in schedule 1 to the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and Must ensure that council meetings are conducted in accordance with rules and orders of the council

# Chapter 2

## CHIEF WHIP

CLLR T MOKUKE



### Functions

(i) ensure the effective and efficient functioning of the Whips Committee and the Whippery system;

(ii) assist with the smooth running of Council meetings by:

- Determining, prior to Council meetings, items on the agenda which political parties may wish to discuss and advising the Speaker accordingly;

- Ensuring that all political parties have nominated councillors to represent their parties and lead discussion on those areas identified by the party, and forwarding such names to the Speaker at least 12 hours before the time set for the Council meeting to commence;

- Allocating speaking times for each of the political parties, in line with the principles of democracy;

- Ensuring that Councillors adhere to the speaking times allocated to their political parties; and

- Assisting the Speaker to maintain order in Council by requiring Councillors to adhere to the Rules of Council regarding general conduct in meetings;

(iii) Ensure the allocation of Councillors to standing committees in accordance with the representation of parties in Council;

(iv) ensure that Councillors observe the Code of Conduct for Councillors in any meetings, workshops or seminars approved by the Speaker; and

(v) Ensure that Councillors are familiar with the Code of Conduct for Councillors and to facilitate training as and when there is such a need.

# Chapter 2

## MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

### MAYORAL COMMITTEE MEMBER

### PORTFOLIO

**CLLR M MOYENI**

FINANCE

**CLLR GA MBALISO**

LOCAL ECONOMIC, TOURISM AND  
RURAL DEVELOPMENT

**CLLR N MCETYWA**

CORPORATE AND SHARED SERVICES

**CLLR D TABANE**

ROADS AND STORMWATER, PUBLIC  
WORKS AND PMU

**CLLR P SEFAKO**

HUMAN SETTLEMENT AND LAND  
DEVELOPMENT

**CLLR LI MANGALISO**

PUBLIC SAFETY, SECURITY AND  
TRANSPORT

**CLLR L MGANU**

ELECTRICITY, GAS AND WATER

**CLLR E TIBANE**

HEALTH AND SOCIAL DEVELOPMENT

**CLLR D SEGAKWENG**

INTEGRATED ENVIRONMENTAL  
MANAGEMENT

**CLLR V NKWANYANA**

SPORTS RECREATION ARTS,  
CULTURE, HERITAGE AND LIBRARIES

**T2.1.1**

## COUNCILLORS

The Council consists of 55 seats, of which 28 are Ward seats and 27 are Proportional Representatives. The Executive Mayor has a 10-member Mayoral Committee.

**T 2.1.2**



# Chapter 2

## POLITICAL DECISION-TAKING

Merafong has an Executive Mayoral system with a Mayoral Committee consisting of 10 full time portfolio heads as an advisory structure to the Executive Mayor. The Executive Mayor has delegated powers on matters dealt with by portfolio committees. The Council is the decision making body of the municipality regarding non-delegated matters as prescribed by legislation.

The political decisions are taken in terms of the Municipal Structures Act, 117 of 1998 by the Mayoral Committee and Section 80 Committees before they are tabled at Council for a resolution. The municipality is committed to capacitate MPAC office in terms of administration support and tools of trade to enable the committee to play its oversight role.

T 2.1.3

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the head of the administration and the municipality's Accounting Officer. The Head of the Administration is responsible for:

- The provision of Municipal Strategic Direction and the Operationalizing of such strategies;
- The provision of the following infrastructural services for Merafong City Local Municipality: Water; Sanitation, Geotechnical Services; Civil Engineering Services; Electrical Engineering Services; and ensuring that Capital Project Financing is properly managed and accounted for;
- The rendering of Community Services which are: Public Safety; Community Development; and Solid Waste and Environmental Management Services;
- The provision of Urban Planning and Development Services comprising: Spatial Planning and Land Use Management; Property Management Services; and Housing Administration;
- The provision of Financial Planning and Accounting Services which are: Budgeting and Accounting services; and Supply Chain Management Services; and
- The rendering of Municipal Support Services which are: Human Capital Management; Legal and Administration Services; and Management Information Services

In terms of section 55 of the Systems Act, the Accounting Officer is responsible and accountable for the formation and development of such an establishment and is supported by the Office of the Chief Operations Officer overseeing responsibilities of Integrated Development Planning, Performance Management, Risk Management and Compliance Management.

The administrative governance strives to achieve a clean Auditor General's report at the end of the financial year. To achieve this goal, a standing item is placed on the regular management meetings between the Municipal Manager and the Heads of the various Departments.

# Chapter 2

In terms of promulgated regulations and the MSA a municipal council must have at least the following senior management positions on its complement:

During the year Merafong Municipality was engaged in a project called "RE AGA MERA FONG BOSWA ORGANISATIONAL STRUCTURE AND INSTITUTIONAL REVIEW", with the assistance of COGTA. The purpose of this project was to review and align the organizational structure to the strategy of the municipality. An organizational structure will be approved in the 2023/24 financial year to improve service delivery.

T 2.2.1

Photo	TOP ADMINISTRATIVE STRUCTURE TIER 1 MUNICIPAL MANAGER	Function
<i>Executive Directors</i>	<ul style="list-style-type: none"> <li>(ACTING MUNICIPAL MANAGER: Mr. Lesedi Mere: 01 November 2022-30 April 2023</li> <li>MUNICIPAL MANAGER: Mr. Dumisani Mabuza: 2 May 2023 to date.</li> </ul>	<p>As the Head of Administration, the Municipal Manager is the Accounting Officer. The Municipal Manager advises Council and its committees on administrative matters such as policy issues, financial matters, organizational requirements and personal matters.</p> <p>The Municipal Managers Office and ensures compliance with the Municipal legislation. It also monitors that all departments adhere to the IDP, the municipal strategy and policies, Internal Audit is also located in this office.</p>
	<p><b>CHIEF FINANCIAL OFFICER</b> Julia Magongwa (Ms) (ACTING CFO: 01 July 2022 until 25 November 2022) Malusi Dlamini (Mr) (ACTING CFO: 26 November 2023 until 30 June 2023 Palesa Makhubela (Ms) Appointed CFO December 2023 to date</p>	<p>The Chief Financial Officer ensures that the municipal finances are well managed in accordance with the various legislative requirements and consists of the following Divisions:</p> <ol style="list-style-type: none"> <li>1. Treasury and Budget Office</li> <li>2. Creditors</li> <li>3. Expenditure</li> <li>4. Revenue</li> <li>5. Supply Chain Management</li> </ol>
	<p><b>EXECUTIVE DIRECTOR: INFRASTRUCTURE DEVELOPMENT</b> SL Mdletshe (Mr)</p> <ul style="list-style-type: none"> <li>E. Shange(Mr) (ACTING EXECUTIVE DIRECTOR: February 2023 until 16 May 2023)</li> </ul>	<p>The role of the department is to maintain effective and efficient provision of basic services with regard to the following:</p> <ol style="list-style-type: none"> <li>1. The provision, distribution and maintenance of basic electricity supply networks</li> <li>2. The provision, distribution and maintenance of basic water and hygienic sanitation networks:</li> <li>3. The construction and maintenance of municipal roads and stormwater for safe accessible roads.</li> <li>4. The implementation of Capital</li> </ol>

# Chapter 2

	Projects within the specified budget, time and quality through the infrastructure Planning and Programme Section (PMU)
<b>EXECUTIVE DIRECTOR: CORPORATE SHARED SERVICES</b> <ul style="list-style-type: none"> <li>Benjamin Mazibuko (Mr) (ACTING EXECUTIVE DIRECTOR: 1 July 2022 until 30 June 2023)</li> <li>F Seathlolo (Ms) ACTING EXECUTIVE DIRECTOR October 2023-December 2023</li> <li>DE Mokoma Appointed EXECUTIVE DIRECTOR December 2023</li> </ul>	<p>Corporate Support Services is tasked with providing support functions within the organisation and services the organisation through the following divisions:</p> <ol style="list-style-type: none"> <li>1. Contract Management</li> <li>2. Legal and Secretariat</li> <li>3. Human Capital Management</li> <li>4. Corporate Communication and Marketing</li> <li>5. Industrial Relations</li> <li>6. Employment Equity</li> <li>7. Information Communication Technology (ICT)</li> </ol>
<b>EXECUTIVE DIRECTOR COMMUNITY SERVICES</b> <ul style="list-style-type: none"> <li>SE Mantjane(Mr)</li> </ul>	<p>The role of the department is to provide and maintain effective and enhanced community services in the following functional areas:</p> <ol style="list-style-type: none"> <li>1. Public Safety – to create an enabling environment for safer and secure communities</li> <li>2. Integrated Environment and Waste Management – to ensure the provision of effective environmental management and integrated waste management services</li> <li>3. Sport, Recreation, Art, Culture &amp; Heritage – To promote social cohesion through the promotion of sport, recreation, arts, culture, and heritage</li> <li>4. Library Information Services – To ensure the promotion of social services</li> </ol> <p>Public Safety and Security</p>
<b>EXECUTIVE DIRECTOR ECONOMIC DEVELOPMENT &amp; PLANNING</b> <ul style="list-style-type: none"> <li>Jaun Smith (Ms) (Acting Executive Director: 1 July 2022 until 30 June 2023)</li> <li>Evelyn Segakweng-Diale (Ms) ACTING EXECUTIVE DIRECTOR July 2023-December 2023</li> </ul>	<p>The role of the department is to create an investor friendly town with constant economic growth, sustainable developments and a variety of tenure options through provision of integrated, sustainable and safe human settlements</p> <ol style="list-style-type: none"> <li>1. Local Economic Development – Rural and Agriculture Development, Enterprise Development and Support, Business Retention, Expansion and Attraction</li> <li>2. Spatial Planning – Land use control and management, Development</li> </ol>

# Chapter 2

Facilitation/GIS, Densification & infill programmes

3. Building Control \
4. Human Settlement – Facilitate Sustainable Human Settlements

T2.2.2

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

*Note: MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution section 41.*

The Constitution of the Republic of South Africa, 1996 clearly indicates that the national, provincial and local spheres of government are distinctive, interdependent and interrelated. Merafong Local Municipality operates within the prescripts of the Democratic Constitution of the Republic South Africa 1996, where local government is one of the spheres of government. The promulgation of the Intergovernmental Relations Framework Act (No.13 of 2005) provides a regulatory framework within which all the spheres of government interact. The Municipality is not excluded and fully participates in all the intergovernmental structures that operate at provincial level. These structures enable the Municipality to contribute to legislative undertakings

As a Local Municipality, the municipality does not officially participate in National Intergovernmental Structures such as MINMEC and MINTECH and related working groups. The Municipality fully participates in MEC-MMC political and technical intergovernmental forums as well as SALGA and the respective SALGA working groups.

The Department of Cooperative Governance and Traditional Affairs (COGTA) developed a Local Government Turnaround Strategy (LGTAS) which places emphasis on the essence of an IDP as an expression of all government's work within a municipal space. A system of engagement and collaboration that will ensure the protection of the integrity of all the sphere of government in the delivery of services in pursuit of the constitutional principles of cooperative governance, which the IGR Framework seeks to achieve

T 2.3.0

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

# Chapter 2

The Municipality annually participates in the National South African Local Government Association Members Assembly where matters of mutual interest of Local Government are discussed to inform Policy and legislative reforms as may be applicable.

In terms of the Constitution of SALGA, the municipality as a member shall be represented in the National Conference and National Members Assembly and be entitled to vote in accordance with the applicable formula.

T 2.3.1

## PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality forms part of the Premier's coordinating forums, Provincial Sector Intergovernmental which comprises of MEC, MMCs and the sectoral technical IGR forums which comprises of senior officials. Merafong City Municipality is fully represented in a number of Provincial IGR structure such as:

- Provincial Speakers Forum which is coordinated by the Gauteng Legislature.
- IGR Practitioners Forum (chaired by the Office of the Premier)
- MEC/MMC Forum (Alignment according to Portfolio).

The Core Values of IGR

- Respect the constitutional status, institutions and powers and functions of the government in the other spheres
- Exercise their powers and perform their functions in a manner that does not encroach functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere.
- Co-operate with one another in mutual trust and good faith.
- ☐ Assisting and supporting one another
- ☐ Consulting one another on matters of common interest.
- ☐ Co-coordinating their actions and legislations with one another.
- Co-ordination between line department and department for local government around the authorizations
- Provincial frame work on the determination of capacity in municipalities.

T2.3.2

## RELATIONSHIPS WITH MUNICIPAL ENTITIES

There are no municipal entities within Merafong City Local Municipality.

T 2.3.3

## DISTRICT INTERGOVERNMENTAL STRUCTURES

Merafong Municipality participates in the following District IGR structures:

# Chapter 2

District IGR Forum  
District Speakers Forum (Coordinated by the Speaker of the District).  
Chief Whip's Forum  
IDP Forum at the District level  
Municipal Manager's Forum  
Chief Financial Officer's Forum

T 2.3.4

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The goal of the Merafong City Local Municipality on Good Governance and Public Participation is to realize a viable and caring institution that will promote and support a consultative and participatory local government.

The Ward committee's primary objective is to enhance active participatory democracy between the municipality and the community as per the Constitutional mandate entrenched in the Local Government Municipal Structures Act No 117 of 1998. The ward committees dealt with the issues raised by the community which included: Basic Service delivery issues especially on Roads, Water, Electricity and Waste, Further responsibility was to coordinate the ward programs and municipal events Mayoral Izimbizo and Integrated Development Plan/Budget consultation process to the community.

T 2.4.0

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

Public Participation and community stakeholder's engagements are key priorities of the local government sphere in terms of the Local Government Municipal Systems Act No. 32 of 2000. Merafong City Local Municipality survived a horror of COVID-19 pandemic that compromised the community participation programs. The Office of the Speaker of council has applied COGTA guidelines for public participation mechanisms to ensure that the community consultations is not negatively impacted by restrictions on physical gatherings, social distancing and periodic lockdowns. The Ward based war rooms have been revived in order to ensure that key information is shared with the community. The municipality has a functional communication office and adopted the communication strategy to coordinate issues through basic media means including municipal website, local newspaper, local radio, posters, flyers and so forth. The office of the Speaker is the custodian of community stakeholders through the ward councillors and ward committees.

A concept of District Development Model (DDM) encourages public participation and community stakeholder's engagements hence Merafong City Local Municipality prioritised coordination of community forums. One of the key goals the municipality prioritised was the formal launch of Civil Society Forum (CSF) that mobilises other community sectors. The existing forums including the Sports Associations, Faith Based Organisations, Business Forums, People with Disabilities, Military Veterans, Elderly People and so forth.

# Chapter 2

The schedule of ward councillors public meetings adopted by the council, the respective portfolios as well adopted schedule of stakeholder's meetings. The municipality enhance the functionality of the forums through the special coordinators for Moral Regeneration, Youth, Disability programs, Elderly people programs and including GEYODI coordination reporting at the IGR forum. mam

The purpose of the meetings is ranging from general community development through CDWs, EPWPs, for Health through community health workers, HIV/AIDS volunteers and clinic committees, the welfare of people with disabilities and so forth. The purpose of the meetings is also for IDP and Budget consultation purposes. The 2022/23 IDP /Budget consultation implemented across Merafong as per the attached schedule.

## PUBLIC MEETINGS 2022/2023

The municipality has a functional communication office and adopted the communication strategy to coordinate issues through basic media means including municipal website, local newspaper, local radio, posters, flyers and so forth. The office of the Speaker is the custodian of community stakeholders through the ward Councillors and Ward committees.

The existing forums including the Sports Associations, Faith Based Organizations, Business Forums, People with Disabilities, Military Veterans, Elderly People and so forth. The schedule of ward Councillors public meetings adopted by the council, the respective portfolios as well adopted schedule of stakeholders' meetings. The municipality enhance the functionality of the forums through the special coordinators for Moral Regeneration, Youth, Disability programs, Elderly people programs and including GEYODI coordination reporting at the IGR forum.

The purpose of the meetings is ranging from general community development through CDWs, EPWPs, for Health through community health workers, HIV/AIDS volunteers and clinic committees, the welfare of people with disabilities and so forth. The purpose of the meetings is also for IDP and Budget consultation purposes. The 2022/23 IDP /Budget consultation implemented across Merafong as per the attached schedule.

T 2.4.1

# Chapter 2

## WARD COMMITTEES

South African Local Government Association (SALGA) tutored the municipalities about code of conduct by the ward committee members. The ward committee members of Merafong City attended sessions for induction subsequent to the last local government elections.

The fifth term of Local Government ended on the 30<sup>th</sup> October 2021 then the sixth term of Local Government started after the Special Inaugural Council Meeting on was held on 22 November 2022 for the new elected Councillors 2022-2026. The Execution Notice was approved by the Council under Item 8/2021.

This report complies with Section 73(3) of the Act, which states that Council must make rules regulating the procedure to elect members of the ward committees and operations of ward committees.

It also meets the mandate of Section 73 (5)(b) which requires Council to develop a policy and determine criteria for and calculation of the out-of-pocket expenses.

Council has approved the Execution Notice item 8/2021 to proceed with the Ward Committee elections by amending its year calendar to accommodate the Ward Committees establishment processes to conclude by 1 March 2022 as per the Department of Cooperative Governance and Traditional Regulations. The Merafong City Local Municipality Speakers Office couldn't conclude within the legislative timeframe of 120 days after Local Government elections.

Then the Office of the Speaker on 9<sup>th</sup> March 2022 wrote a letter of application of extension of Merafong City Local Municipality Ward Committee 2022 – 2026 to Gauteng Cooperative Governance and Traditional Affairs Member of the Executive Council Honourable L.I. Maile request for extension and noting the slight delay in Ward Committee Elections 2022, as required in terms of section 73(1A) (b) of the Local Government: Municipal Structures Act No. 117 of 1998, as amended ("the Act").

The ward committees of Khutsong Location in particular, coordinating a public participation on issues of sinkholes disaster. These programs are done in collaboration with other community and government stakeholders such as Housing Development Agency. Public participation programs included awareness campaigns about formations of sinkholes in the community of Khutsong Location.

The Local Government: Municipal Structures Act, 1998 says "the objective of a ward committee is to enhance participatory democracy in local government. Ward committees are one way that you can have a say in government decisions. In simple terms ward committees are made up of elected members of a particular ward to: raise issues of concern about the local ward to the Councillor; have a say in decision, planning and projects that the Council or municipality undertakes which have an impact on the ward.

In all wards the Ward Committees experience challenges of high rate of unemployment, streetlights that are not working, potholes. There is also a challenge of sewer spillages, sinkholes and cable theft in some wards. The issue of illegal miners which leads to high rate of crime across Merafong.

T 2.4.2



# Chapter 2

## List of all Public Meetings held.

Ward 1					None
Ward 2	05/08/2022 10/08/2022 21/09/2022 01/02/2023	1	2 2 2 2	45 57 60 202	None
Ward 3	21/07/2022 20/09/2022	1	2 2	40	None
Ward 4					None
Ward 5	14/07/2022 07/10/2022 19/10/2022 25/02/2023	1	2 2 2 2	65 70 99 165	None
Ward 6	10/11/2022	1	2	60	None
Ward 7	17/07/2022 19/10/2022 20/10/2022	1	2 2 2	55 60 89	None
Ward 8	29/07/2022 16/08/2022 09/05/2023	1	2	55 89 35	None
Ward 9	29/07/2022 05/08/2022 14/10/2022 15/10/2022 24/10/2022 17/11/2022 22/11/2022 23/12/2022	1	2    3 2	88 79 35 250 88 45 50 87	None
Ward 10	27/07/2022 12/08/2022	1	1	65 88	None
Ward 11	17/08/2022 12/10/2022 24/11/2022 07/02/2023 10/02/2023 12/02/2023 03/03/2023 28/03/2023	1	1	88 65 171 57 87 45 258 145	None
Ward 12					None
Ward 13					None
Ward 15					None
Ward 16					None
Ward 17	16/11/2022	1	1	69	None
Ward 18					None

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Ward 19	18/07/2022 16/08/2022	1	1	75 125	None
Ward 20	17/02/2022 11/07/2022 24/11/2022	1	2	69 77 136	None
Ward 21					None
Ward 22	08/07/2022 11/08/2022	1	1	88 135	None
Ward 23	05/07/2022 30/08/2022 24/11/2022		1 2	123 45 156	None
Ward 24					None
Ward 25					None
Ward 26					None
Ward 27					None
Ward 28	16/11/2022	1	1	145	None
					T2.4.3

# Chapter 2

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

The municipality is adhering to the Principles of Batho Pele for the purpose of performing its constitutional mandate in terms of the Constitution of South Africa, 1996 Section 152. During the April 2023 Youth Sector Imbizo program young people advocated critical issues affecting a community youth generation. The Mayoral Imbizo outreach followed the next month of May 2023 and equally created a conducive platform for the stakeholders to engage and participate on development issues.

The strategy of Merafong City Local Municipality could be able to consult in various alternative and convenient methods to the engage community through social media, Facebook, WhatsApp, municipal website, SMS bundles, local newspaper and radio, posters, Govchat, GCIS, flyers and notices by the ward committees, loud hailing system across all stakeholders of the community. The effectiveness of using other methods of communication to the public could be contributed towards a successful IDP/Budget community consultation program held in May 2023.

The broader community including the stakeholders such as Youth forums, Faith base Organizations, People with Disabilities, Community Organizations, Non-Governmental Organizations and Business Communities consulted across Merafong community for the municipal IDP/Budget presentation.

It was through the media platforms that the municipality was able get cooperation from the community to make payment arrangements for the arrears of rates and services of the municipality. Alternative methods of consultations demonstrate the element of transparency, accountability, and the compliance on Batho Pele Principles. As a result, the community benefited in the process of IDP/Budget consultation especially for policy issues such as Indigent Policy and By-Laws on Waste Management.

The municipality is continuing to provide basic services to the community through the effective of alternative communication methods including the Ward Base War Room Stakeholders meetings, mayoral consultations, and other compliance engagements for the purposes of IDP and Budget.

The strategy of Merafong City Local Municipality could be able to consult in various alternative convenient methods to the engage community through social media, Facebook, WhatsApp, municipal website, SMS bundles, local newspaper and radio, posters, Govchat, GCIS, flyers and notices by the ward committees, loud hailing system across all stakeholders of the community.

The effectiveness of using other methods of communication to the public could be testified from the recent IDP/Budget 2022/23 consultations programs. The broader community including the stakeholders such as Youth forums, Faith base Organizations, People with Disabilities, Community Organizations, Non-Governmental Organizations and Business Communities consulted across Merafong community for the municipal IDP/Budget presentation.

Alternative methods of consultations demonstrate the element of transparency, accountability and the compliance on Batho - Pele Principles. As a result, the community benefited in the process of IDP/Budget consultation especially for policy issues such as Indigent Policy and Bylaws on Waste Management.

The public meetings exhibit the vision of the municipality and the theme of "government of the people by the people". The municipality is continuing to provide basic services to the community through the effective of

# Chapter 2

alternative communication methods including the Ward Base War Room Stakeholders meetings, mayoral consultations and other compliance engagements for the purposes of IDP and Budget. T 2.4.3.1

## 2.5 IDP PARTICIPATION AND ALIGNMENT

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

T 2.5.1

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

T 2.6.0

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

*Note: MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.*

Section 62. (1)(c) of MFMA states that "The Municipal Manager of the Municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control".

Risk is inherent in all business activities and every official and Councillor of the Municipality must continuously manage risks within their respective area of responsibility. The Merafong City Local Municipality (MCLM) recognizes that the aim of Risk Management is not to eliminate the risk totally but rather to provide the structural

# Chapter 2

means to identify, assess, manage and monitor the risks involved in all municipal activities. It requires a balance between the cost of managing risks and the anticipated benefits that will be derived.

Every entity, whether for profit or not, exist to realize value for its stakeholders. Value is created, preserved, or eroded by management decisions in all activities, from setting strategy to operating the organization day-to-day. ERM supports value creation by enabling management to deal effectively with potential future events that create uncertainty and respond in a manner that reduces the likelihood of downside outcomes and increases the upside.

The Enterprise Risk Management Unit is responsible for the coordination of Risk Management activities in the Municipality and it is accountable to the Accounting Officer.

A risk identification and assessment exercise is undertaken on an annual basis in line with the IDP and SDBIP to re-determine the risk exposure of the municipality. In total 13 risks were identified and managed for the 2022/23 Financial Year.

T 2.6.1

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

The Anti –Corruption Strategy of MCLM is aligned with the 2016 Local Government Anti - Corruption strategy championed by COGTA. The local government anti-corruption strategy is built around the three strategic objectives, namely: Promoting community ownership, strengthening municipalities’ resilience against corruption and building trust and accountability through effective investigation and resolution. The anti-corruption strategy of Merafong was reviewed and approved during this financial year of reporting.

Merafong has committed to institutionalizing the fight against corruption by implementing initiatives based on the four pillars of:

- Prevention
- Detection
- Investigation; and
- Resolution

### DISCIPLINARY CASES OF FINANCIAL MISMANAGEMENT

The municipality is currently using the services of the Provincial Ethics Hotline. This is a facility that allows all stakeholders and community to report unethical conduct. During the year the municipality received three (3) cases reported through the hotline. The cases were investigated by Internal Audit and two (2) were resolved and one is still pending a disciplinary process.

The benefits of using an external hotline is that the whistleblower can remain anonymous and at the same time being protected from victimization.

Risk management plays an advocacy role in relation to Fraud and Corruption. The partnership between the Municipality, COGTA and Office of the Premier in a project called the Gauteng Municipal Integrity Project (GMIP) is continuing. Through this project, An Ethics Management Strategy has been developed and approved

# Chapter 2

by Council. This prompts the Municipality to develop an Ethics Management Implementation Plan that will see the institutionalization of the strategy.

The Accounting Officer approved an Ethics Management Implementation plan for 2022/23 financial year. Through this implementation plan, The Accounting Officer has appointed the Ethics Working Group.

Risk management plays an advocacy role in relation to Fraud and Corruption. Currently the Risk Management Unit works with COGTA and Office of the Premier in a Project called the Gauteng Municipal Integrity Project (GMIP). This prompts every Municipality to develop an Ethics Management Implementation Plan.

The Accounting Officer approved an Ethics Management Implementation plan for 2022/23. This plan sets out activities that need to be implemented for the year. This plan operationalizes the Ethics Management strategy that was approved by Merafong City Council. The municipality through the Risk Management unit intensified awareness by including the Fraud Hotline details on the email signature for all email users. The everyday pop-up messages encouraging ethical behavior are showing on computers daily. Values of the municipality included in all communications and municipal public notices. Two training arranged by COGTA and The Ethics Institute were attended by the members of the Ethics Working group.

Merafong is consistently represented in the quarterly Ethics Officer Forums which are planned by COGTA. These forums assist the municipality in that it serves as a constant forum to improve the ethics management work of the municipality. Awareness on ethics management was also done by including the Fraud Hotline details on the email signature for all email users. Values of the municipality constantly be communicated through all communications and municipal public notices. Extensive awareness on the Values of the municipality was done with the distribution of flyers bearing the core Values of the municipality and the Fraud Hotline number. Coordination of declarations of interest for Councilors done, 49 out of 55 (90%) Councillors have made their declarations of interest. Declarations of officials were also done during this financial year by almost 99% at the management level.

With the objective of institutionalising the ethics management the municipality also arranged a two-day workshop for identified staff members with the support from COGTA and the Gauteng City Region Academy. During these workshops it was clear that such workshops should be undertaken regularly to ensure an enhanced organisational culture for Merafong as an institution.

T 2.7.1

# Chapter 2

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

The Municipality adopted and implemented the SCM policy for 2022/23 financial year. In terms of the National Treasury MFMA Circular 62 on the Supply Chain Management: Enhancing compliance and accountability, the Municipality submitted reports on the implementation of Procurement Plan on a monthly, quarterly and annual basis to various council committees.

On the 4<sup>th</sup> November 2022, The Minister of Finance issued an amendment of Preferential Procurement Policy Framework Act, 2000. Gazette no: 47452. The issued regulation repeal Preferential Procurement Regulations, of 2017 and was implemented from February 2023.

The regulation mainly amended the 80/20 and 90/10 preference point systems which are for tenders that are income generating contracts and acquisition of goods & services.

In the financial year 2022/2023, the Municipality implemented the procurement of goods and services as per the SCM policy approved in May 2022 and later as per amended SCM policy. The Supply Chain Management of the Municipality must at least operate with the following pillars:

- Demand management
- Acquisition management
- Contract management
- Performance management

In 2022/2023 financial year Merafong Municipality implemented the demand management system in a decentralized manner due to shortage of staff and aligned SCM system.

The municipality adopted an annual procurement plan 2022/2023 financial year in July 2022 whereby department submitted their demand in terms of projects/ tenders to be advertised in the year of operation, and later in January 2023 there was a review of the procurement plan which was then approved by the council.

*T 2.8.1*

# Chapter 2

## 2.9 BY-LAWS

### COMMENT ON BY-LAWS:

No By-laws were introduced during the 2022 / 2023 financial year.

T 2.9.1.1

## 2.10 WEBSITES

### 2.10 WEBSITES

Municipal Website: Content and Currency of Material	
Documents published on the Municipality's / Entity's Website	Yes / No
Current annual and adjustments budgets and all budget-related documents	Yes
All current budget-related policies	Yes
The previous annual report (Year 2019/2020)	Yes
The annual report (Year 2020/2021) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 2020/2021) and resulting scorecards	Yes
All service delivery agreements (Year 2020/2021)	Yes
All long-term borrowing contracts (Year 2020/2021)	Yes
All supply chain management contracts above a prescribed value (give value) for Year 2020/2021	Yes
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 2021/2022	No
Contracts agreed in Year 2019/2020 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in Year 2020/2021	No
All quarterly reports tabled in the council in terms of section 52 (d) during Year 2020/2021	Yes
T 2.10.1	



# Chapter 2

## COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipal website is currently hosted and updated by the Provincial E-Gov Department .The municipal website is available to the community through the libraries in the Merafong City area of jurisdiction. All libraries provide free access to internet for half an hour per user per day. Currently there are 80 computers with internet access and free Wi-Fi available at 16 libraries.

T 2.10.1.1

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFCATION LEVELS

Public service delivery complaints increased during the 2022/23 financial year, mainly due to problems experienced with old and aging water infrastructure network, turnaround time for water and sewer complaints due to financial constraints faced by the municipality, across Merafong. Sinkhole formations being the major contributor to the impact of water.

Complaints from business and the community on the refuse removal service and sewage leaks has shown an increase due to financial constraints. Increased number of power outages due vandalism of infrastructure, cable theft and Eskom's loadshedding.

T 2.11.1

#### Satisfaction Surveys Undertaken during: 2022/2023

Subject matter of survey	Survey method	Survey date	No. of people included in survey
Overall satisfaction with:			
(a) Municipality	2 Press Releases with regards to Municipal actions during the year under discussion	2022/23	Newspapers Electronic Media
(b) Municipal Service Delivery	44 Press Enquiries on Municipal Service Delivery failures during the year	2022/23	Newspapers/Electronic Media
(c) Mayor	08 Media Monitoring/ Press Enquiries on actions by the Executive Mayor during the year.	2022/23	Newspapers/ Electronic Media

# Chapter 2

Satisfaction with:		2022/23	Newspapers/ Electronic Media
(a) Refuse Collection	<p>36 Media Monitoring/ Press Enquiries on Service Delivery failures during the year</p> <p>76 Call &amp; Contact Centre enquiries on Service Delivery Failures during the year.</p>	2022/23	Newspapers/ Electronic Media
(b) Road Maintenance	<p>83 Media Monitoring/ Press Enquiries on Service Delivery failures during the year</p> <p>173 Call &amp; Contact Centre enquiries on Service Delivery Failures during the year.</p>	2022/23	Newspapers/ Electronic Media
Electrical	<p>65 Media Monitoring/ Press Enquiries on Service Delivery failures during the year</p> <p>3362 Call &amp; Contact Centre enquiries on Service Delivery Failures during the year.</p>	2022/23	Newspapers/ Electronic Media
(d) Water Supply	<p>111 Media Monitoring/ Press Enquiries on Service Delivery failures during the year</p> <p>2034 Call &amp; Contact Centre enquiries on Service Delivery Failures during the year.</p>	2022/23	Newspapers/ Electronic Media
(e) Information supplied by municipality to the public	0 Website Based Enquiries on Service Delivery failures during the year (Public Notices)	2022/23	Website
(f) Opportunities for consultation on municipal affairs	1 Community outreach to register community complaints in all areas. (Integrated Development Programme)		Community Consultation

T2.11.2

# Chapter 2

## COMMENT ON SATISFACTION LEVELS:

For the 2022/23 the municipality did not commission any specific survey. The information contained in the above table is extracted from the Call and Contact Centre and Press Enquiries/Releases.

T 2.11.2.2

# Chapter 3

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

### COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

#### INTRODUCTION

The eradication of informal settlements through the implementation of human settlement projects are defined in the Municipal Housing Plan. The Municipality is however not the implementer of projects, as the mandate lies with the Gauteng Department of Human Settlement, and the allocation of budgets.

Housing delivery within Merafong City focusses on the following housing needs:

- State funded low-cost housing
- Private sector developments targeting mixed income groups (middle to upper income groups)
- Affordable rental accommodation and social housing
- Informal settlement upgrades

The Distress Mining Allocation has enabled the Municipality to deliver on its mandate. Over the (MTREF) the following housing related infrastructure projects have been implemented through the Mining Town Allocation in this regard for 2022/23 amounting to R98 304 715.00

Khutsong Outfall Sewer	R 9 005 165
Khutsong South Installation of Bulk Electricity	R 9 755 620
Khutsong South Installation of Alternative Bulk water supply	R14 627 678
Khutsong South Ext. 5&6 Roads & Storm water	R34 149 347
Kokosi Ext. 7 Waste Water Treatment Plant	R29 105 920
Kokosi Ext. 6 Completion of sewer network & Installation Of water meters	R 1 600 973

In collaboration with Eskom, the electrification of the following informal settlements has commenced, through the registration and mapping of these informal settlements:

Chris Hani  
Rest in Peace  
B-Section

Gauteng Department of Human Settlement is in the process to appoint PRT's for the roll-out and assessment of service provision to all informal settlements within Merafong City. The project will unfold in the new financial year.

T 3.0.1

# Chapter 3

## COMPONENT A: BASIC SERVICES

### INTRODUCTION TO BASIC SERVICES

Solid Waste is being collected once a week with kerbside method in the formal household. Businesses around Merafong are also being serviced using the 6m<sup>3</sup> containers and 240l wheelie bins. Service to the newly development will be introduced as soon as the road infrastructure being fixed and more personnel (general workers) being appointed.

Fochville and Carletonville Central Business Districts (CBD's) Street Cleaning/ Litter Picking service is been done daily including weekends. Townships litter picking has been done through Community Work Program (CWP).

Due to unavailability of internal removal of illegal dumping equipments, monthly schedule has been done and the service sourced externally when funds are available. Illegal dumping is one of the common problems affecting the municipality due to lack of dedicated equipment utilised to clear illegal dumping spots.

The shortage of staff impacts negatively on the rendering of waste services in which it affects solid waste management budget allocation, whereby our personnel are working overtime in an endeavour to avoid the service backlogs.

There is a Fochville Transfer Station for temporary disposal and storage of general waste by community members.

Carletonville Landfill site is used for the final and safe disposal of general waste in the Municipality. The operations, management and maintenance of the facility had been carried out continuously through the outsourced services.

T 3.1.0

# Chapter 3

## 3.1. WATER PROVISION

### INTRODUCTION TO WATER PROVISION

The assessment done by DWS has indicated that Merafong Water and Sanitation does not comply with the minimum requirements in terms of the relevant legislation and procedures regulating the provision of basic services and infrastructure, leaving Council wide open for legal action from DWS and the Department of Environment Affairs. Furthermore, the situation creates a negative perception towards Council and officials from the residents, in terms of the following challenges;

- Water losses as a result of limited maintenance of infrastructure.
- Noncompliance of wastewater effluent.
- Critical vacancies on organogram.
- Insufficient equipment.
- Failing infrastructure as a result of dolomitic activities.

The current situation can be resolved by prioritizing and investing capacity and funds into the Water and Sanitation section to comply with its duties and responsibilities to provide basic water and sanitation to all citizens on a daily and continuous basis and increase revenue by addressing water losses on behalf of the Council, and to comply with the following legal requirements and Council responsibilities.

The Water Services Act - Duty and responsibility of Local Council to provide basic water and sanitation to all citizens within Merafong borders on a daily and continuous basis.

- The Water Act - Duty and responsibility of Local Council to effluent standards of Waste Water Treatment Plants and the Water Licence issued in terms of the Act
- The Occupational Health and Safety - Everyone has the right to an environment that is not harmful to their health or wellbeing.
- Finance Management Act – Water losses detrimental to the health of Merafong's revenue collection
- Municipal Systems Act – The Council of a municipality has the duty to promote a safe and healthy environment in the municipality.
- Act 95 of 1998 (NHBRC) and SANS 1936 - Requires a Dolomite Risk Management Policy approved by the Council to be proactive on measures that reduce the vulnerability of communities
- Relevant SABS and SANS standards on projects and the responsibilities of Consultants to comply.

Various urgent challenges that needed immediate attention include amongst others the following:

- Continuous breakage of water infrastructure in the same areas causing further deterioration of an already high risk dolomitic sub soil conditions.
- Residents are residing on high risk dolomitic areas, while collapsed sewer infrastructure cause back ponding of sewer in the underground infrastructure, flooding residential areas with raw sewage.
- Water losses because of no maintenance to Pressure Reducing Valves (PRV's), valves, water meters and control of acceptable water pressures in zones.
- Noncompliance at WWTP's due to theft and vandalism of infrastructure
- Bulk sewer lines in several residential areas blocked because of lack of maintenance and foreign objects put in sewer lines flooding stands within the lower sewer catchment areas.
- High-water pressures within certain zones resulting in pipe bursts daily.

# Chapter 3

- Vast areas in Khutsong north where internal networks have collapsed and no sewer drainage exist, internal networks flooded, MH's are pumped out by Municipal sewerage trucks.
- Unacceptable sewer blockages in newly constructed residential areas Khutsong South and Kokosi Ext 6
- Theft and vandalism of Council's infrastructure
- Untreated raw sewage draining directly into natural streams, Kokosi Pump station, Wedela WWTP, Khutsong South WWTP and several bulk sewer lines; Greenspark and Fochville to Kokosi WWTP and Khutsong Bulk Sewer lines.
- Unacceptable quality of newly completed projects as a result of no involvement of the project owners in the execution process of projects.
- Non-availability of mechanical equipment.
- Unavailability of material to address urgent matters.

The Water and Sanitation section should be prioritized in order to provide basic services to all. The situation needs urgent and immediate attention. Current knowledge of the problem makes the council, councillors and officials liable if positive action is not taken. Any delay or failure to take appropriate and urgent action may impose a legal liability in terms of above.

Investment into this section will reduce water losses of almost 50%, address non compliances and provide funding for normal maintenance and increase the income of Council.

## Bulk water


- Decommissioned reservoirs as a result of dolomite activities in the greater Carletonville and Khutsong areas is still a challenge.
- New 30 ML Khutsong reservoir has been completed but still not in operation due to none operation of the water towers which are being refurbished.
- Carletonville CBD is still feeding from a direct Rand Water pipeline due to decommissioned 007 reservoirs.

## Sanitation


Four out of five Waste Water Treatment works in Merafong have been non-compliant in terms of the Department of Water Affairs requirements. Three of the WWTW are in a process of refurbishment to meet the standards.

Merafong Waste Water Treatment Plants				
OBERHOLZER				
Area	Population	Q (daily flow)	Total Flow (ML/day)	NOTES  Current Capacity/Hydraulic Oberholzer WWTP = 8.5 ML Calculated Inflow = 5.3 ML Metered/Actual = 4.5 ML Available 3.2 ML for 7 142 stands
Blybank	1887	140	0.3	
Carletonville	28404	160	4.5	
Total Existing	30291		4.8	
Non Residential/Infiltration 10%			0.5	
Total Inflow			5.3	
KHUTSONG WWTP				
Khutsong North	16500	140	2.3	Current Capacity
Khutsong South	28740	140	4.0	Khutsong WWTP = 7.5 ML
Total Existing	45240		6.3	Calculated Inflow = 7.0 ML
Non Residential 10%			0.6	Metered/Actual = 5.2 ML
Total Inflow			7.0	Available 1.5 ML for 3 826 stands
WELVERDIEND				
Welverdiend	2769	160	0.4	Current Capacity
Total Existing	2769		0.4	Welverdiend WWTP = 1.2 ML
Non Residential 10%			0.0	Calculated Inflow = 0.5 ML
Total Inflow			0.5	Metered/Actual = 0.5 ML
				Available 0.7 ML for 1 785 stands
FOCHVILLE				
Fochville	9843	160	1.6	Current Capacity
Greenspark	2376	140	0.3	Fochville WWTP = 7.5 ML
Kokosi	26400	140	3.7	Calculated Inflow = 6.2 ML
Total Existing	38619		5.6	Metered/Actual = 4.7 ML
Non Residential 10%			0.6	
Total Inflow			6.2	Available 1.3 ML for 3 316 stands
WEDELA				
Wedela	18000	140	2.5	Current Capacity
Totals Wedela WWTP	18000		2.5	Wedela WWTP (Old) = 3.0 ML
Non Residential 10%			0.3	Calculated Inflow = 2.5 ML
Total Inflow			2.8	Metered = 1.8 ML
				Available 0.5 ML for 1 275 stands

SEWER FLOW CALCULATED AT	
•	140LT/PERSON /DAY : LOWER TO MIDDLE INCOME
•	160LT/PERSON/DAY : MIDDLE TO HIGHER INCOME
URGENT PROJECTS	
•	WELVERDIEND REGIONAL WWTP TO ACCOMMODATE FLOW FROM ELIJAH BIRAYI AND EXT 8 AND 19
•	OUTFALL LINKAGE KHUTSONG SOUTH EXTENSION 8
•	OUTFALL LINKAGE BETWEEN KHUTSONG SOUTH AND WELVERDIEND NEW 15ML REGIONAL PLANT



CALCULATIONS BY  
MERAFONG  
WATER



### SEWER FLOW CALCULATED AT

- 140LT/PERSON/DAY : LOWER TO MIDDLE INCOME
- 160LT/PERSON/DAY : MIDDLE TO HIGHER INCOME

### URGENT PROJECTS

- WELVERDIEND REGIONAL WWTP TO ACCOMMODATE FLOW FROM ELIJAH BIRAYI AND EXT 8 AND 19
- OUTFALL LINKAGE KHUTSONG SOUTH EXTENSION 8
- OUTFALL LINKAGE BETWEEN KHUTSONG SOUTH AND WELVERDIEND NEW 15ML REGIONAL PLANT



CALCULATIONS BY  
MERA FONG  
WATER



# Chapter 3

One of the major challenges within Merafong is the outfall sewers from residential areas to Waste Water Treatment Plants. Due to historic water limitations the outfall bulk sewer pipes has been solidified with sludge and resulted in backflow into the residential areas. To address the current situation additional high pressure equipment is required.

## Service delivery to informal areas

Merafong providing basic services to 27 000 families in informal areas to include;

1. Informal families in and on the edges of formal townships
2. Informal families in rural areas
3. Backyard families

## Resettlement Project

The Khutsong Resettlement Project is probably the most important infrastructure project to address most of the challenges in the area, both infrastructure and informal backlogs.

Merafong City Local Council has conceded that it has stability problems within its area of jurisdiction i.e. harm is foreseeable and has publicly acknowledged these problems and given the residents of the area a clear indication through The Resettlement Project as approved by Council that action will be taken to manage the risk and rectify the situation.

HDA has been appointed to spearhead the project, with a COGTA budget in consultation with Merafong

- Infrastructure services to 18 000 newly developed stands
- Replace non-compliant infrastructure in Khutsong North
- Bulk linkages and bulk services

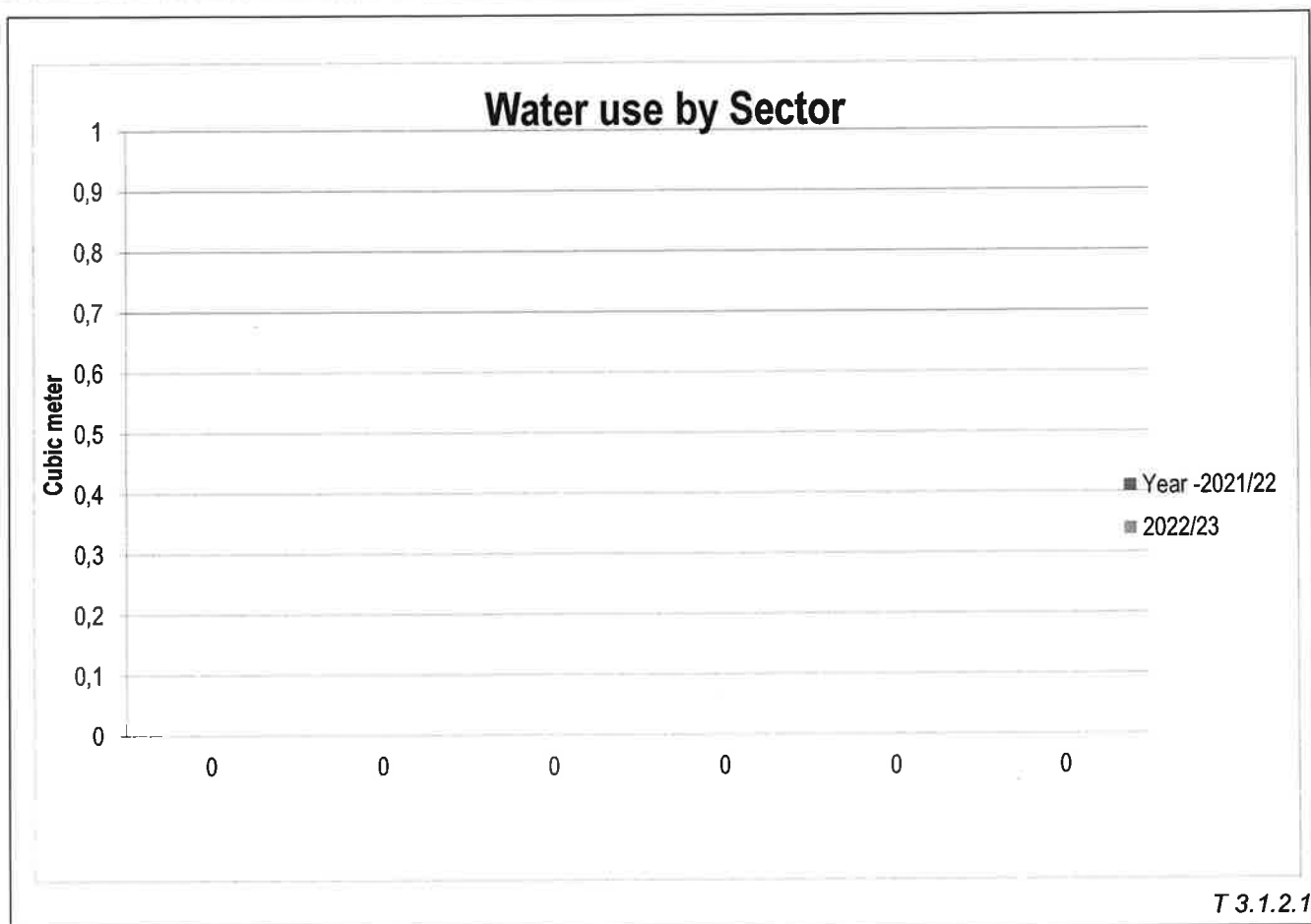
T 3.1.1

Total Use of Water by Sector (cubic meters)						
	Residential	Business	Old Age	Departmental	Mines	Tanker
Year - 2021/22	6982	643	232	28	7450	1944
Year 2022/23	7270	659	204	36	6652	1944

T 3.1.2



# Chapter 3



## COMMENT ON WATER USE BY SECTOR:

Water use by sector is distributed in the following manner from high consumption to low consumption:

- Residential area
- Business
- Departmental sectors
- Special sector
- Water loss (actual water losses, unbilled water consumption, unpaid water consumption, unauthorized water use)

Residential water use is the most consuming sector. Unaccountable water losses calculations are being revised as it is believed that the calculations are not properly done.

T 3.1.2.2

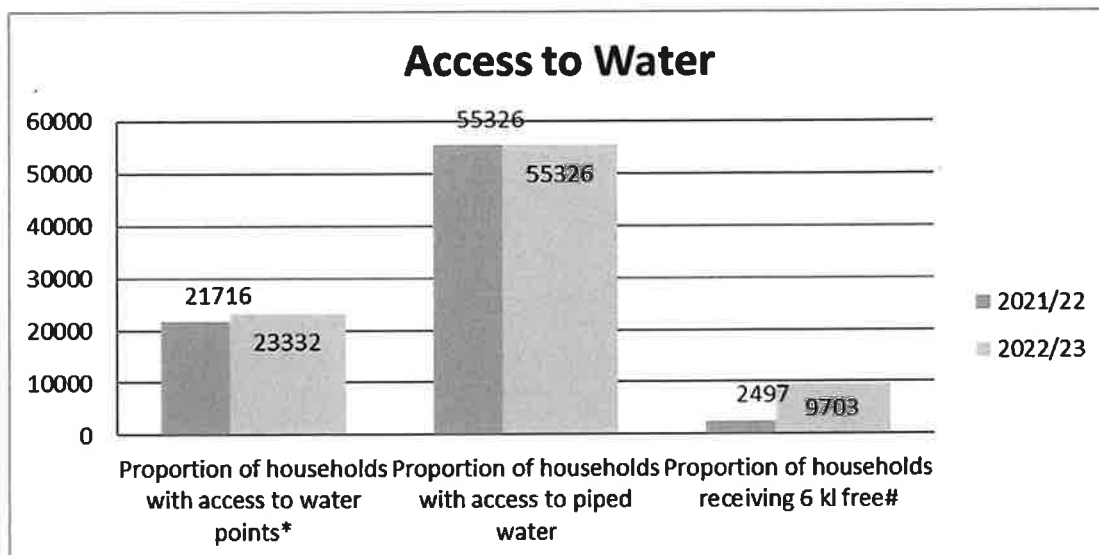
## Water Service Delivery Levels

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Description	2019/2020	2020/2021	2021/2022	Households 2022/2023
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Water: (above min level)</b>				
Piped water inside dwelling	34 000	34 500	35 000	35 500
Piped water inside yard (but not in dwelling)	1 450	1 450	1 450	1 450
Using public tap (within 200m from dwelling )	13 000	13 000	13 000	13 000
Other water supply (backyard families)	6 000	6 000	6 000	6 000
<i>Minimum Service Level and Above sub-total</i>	54 450	54 950	55 450	55 950
<i>Minimum Service Level and Above Percentage</i>	80%	79%	80%	80%
<b>Water: (below min level)</b>				
Using public tap (more than 200m from dwelling)	0	0	0	
Other water supply (more than 200m from dwelling)	14 000	14 000	14 000	14 000
No water supply	0	644	0	
<i>Below Minimum Service Level sub-total</i>	14 000	14 644	14 000	14 000
<i>Below Minimum Service Level Percentage</i>	20%	21%	20%	20%
<b>Total number of households*</b>	<b>68 450</b>	<b>69 594</b>	<b>69 450</b>	<b>69 950</b>
* - To include informal settlements				T 3.1.3

Households - Water Service Delivery Levels below the minimum Households				
Description	2019/2020	2020/2021	2021/2022	2022/2023
	Actual No.	Actual No.	Actual No.	Actual No.
<b>Formal Settlements</b>				
Total households	45 535	38 665	38 655	38 655
Households below minimum service level	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%
<b>Informal Settlements</b>				
Total households	27 315	27 315	27 315	27 315
Households ts below minimum service level	14 000	14 000	14 000	14 000
Proportion of households ts below minimum service level	51%	51%	51%	51%
				T 3.1.4

# Chapter 3



\* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute

# 6,000 liters of potable water supplied per formal connection per month

T 3.1.5

# Chapter 3

Water Service Policy Objectives Taken From IDP								
Service Objectives	Service Indicators	Outline Service Targets		Year 2020/21		Year 2021/22		Year 2022/23
		Target	Actual	Target	Actual	Target	Actual	Target
		*Previous Year		*Previous Year		*Current Year		*Current Year
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)
Service Objective								
Provision of basic services to water accessibility	Measures the percentage access of households to basic level of water services	100%	99%	99%	95%	96%	100%	
Provision of Quality and Reliable Water Supply	Measures the percentage compliance to the Water Quality Standards	100%	100%	100%	100%	99%	100%	
Maintain Efficient Water Infrastructures	Indicator measures percentage of activities implemented in accordance with the Water Services maintenance plan, reported in percentage	100%	44%	44%	100%	22%	100%	
Curbing of Water Losses	Indicator measures unaccounted water losses measured as percentage of bulk purchases vs sales	less than 40%	51%	40%	less than 20%	40%	less than 20%	

T3.1.6

# Chapter 3

Employees: Water Services					
Job Level	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	0	1	0%
4 - 6	3	4	2	2	50%
7 - 9	5	16	7	9	56%
10 - 12	15	17	15	2	12%
13 - 15	51	62	51	11	18%
16 - 18	75	144	77	67	47%
Total	150	244	153	91	37%
T3.1.7					

Done

Financial Performance Year 2022/23: Water Services					
R'000					
Details	Year 2021/22	Year 2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	415,192	485,501	482,771	316,596	-53%
Expenditure:					
Employees	37,038	38,163	10,075	39,218	3%
Depreciation and amortization	138,446	178,176	181,792	27,000	-560%
Operational cost	7,226	-20,370	-36,311	59,326	134%
Inventory consumed	195,997	213,597	219,441	201,685	-6%
Losses	52,445	73,445	60,496	108,356	32%
Total Operational Expenditure	431,152	483,011	435,493	435,585	-11%
Net Operational Expenditure	15,960	-2,490	-47,278	118,989	102%
T3.1.8					

# Chapter 3

Capital Expenditure Year 2022/23: Water Services					
Capital Projects	Year 2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	40,420	40,420	12,301	-229%	
					55000
Structurer Rehabilitation of 007 Reservoir	15,420	15,420	5,003	-208%	10192
Khutsong South Installation of Alternative Bulk water Supply	14,627	14,627	35,508	59%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
					T 3.1.9

## COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

**Delete Directive note once comment is completed** – Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain any failure to meet performance targets for the current year. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T 3.1.10

## 3.2 WASTE WATER (SANITATION) PROVISION

### INTRODUCTION TO SANITATION PROVISION

Water services (i.e. water supply and sanitation) are controlled by the Water Services Act. (Act 108 of 1997) and the National Water Act (Act 36 of 1998). The Water Services Act deals with Water Services provision to consumers, while the National Water Act deals with water in its natural state. As in the case of water supply, the provision of sanitation to a community should take place in terms of the relevant Water Services Development Plan, which is required in terms of the Water Services Act.

The Water Services Development Plan (which should, of course, be compiled taking cognisance of the National Sanitation Policy) defines the minimum level of sanitation as well as the desired level of sanitation for communities that must be adhered to by a Water Services Provider in its area of jurisdiction. It describes the arrangements for water services provision in an area, both present and future. Water services are also to be provided in accordance with regulations published in terms of the Water Services Act.

# Chapter 3

The provision of appropriate sanitation to a community should take place in accordance with national policy. Among the major aims set out in the National Sanitation Policy are the following to improve the health and quality of life of the whole population;

- To integrate the development of a community in the provision of sanitation;
- To protect the environment; and
- To place the responsibility for household sanitation provision with the family or household.

The provision of appropriate sanitation to a community should take place in accordance with national policy. Among the major aims set out in the National Sanitation Policy are the following to improve the health and quality of life of the whole population;

- To integrate the development of a community in the provision of sanitation;
- To protect the environment; and
- To place the responsibility for household sanitation provision with the family or household.

The minimum acceptable basic level of sanitation is (Department of Water Affairs):

- Appropriate health and hygiene awareness and behaviour;
- A system for disposing of, household wastewater and refuse, which is acceptable and affordable to the users, safe, hygienic and easily accessible, and which does not have an unacceptable impact on the environment; and
- A toilet facility for each household. Sanitation goes hand in hand with an effective health-care programme. The importance of education programmes should not be overlooked, and the Department of Health must assist.

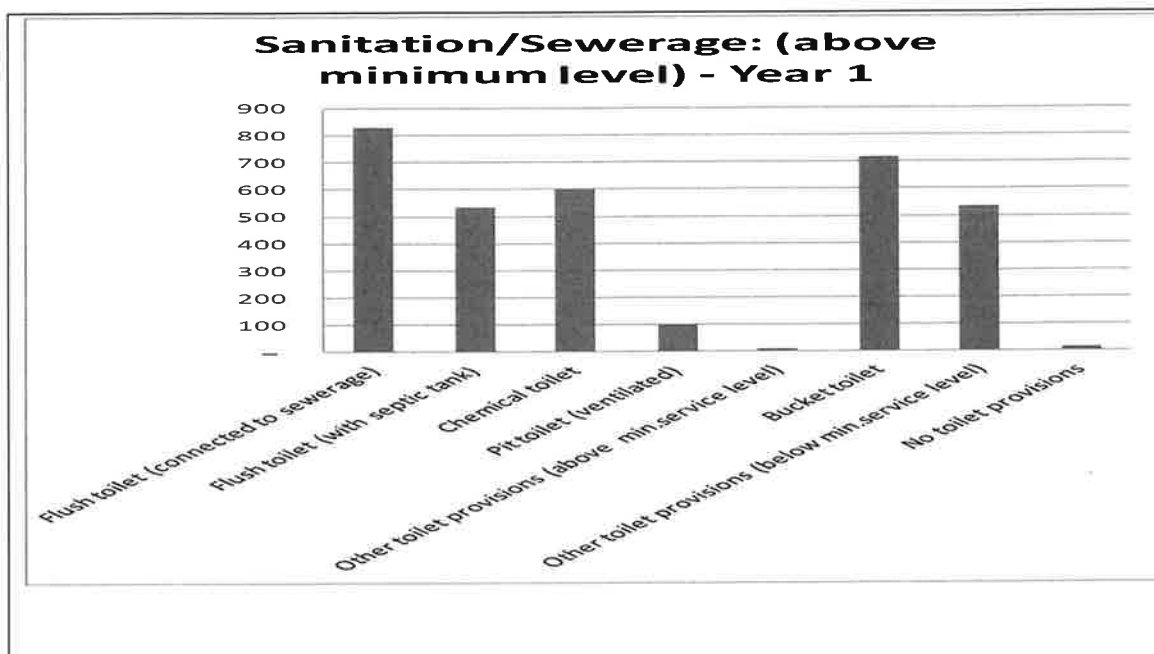
Sanitation education is part of the National Sanitation Policy and should embrace proper health practices, such as personal hygiene, the need for all family members (including the children) to use the toilet and the necessity of keeping the toilet facility clean. Education should also include the proper operation of the system, such as what may and may not be disposed of in the toilet, the amount of water to add if necessary, and what chemicals should or should not be added to the system. The user must also be made aware of what needs to be done if the system fails or what options are available when the pit or vault fills up with sludge.

Current policy is that the basic minimum facility should be a ventilated improved pit (VIP) toilet, or its equivalent.

The five main criteria to be considered when providing a sanitation system for a community are: • Reliability; • Acceptability; • Appropriateness; • Affordability; and • Sustainability.

T 3.2.1

# Chapter 3



T 3.2.2

Sanitation Service Delivery Levels				*Households
Description	2019/20	2020/21	2021/22	2022/23
	Outcome No.	Outcome No.	Outcome No.	Actual No.
<b><u>Sanitation/sewerage: (above minimum level)</u></b>				
Flush toilet (connected to sewerage)	34 000	34 500	35 000	35 500
Flush toilet (with septic tank)	0	0	0	0
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	6 064	6 064	6 064	6 064
Other toilet provisions (above min.service level)	7 450	7 450	7 450	7 450
<i>Minimum Service Level and Above sub-total</i>	47 514	48 014	48 514	49 014
<i>Minimum Service Level and Above Percentage</i>	72.1%	72.3%	72.6%	72.8%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>				
Bucket toilet	0	0	0	0
Other toilet provisions (below min.service level)	12 355	12 355	12 355	12 355
No toilet provisions	6 000	6 000	6 000	6 000
<i>Below Minimum Service Level sub-total</i>	18 355	18 355	18 355	18 355
<i>Below Minimum Service Level Percentage</i>	27.9%	27.7%	27.4%	27.2%
<b>Total households</b>	<b>65 869</b>	<b>66 369</b>	<b>66 869</b>	<b>67 369</b>
<b>*Total number of households including informal settlements</b>				<b>T 3.2.3</b>



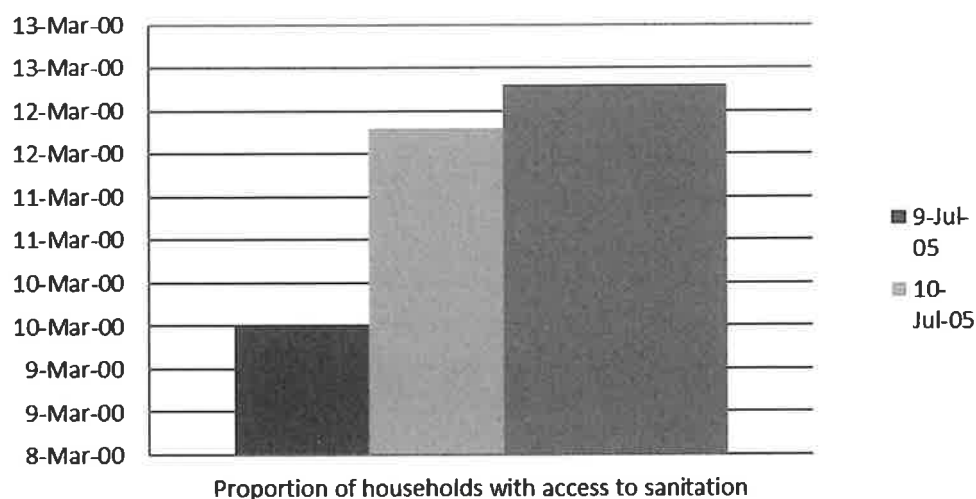
# Chapter 3

**Households - Sanitation Service Delivery Levels below the minimum**

Description	2019/20	2020/21	2021/22	2022/23
Household (000)	Outcome	Outcome	Outcome	Actual
<b>Formal Settlements</b>				
Total households	67369	67369	67369	67369
Households below minimum service level	6000	6000	6000	6000
Proportion of households below minimum service level	8.9%	8.9%	8.9%	8.9%
<b>Informal Settlements</b>				
Total households	67369	67369	67369	67369
Households is below minimum service level	18355	18355	18355	18355
Proportion of households is below minimum service level	27%	27%	27%	27%

T3.2.4

**Access to Sanitation**



T 3.2.5

# Chapter 3

Water Service Policy Objectives Taken From IDP											
Service Objectives		Outline Service Targets		Year 2020/21			Year 2021/22			Year 2022/23	
				Target		Actual		Target		Actual	Target
				*Previous Year	(iii)	(iv)	(v)	*Current Year	(vi)	(vii)	*Current Year
(i)		(ii)		(iii)		(iv)	(v)	(vi)	(vii)	(viii)	
Service Objective											
Provision of basic services and accessibility		Measures the percentage access of households to basic level of sewer services		100%	99%	99%	95%	96%	100%		
Provision of Quality and Reliable Sanitation Service		Measures the percentage compliance to Quality Standards		100%	100%	100%	100%	99%	100%		
Maintain Efficient Sanitation Infrastructures		Indicator measures percentage of activities implemented in accordance with the Services maintenance plan, reported in percentage		100%	50%	50%	100%	50%	100%		
T3.2.6											

# Chapter 3

Employees: Sanitation Services					
Job Level	2020/21	2021/22			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9	EMPLOYEE INFORMATION INCLUDED IN WATER SERVICES T3.1.7				
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					
T 3.2.7					

Financial Performance Year 2022/23: Sanitation Services					
					R'000
Details	Year 2021/22	Year 2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	126,510	97,527	114,613	114,613	15%
Expenditure:					
Employees	0	0	0	0	#DIV/0!
Debt impairment and write-offs	38,800	0	35,417	35,417	100%
Depreciation and amortisation	24	75	411	411	82%
Operational cost	3,850	3,006	2,704	2,704	-11%
Inventory consumed	0	4	0	0	#DIV/0!
Total Operational Expenditure	42,674	3,085	38,532	38,532	92%
Net Operational Expenditure	-83,836	-94,442	-76,081	-76,081	-24%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.2.8					

# Chapter 3

Capital Expenditure Year 2022/23 Sanitation Services					
R' 000					
Capital Projects	Year 2022/23				
	Budget	Adjusted Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	71,770	160,944	39,088	-84%	
Khutsong North Water & Sewer Reticulation Stage 1	500	1,878	1,162	57%	2500
Khutsong North Water & Sewer Reticulation Stage 2 - Skopas		6,500	1,878	100%	7972
Khutsong South Ext. 5 Outfall Sewer	9,005	90,051	4,393	-105%	7972
Kokosi Ext 6/7 Completion of Sewer Network & installation of water meters	1,600	1,600	1,600	0%	7972
Kokosi Ext 7 East Outfall Sewer & WWTW	29,165	29,165	19,149	-52%	7972
Upgrading & Rehabilitation of Wedela WWTW	25,000	25,000	7,297	-243%	7972
Khutsong North Water & Sewer Reticulation Stage 3	6,500	6,750	3,609	-80%	15783
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.2.9

## COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

Renovations of the Kokosi Waste Water Treatment Works (WWTW) couldn't be completed due to limited budget constraints. Funds were secured to complete the project on this financial year but it is still not completed.

Renovations of the Wedela Waste Water Treatment Works (WWTW) couldn't be completed as well due to limited budget constraints. Funds were secured to complete the project on this financial year but it is still not completed.

T 3.2.10

# Chapter 3

## 3.3 ELECTRICITY

### INTRODUCTION TO ELECTRICITY

*Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.*

The provision of electricity services is in terms of provision of the following:

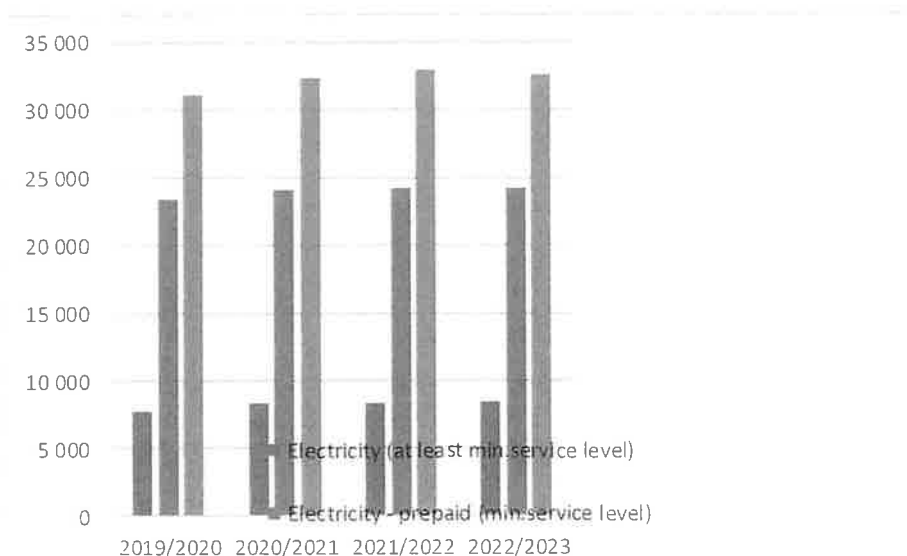
1. Bulk Supply
2. Medium and High voltage distribution network
3. Low Voltage and customer connections
4. Metering and monitoring
5. Operations and Maintenance

The priority of the strategy for the year under review was the extension of services to the newly developed areas of the Elijah Barayi Corridor. Fochville Bulk Supply Substation Upgrade project is at an advanced stage where implementation by Eskom and the Municipality is underway,

The Design and Planning for the creation of a new Bulk Supply Capacity for the Khutsong South Extensions via a New Substation (Plover Substation)

Maintenance and infrastructure renewal plans were severely compromised due to the Theft and vandalism of Infrastructure during the 21/2022 Financial Year. The bulk of the resources be it Financial or Manpower was extensively utilised in Repairs more than Maintenance.

T 3.3.1



T3.3.2

# Chapter 3

Electricity Service Delivery Levels Households				
Description	2019/2020	2020/2021	2021/2022	2022/2023
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Energy: (above minimum level)</u></b>				
Electricity (at least min.service level)	6 416	7 699	8 339	8 306
Electricity - prepaid (min.service level)	21 097	23 465	24 105	24 176
<i>Minimum Service Level and Above sub-total</i>	27 513	31 164	32 444	33 022
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%
<b><u>Energy: (below minimum level)</u></b>	Not applicable. All households provided with full level of service	Not applicable. All households provided with full level of service	Not applicable. All households provided with full level of service	Not applicable. All households provided with full level of service
Electricity (< min.service level)				
Electricity - prepaid (< min. service level)	-	-	-	-
Other energy sources	0	0	1	1
<i>Below Minimum Service Level sub-total</i>	Not applicable	Not applicable	Not applicable	Not applicable
<i>Below Minimum Service Level Percentage</i>				
<b>Total number of households</b>	27 513	28 969	31 164	32 022

T 3.3.3

# Chapter 3

Households - Electricity Service Delivery Levels below the minimum						
Description	2019/20	2020/21	2021/22	2022/2023		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget	Budget	No.
<b>Formal Settlements</b>						
Total households	27 192	31 164	32 444	32 600	32 600	33 022
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0
<b>Informal Settlements</b>						
Total households	0	0	0		0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households is below minimum service level	0	0	0	0	0	0
T 3.3.4						

# Chapter 3

Electricity Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2019/2020		2020/21		2021/2022		2021/22	
		Target	Actual	Target		Actual		Target	
Service Indicators (i)	(ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>Service Objective: Provision of basic Services</b>									
<b>Provision of minimum supply of electricity</b>	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	1200	564	926	600	137	600	200	200
									T3.3.5



# Chapter 3

Employees: Electricity Services					
Job Level	Employees	2022/23			
	No.	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	6	11	5	6	55%
7 - 9	16	27	18	9	33%
10 - 12	38	64	38	26	63%
13 - 15	4	30	6	24	80%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	66	133	62	71	53%
T 3.3.6					

Financial Performance Year 2022/23: Electricity Services					
					R'000
Details	Year 2021/23	Year 2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	345,304	343,913	364,871	279,825	-23%
Expenditure:					
Employees	35,138	36,553	41,300	35,183	-4%
Debt impairment and write-offs	25,175	126,480	10,783	1	-12647900%
Depreciation and amortization	22,488	10,783	130,172	1	-1078200%
Operational cost	403,228	460,522	451,255	471,501	2%
Inventory consumed	-56	205	404	1	-20400%
Total Operational Expenditure	485,973	634,543	633,914	506,687	-25%
Net Operational Expenditure	140,669	290,630	269,043	226,862	-28%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.3.7					

# Chapter 3

Capital Expenditure Year 2021/22: Electricity Services					R' 000
Capital Projects	Year 2022/23				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	35,372	35,372	33,342	-6%	
60 MVA 132/6.6kva Fochville Substation	15,554	15,554	12,273	-27%	15,554
2x20 MVA Frikkie Substation 44/11	10,063	10,063	12,343	18%	10,063
Khutsong South Installation of Bulk Electricity	9,755	9,755	8,726	-12%	9,755
Street Light Merafong Phase 2 (Phase 6)	7,000	6,750	6,736	-4%	7,000
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.3.8

## COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

### FOCHVILLE BULK SUPPLY:

Funding from the Department of Mineral and Energy (DMRE) has been paid to Eskom in full. It is expected that the Eskom portion of the upgrading of the substation shall commence in the 2023/24 Financial Year. The 2022/23 Merafong Streetlights Projects was completed with another phase for 2023/24 already committed by the Municipal Infrastructure Grant (MIG).

Khutsong South and Welverdiend upgrading was completed where new lines/feeders were installed for Elijah Bharayi and Khutsong South Extensions (6000-10 000s).

Maintenance remains a challenge due to vandalism/theft. The Department spends most of the resources on replacement rather than preventative maintenance.

T 3.3.9

# Chapter 3

## 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

### INTRODUCTION TO WASTE MANAGEMENT

Solid Waste is being collected once a week with kerbside method in the formal household. Businesses around Merafong are also being serviced using the 6m<sup>3</sup> containers and 240l wheelie bins. Service to the newly development will be introduced as soon as the road infrastructure being fixed and more personnel (general workers) being appointed.

Fochville and Carletonville Central Business Districts (CBD`s) Street Cleaning/ Litter Picking service is been done daily including weekends. Townships litter picking has been done through Community Work Program (CWP).

Due to unavailability of internal removal of illegal dumping equipments, monthly schedule has been done and the service sourced externally when funds are available. Illegal dumping is one of the common problems affecting the municipality due to lack of dedicated equipment utilised to clear illegal dumping spots.

The shortage of staff impacts negatively on the rendering of waste services in which it affects solid waste management budget allocation, whereby our personnel are working overtime in an endeavour to avoid the service backlogs.

There is a Fochville Transfer Station for temporary disposal and storage of general waste by community members.

Carletonville Landfill site is used for the final and safe disposal of general waste in the Municipality. The operations, management and maintenance of the facility had been carried out continuously through the outsourced services.

T 3.4.1

# Chapter 3

Solid Waste Service Delivery Levels				Households
Description	Year 2019/20	Year 2020/21	Year 2021/22	Year 2022/23
	Actual No.	Actual No.	Actual No.	Actual No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week	54507	54507	54507	57192
Minimum Service Level and Above sub-total	54507	54507	54507	57192
Minimum Service Level and Above percentage	96,00%	96,00%	96,00%	96.69%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>				
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump	13413	13413	13413	13413
Using own refuse dump	53645	53645	53645	53645
Other rubbish disposal	53645	53645	53645	53645
No rubbish disposal	53645	53645	53645	53645
Below Minimum Service Level sub-total	67058	67058	67058	67058
Below Minimum Service Level percentage	54,0%	54,0%	54,0%	54,0%
<b>Total number of households</b>	<b>98457</b>	<b>98457</b>	<b>98457</b>	<b>98457</b>
				T3.4.2

Households - Solid Waste Service Delivery Levels below the minimum						Households
Description	Year - 2019/20	Year - 2020/21	Year - 2021/22	Year 2022/23		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
<b>Formal Settlements</b>						
Total households	54507	54507	57192	57192	57192	57192
Households below minimum service level	1280	1280	1280	1280	1280	1280
Proportion of households below minimum service level	2%	2%	2%	2%	2%	2%
<b>Informal Settlements</b>						
Total households	67058	67058	67058	67058	67058	67058
Households below minimum service level	53645	53645	53645	53645	53645	53645
Proportion of households below minimum service level	80%	80%	80%	80%	80%	80%
						T 3.4.3

# Chapter 3

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives		Outline Service Targets		Year -2020/21		Year 2021/22		Year 2022/23	
Service Indicators (i)	(ii)	Target		Actual	Target		Actual	Current Year	
		*Previous Year			*Current Year		Target	Actual	*Following Year
		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective xxx									
Provision of weekly collection service per household (HH)	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	96%	96%	96%	100%	96.69%	100%	96.69%	100%
Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage	42yrs	42yrs	42yrs	42yrs	42yrs	42yrs	42yrs	42yrs
Proportion of waste that is recycled	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.	18%	13%	13%	28%	12.37%	28%	11.20%	15%
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	x% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.	81.6%	81.6%	81.6%	80%	81.60%	81.60%	81.60%	81.60%
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators': * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 0 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Integrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									

T 3.4.4

# Chapter 3

Employees: Solid Waste Management Services					
Job Level	Year -2021/22	Year 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	5	0	5	100%
4 - 6	0	11	0	11	100%
7 - 9	17	38	13	25	66%
10 - 12	1	1	1	0	0%
13 - 15	120	211	114	97	46%
Total	138	266	128	138	52%

*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.*

T3.4.5

Employees: Waste Disposal and Other Services					
Job Level	Year	Year			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
	ALL WASTE PERSONNEL CAPTURED UNDER T3.4.5 ABOVE				

T3.4.6

# Chapter 3

Financial Performance Year 2022/23: Solid Waste Management Services					
R'000					
Details	Year 2021/22	Year 2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	113,441	111,748	116,167	82,794	-35%
Expenditure:					
Employees	40,865	38,498	37,668	42,831	10%
Debt impairment and write-offs	34,483	37,193	31,086	1	-3719200%
Depreciation and amortisation	533	700	700	1	-69900%
Disposal of PPE		1	1	1	0%
Operational cost	3,908	4,748	-50	1,593	-198%
Inventory consumed	141	239	215	261	8%
<b>Total Operational Expenditure</b>	79,930	81,379	69,620	44,688	-82%
<b>Net Operational Expenditure</b>	-33,511	-30,369	-46,547	-38,106	20%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.4.7					

Financial Performance Year 2021/22: Waste Disposal and Other Services					
R'000					
Details	Year 2020/21	Year 2021/22			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	#DIV/0!
Expenditure:					
Employees	0	0	0	0	#DIV/0!
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	0	0	0	0	#DIV/0!
<b>Total Operational Expenditure</b>	0	0	0	0	#DIV/0!
<b>Net Operational Expenditure</b>	0	0	0	0	#DIV/0!
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
T 3.4.8					

# Chapter 3

Capital Expenditure Year 0: Waste Management Services					
R' 000					
Capital Projects	Year 2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3,387	3,387	3,387	0%	
Upgrading of Access Road to Carletonville Landfill Site	3,387	3,387	3,387	0%	3,387
					T3.4.9

## COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Removal of illegal dumping is executed internally with limited resources and additional equipment are sourced in when funds are available.

Carletonville Landfill Site is used for the final and safe disposal of waste in Merafong. The new service provider was appointed to manage and operate landfill site. The compliance of landfill site is 81.6%.

Street Cleaning is being done daily in Fochville and Carletonville CBD's. In Township is being done by CWP's.

There are 57 192 household with access to weekly waste removal in the formal areas.

T 3.4.10

## 3.5 HOUSING

### INTRODUCTION TO HOUSING

#### INTRODUCTION TO HOUSING

The modernization of Human Settlements and urban development as one of the pillars of radical transformation is achieved through Merafong' s vision of a fully integrated community with residential, business and community facilities, as entrenched in the layout of the Khutsong South Human Settlement project and Kokosi inner-city development.

The Municipality has continued its Housing programme in accordance with the Municipal Housing Plan, incorporated in the Integrated Development Plan.

The Human Settlement Section in collaboration with sister departments have delivered on its mandate through various infra-structure related programmes and administrative role that aim to provide the holistic approach to service delivery. This are in line with the regional outcome 9 related to building special integrated communities aligned to National and provincial.



# Chapter 3

The following outputs on provisions of sustainable Human Settlements and property management were targeted and achieved:

## 1. New Housing Applications

All applications received were captured on the database of Council for the financial year thus achieving 100% of our targeted goal.

## 2. Human Settlement Projects Co-ordinated

A total of 6 Human Settlement projects were co-ordinated for the financial year namely:

Mining Town Allocation in this regard for 2022/23 amounting to R98 304 715.00

Khutsong Outfall Sewer	R 9 005 165
Khutsong South Installation of Bulk Electricity	R 9 755 620
Khutsong South Installation of Alternative Bulk water supply	R14 627 678
Khutsong South Ext. 5&6 Roads & Storm water	R34 149 347
Kokosi Ext. 7 Waste Water Treatment Plant	R29 105 920
Kokosi Ext. 6 Completion of sewer network & Installation Of water meters	R 1 600 973

## Social Housing Project: Elijah Barayi Village

Merafong City Local Municipality in line with the Gauteng Provincial Government is working towards an Urban Sustainable and Integrated Spatial Reconfiguration of building new cities. The following Mega projects were evaluated according to three categories:

- Access to transit and connectivity
- Economic opportunities
- Urban integration

This private development through the HAD of mixed housing typologies. The development of this nature will enhance the character of the Khutsong South area. It's going to yield 12491 units. It will address the needs of mostly people who do not qualify for government subsidies and those who want rental accommodation.

The project has an economic potential to integrate with Welverdiend, Khutsong South, Deelkraal and Carletonville Town. The projects sites Township layout plan application has been approved in principle and the Record of Decision has also been granted. The first phase of the Geo Technical Studies has been completed and approved and construction has started on the first units.

# Chapter 3

The image below indicate the local of the project:



## Registration of title deeds to eligible beneficiaries lodged for registration

A total number 600 title deeds were registered and received to be handed out to the rightful owners of these houses.

## Human Settlement Plan

The Human Settlement plan was revised and updated to provide the latest information which is used to assist with planning and obtaining funding for programmes where they are needed.

T 3.5.1

Percentage of households with access to basic housing 2022/23			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2019/20	560000	350000	62.5%
2020/21	654000	450000	68.8%
2021/22	654000	500000	76.5%
2022/23	684000	540000	78.9%

T 3.5.2

# Chapter 3

Housing Service Policy Objectives Taken From IDP				
Service Objectives	Outline Service Targets	Year 2021/22	Year 2022/23	Year 2023/24
Service Indicators		Actual	Target	Actual
		Previous	Present	Following
		Year	Year	Year
(i)	(ii)			
Service Objective				
Provision of bulk services for future housing for all households	Management of bulk services projects for future housing projects	Human Settlement Projects managed	Human Settlement Projects managed	Human Settlement Projects managed
Human Settlement Management	7 Human Settlement Grant Funded Projects Managed	7 Human Settlement Grant Funded Projects Managed	7 Human Settlement Grant Funded Projects Managed	7 Human Settlement Grant Funded Projects Managed
New Housing Applications Capture	New applications captured	100%	100%	100%
Mixed Housing Projects facilitated	Facilitated mixed housing projects	6	7	5
Number of Informal Settlements registered	Number of Informal Settlements registered	100%	100%	100%
Occupancy rate of community rentals	Occupancy rate of community rentals	95%	95%	95%
Number of Tittle Deeds	Number of Tittle Deeds submitted for registration	1000	600	600
T3.5.3				

Employees: Housing Services					
Job Level	Year 2021/22	Year 2022/23			
	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	3	2	1	33%
7 - 9	8	15	8	6	40%
10 - 12		0		0	0%
13 - 15	1	4	1	3	75%
16 - 18					
19 - 20					
Total	12	23	12	10	43%
T 3.5.4					

# Chapter 3

Financial Performance Year 2022/23 Housing Services					
R'000					
Details	Year 2021/22	Year 2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees	5,797	5,463	5,414	6,063	10%
Depreciation and amortization	52	45	45	1	-4400%
Operational cost	3	5	5	1	-400%
Inventory consumed	1	5	8	1	-400%
Total Operational Expenditure	5,853	5,518	5,472	6,066	9%
Net Operational Expenditure	5,853	5,518	5,472	6,066	9%
T 3.5.5					

Capital Expenditure 2022/23 : Housing Services					
R' 000					
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	77540	20764	65808	15%	98304
Mining Town Allocation	77540	20764	65808	15%	98304
T 3.5.6					

## COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

### INTRODUCTION TO HOUSING

The modernization of Human Settlements and urban development as one of the pillars of radical transformation is achieved through Merafong's vision of a fully integrated community with residential, business and community facilities, as entrenched in the layout of the Khutsong South Human Settlement project and Kokosi inner-city development.

The Municipality has continued its Housing programme in accordance with the Municipal Housing Plan, incorporated in the Integrated Development Plan.

# Chapter 3

The Human Settlement Section in collaboration with sister departments have delivered on its mandate through various infra-structure related programmes and administrative role that aim to provide the holistic approach to service delivery. This are in line with the regional outcome 9 related to building special integrated communities aligned to National and provincial.

The following outputs on provisions of sustainable Human Settlements and property management were targeted and achieved:

## 1. New Housing Applications

All applications received were captured on the database of Council for the financial year thus achieving 100% of our targeted goal.

## 2. Human Settlement Projects Co-ordinated

A total of 8 Human Settlement projects were co-ordinated for the financial year namely:

Mining Town Allocation in this regard for 2023/24 amounting to R82 547 480.00

Project Name	Ring Fenced HSDG Budget
Khutsong South Ext. 5 Outfall Sewer	R2 000 000
Khutsong South Installation of Bulk Electricity	R20 000 000
Kokosi Ext. 6 Completion of sewer network & Installation of water meters	R8 000 000
Fochville Outfall Sewer	R10 000 000
Khutsong Rehabilitation of Sinkholes	R12 000 000
Ilifa Africa Engineers	R4 812 875
TQK Consulting Engineers (Pty) Ltd	5307658,95
Pro-Plan Consulting Engineers (Pty) Ltd	20426946,21
Total	R82 547 480

## Mega Housing Project: Elijah Barayi Village

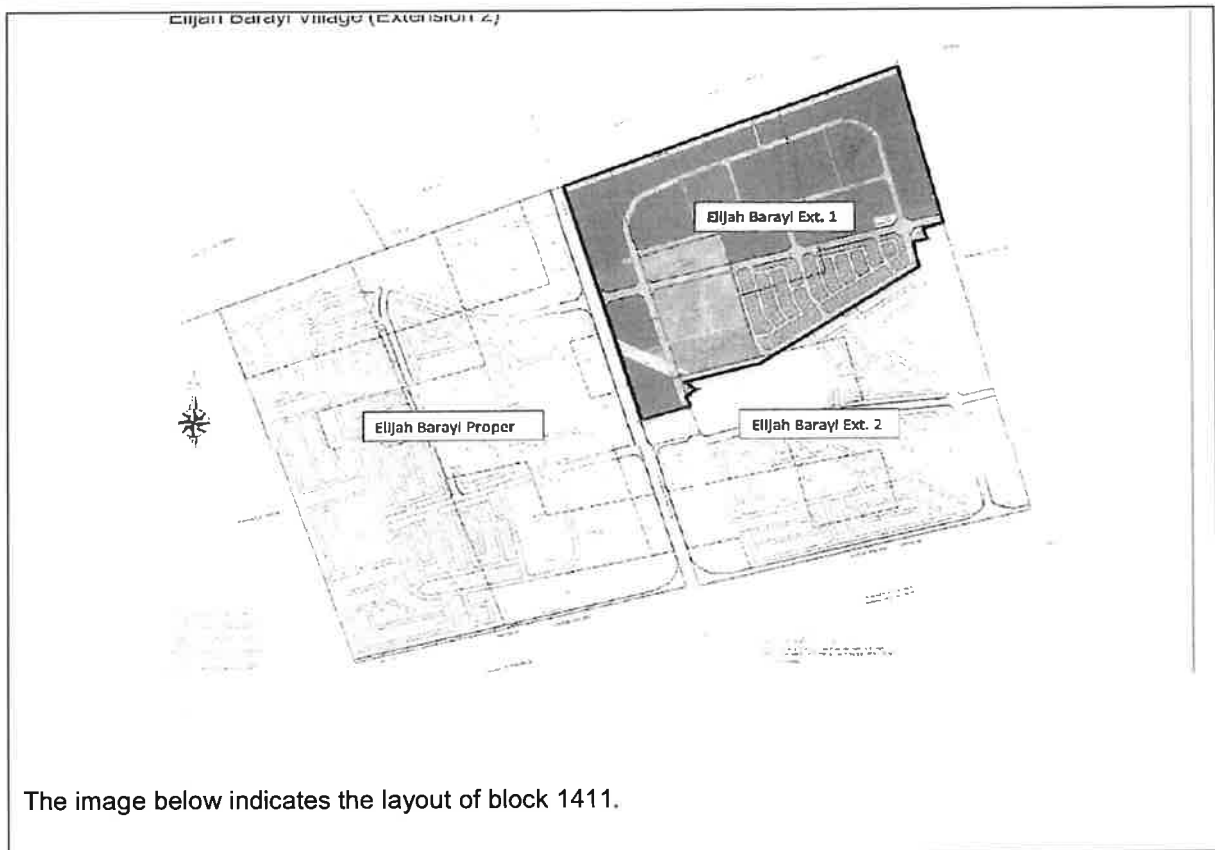
Merafong City Local Municipality in line with the Gauteng Provincial Government is working towards an Urban Sustainable and Integrated Spatial Reconfiguration of building new cities. The following Mega project were evaluated according to three categories:

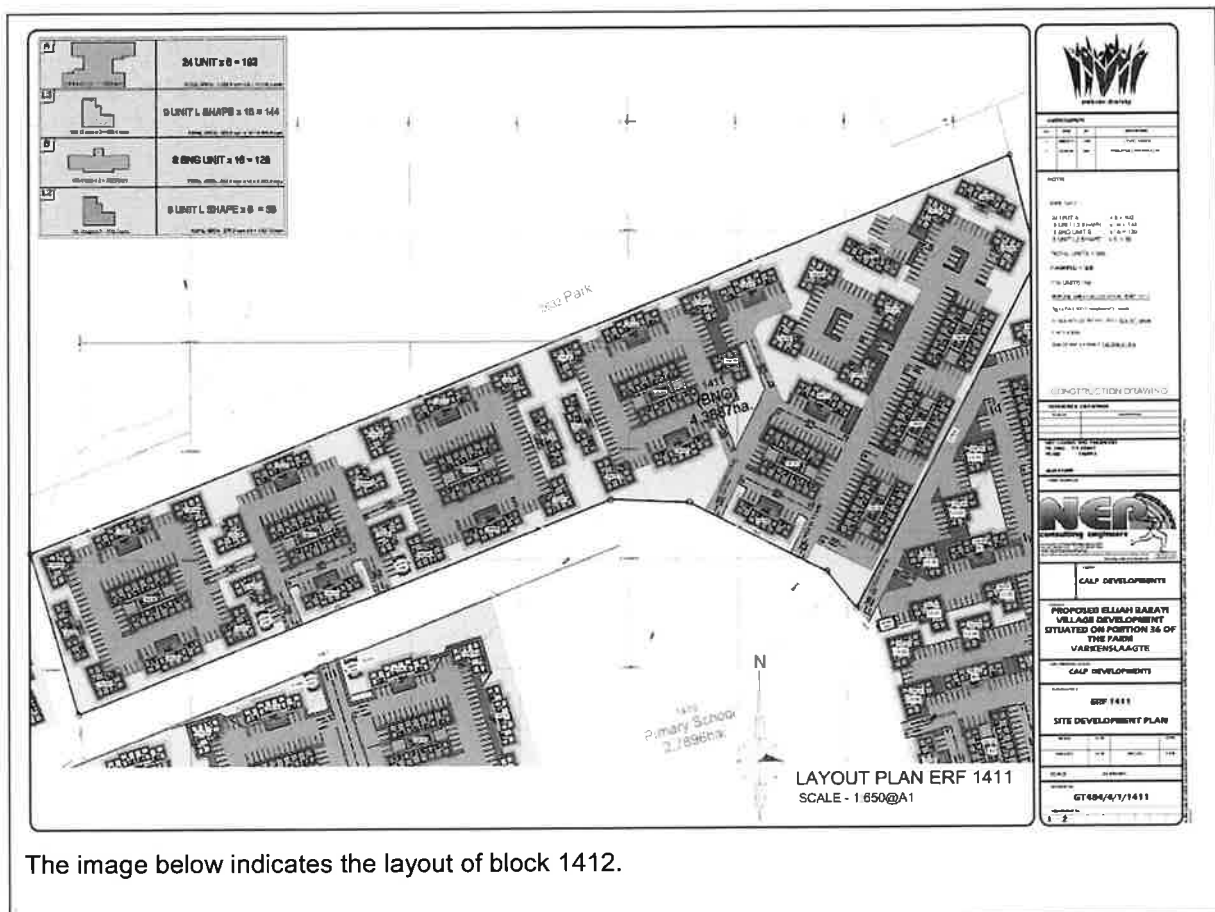
- Access to transit and connectivity
- Economic opportunities
- Urban integration

This private development through the Housing Development Agency of mixed housing typologies. The development of this nature will enhance the character of the Khutsong South area. It's going to yield

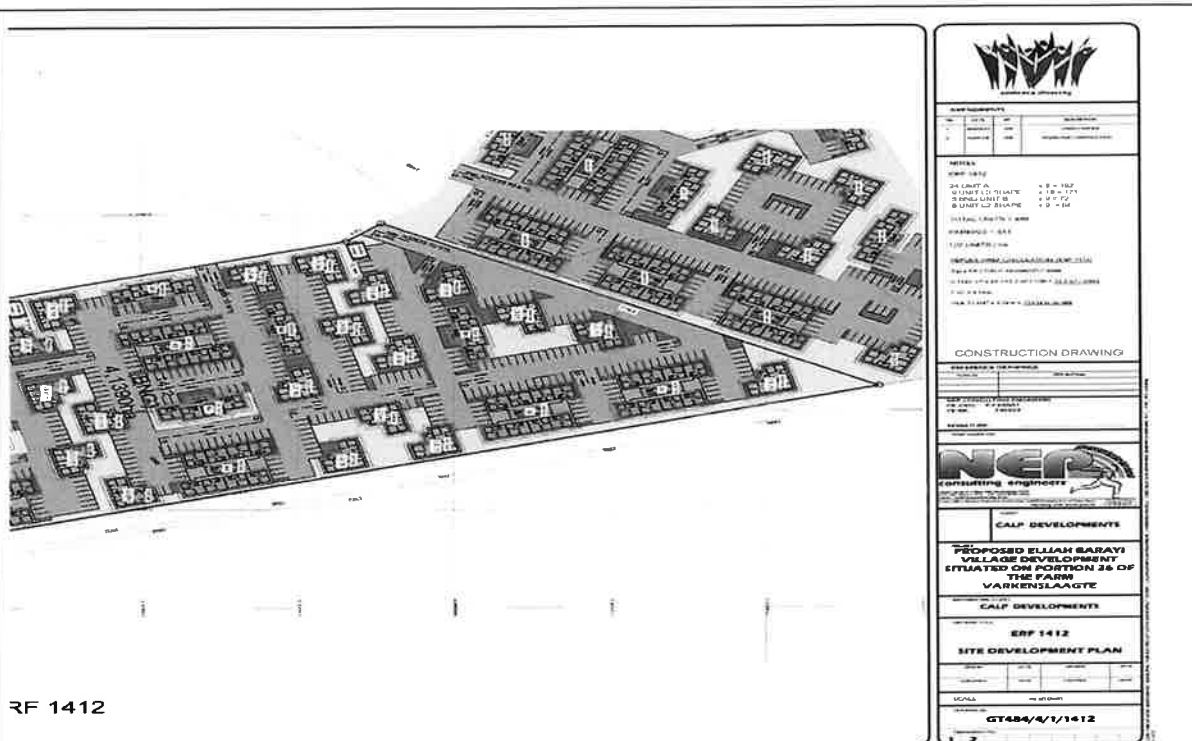


# Chapter 3

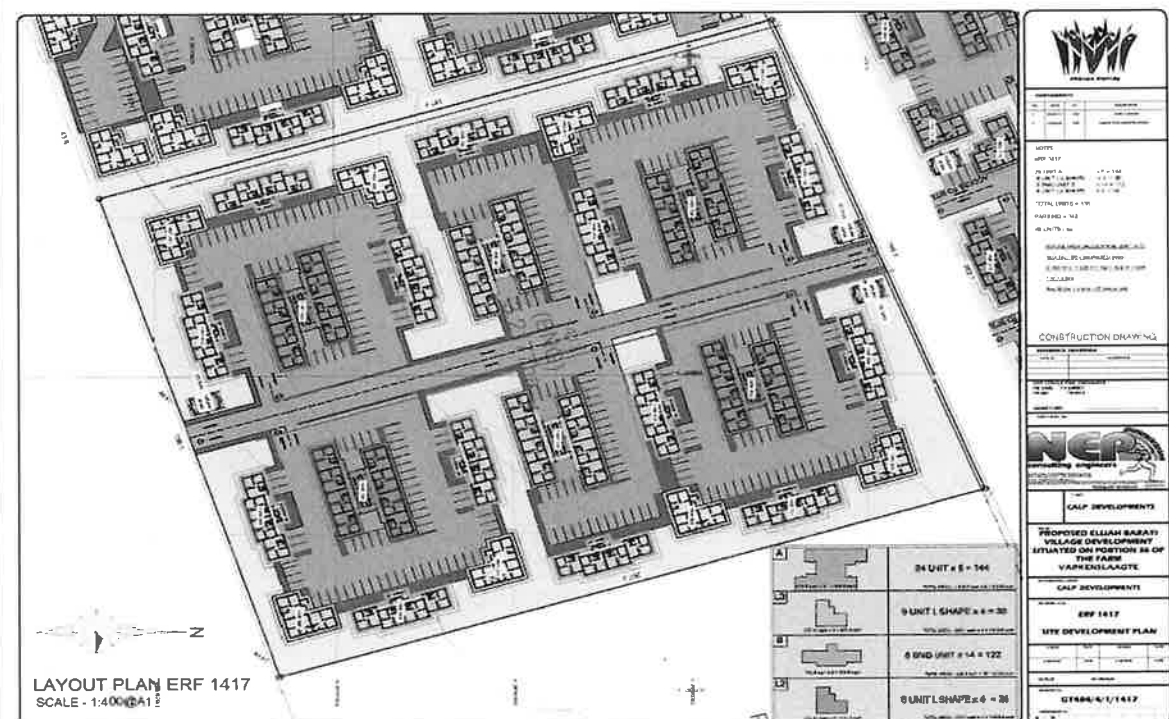






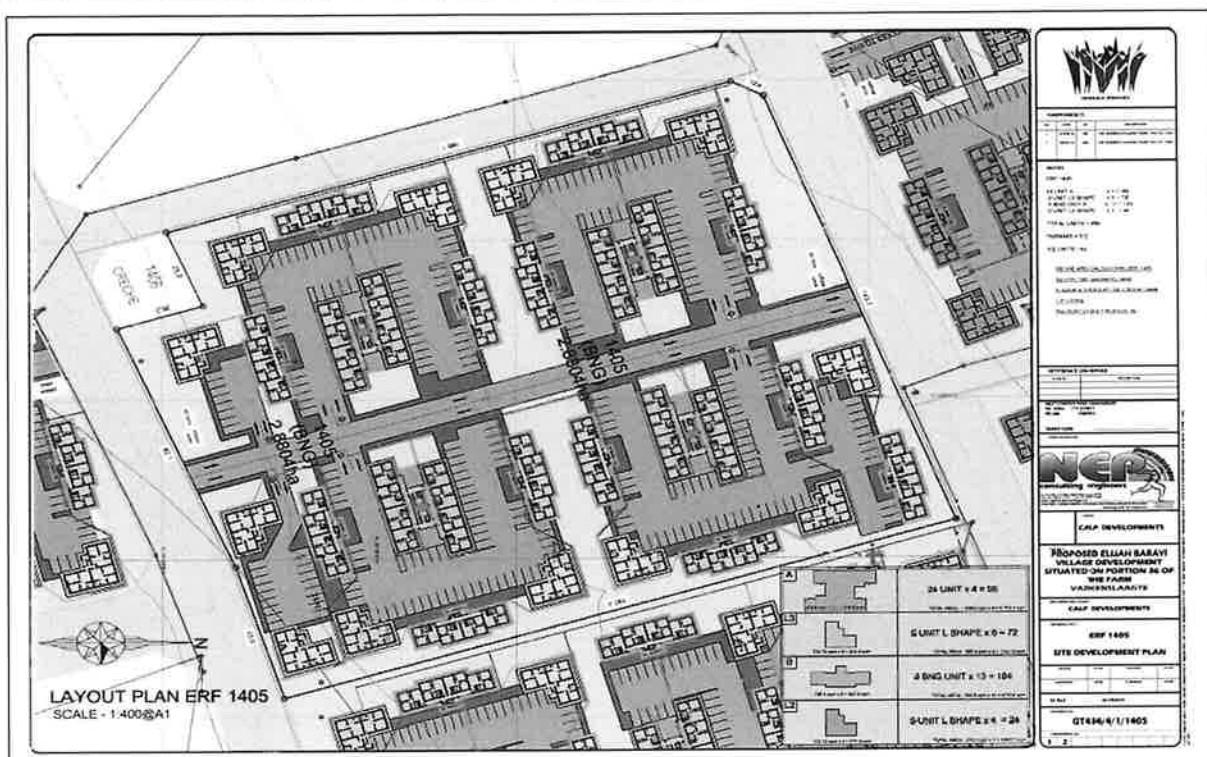


The image below indicates the layout of block 1417.



The image below indicates the layout of block 1405.

# Chapter 3



The Current progress on Elijah Barayi are as follows:

Completed Services	7080
Completed Units	7029
Allocated to beneficiaries	1853

## Registration of title deeds to eligible beneficiaries lodged for registration.

A total number 600 title deeds were registered and received to be handed out to the rightful owners of these houses.

## Human Settlement Plan

The Human Settlement plan was revised and updated to provide the latest information which is used to assist with planning and obtaining funding for programmes where they are needed.

T 3.5.7

# Chapter 3

## 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipal Indigent Policy provides that a verification process must be conducted on all households applying for indigent support to confirm credibility of all the profiles provided. Ward based Indigent harvesting programs continues in affected wards and efficiently facilitated by Indigent verification officers.

During the year in review, a total of 2497 households were verified, approved and registered in the Indigent Register of the Municipality. As prescribed by the Indigent Policy, the full indigent basic service package that include 6kl of water, 50kw of electricity, free sanitation and refuse removal services are provided to beneficiaries on a monthly basis.

T 3.6.1

Free Basic Services To Low Income Households										
	Total	Number of households								
		Households earning less than R1,100 per month								
		Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
			Access	%	Access	%	Access	%	Access	%
Year 2019/20	103,000	18,500	13,000	70%	11,000	59%	14,500	78%	8,000	43%
Year 2020/21	105,000	19,000	15,000	79%	12,000	63%	16,100	85%	9,000	47%
Year 2021/22	108,000	19,800	16,000	81%	12,600	64%	16,500	83%	10,100	51%

T 3.6.3

Financial Performance Year 2022/23: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year 2021/22	Year 2022/23			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	374,831	403,972	407,737	316,746	-28%
Waste Water (Sanitation)	70,389	79,670	80,332	75,864	-5%
Electricity	287,569	317,806	307,132	276,805	-15%
Waste Management (Solid Waste)	80,091	86,488	82,533	82,747	-5%
Total	753	887,936	877,734	752,162	-18%

T 3.6.4

# Chapter 3

## COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Delete Directive note once comment is completed – Comment on the support given to low earners and in particular those affected by shortfalls in basic service provision. Provide detail of indigent policy, expenditure and grants received in year 0 and explain how these have been translated into programmes designed to improve levels of self sufficiency.

T 3.6.6

## COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (Stormwater drainage).

### INTRODUCTION TO ROAD TRANSPORT

Since the municipality has got approved business plans to surface roads, it has embarked on a programme in a multi -year plan. Since the municipality is still faced with a huge backlog of unsurfaced roads, business plans were submitted and approved for the phased approach implementation. The priorities on road developments remain the previously disadvantaged areas, being the townships.

Routine maintenance of roads is being adhered to as per the yearly plan that is developed. It assists in maintaining the state of roads to be kept at acceptable standards. The National government has assisted the municipality in developing the pavement master plan that will guide the long term maintenance plan.

The municipality implements Roads Transport activities through the district municipality. The municipality provides support by maintaining the infrastructure that supports the operation. Public Facilities such as taxi ranks are being maintained by the municipality.

T 3.7

## 3.7 ROADS

### INTRODUCTION TO ROADS

Within the roads infrastructure there is construction of new roads and maintenance of existing infrastructure. The municipality has MIG approved business plans that are set to be implemented every financial year. This is meant to address the backlog of unpaved roads. The focus of the MIG funding is to assist in addressing the current backlog of unpaved roads particularly in historically disadvantaged areas. This will go on up until all areas have been fully addressed. From the capital funding a certain percentage is set aside for the purpose of clearing backlogs of gravel roads on historically disadvantaged areas.

The townships of Kokosi and Greenspark have been prioritised by the strategy and about 95% of gravel roads have been eliminated. The challenge still remains with Khutsong township but a plan has

# Chapter 3

been made for the upcoming financial years. Certain housing projects come with roads network projects attached, therefore assisting the municipality in eliminating the backlog.

Priority is given to Khutsong township in terms of elimination of gravel roads since other areas are not in the same state.

Grading of roads in areas with no tar roads has been prioritised as means of maintenance programmes throughout the financial year.

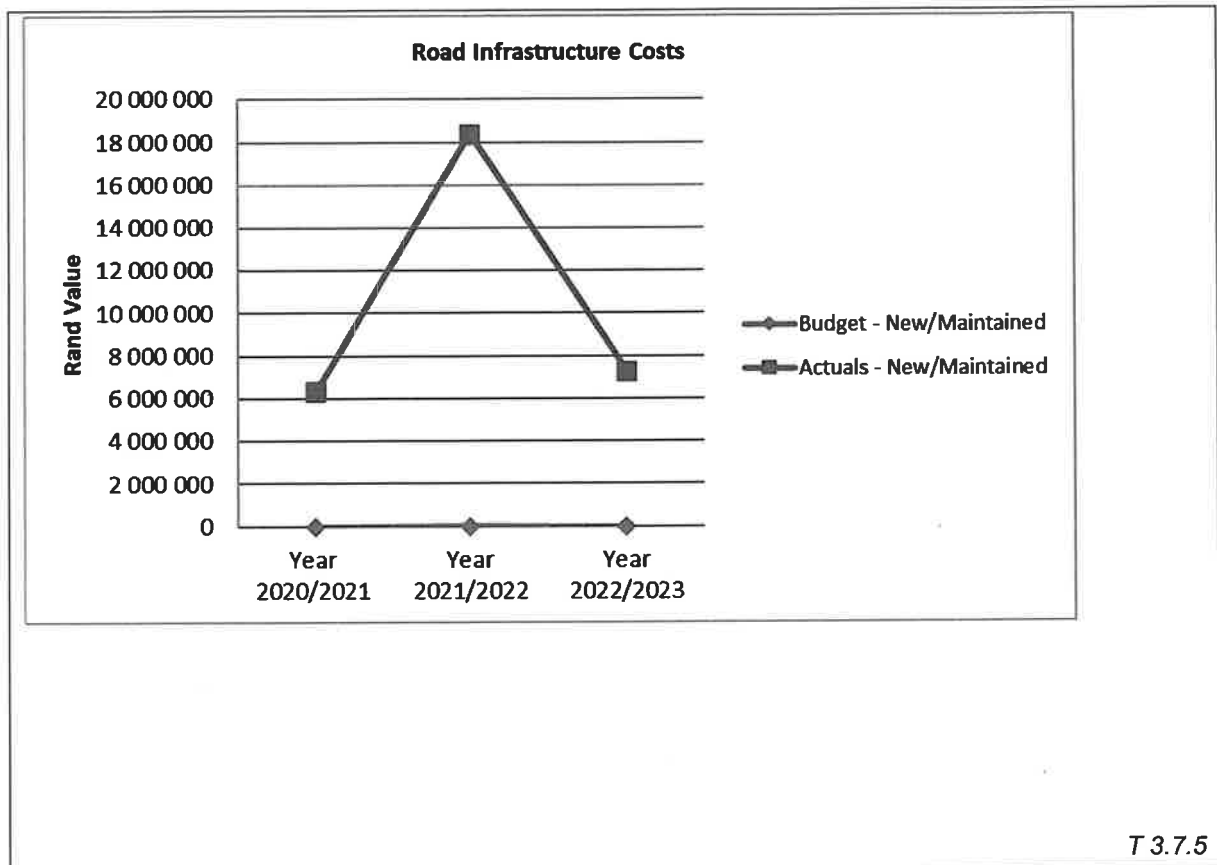
T 3.7.1

Gravel Road Infrastructure				
	Total gravel	New gravel roads constructed	Gravel roads upgraded to tar	Kilometers Gravel roads graded/maintained
Year 2020/2021	174.9	0	3.5	73
Year 2021/2022	182.563	10.9	3.2	66.47
Year 2022/2023	278.6	96	4.7	135.62
T 3.7.2				

Tarred Road Infrastructure Kilometers						
	Total tarred roads	New tar roads	Existing roads tarred	Existing roads tar re-sheeted	Tar roads maintained	
Year 2020/2021	386.1	3.5	0	0	0	
Year 2021/2022	389.34	3.24	0	0	1.7	
Year 2022/2023	434.4	4.7	0	0	3.2	
T 3.7.3						

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year 2020/2021	0	6 323 753.21	1 473 847.52	0	6 323 753.21	1 473 847.52
Year 2021/2022	10.9	18 384 257.45	1 644 321.22	18 384 257.45	0	1 644 321.22
Year 2022/2023	0	7 294 666.0	1 773 623.2	7 294 666.0	0	1 773 623.2
T 3.7.4						

# Chapter 3



# Chapter 3

Road Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 2018/2019		Year 2019/2020		Year 2020/2021		Year 3	
		Target		Target		Target		Target	
		*Previous Year (iii)	Actual (iv)	*Previous Year (v)	*Current Year (vi)	*Current Year (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
<b>Service Indicators (i)</b>	<b>(ii)</b>								
<b>Service Objective</b>									
<b>Elimination of gravel roads in townships</b>	Kilometers of gravel roads tarred (Kilometers of gravel road remaining)	174.9 KM gravel roads remaining	0 KM gravel roads tarred (174.9 KM gravel roads remaining)	173.45 KM gravel roads remaining	1.45 KM gravel roads tarred (173.45KM gravel roads remaining)	1.45 KM gravel roads tarred (173.45KM gravel roads remaining)	Baseline (174.9 KM gravel roads remaining)	174.9	174.9
<b>Development of municipal roads as required</b>	0.59 KM of municipal roads developed	0 KM	0 KM	1.45 KM	1.45KM	1.45 KM	0 KM	0	1.8KM
<b>T 3.7.6</b>									

# Chapter 3

Employees: Road Services						
Job Level	Year 2021/22	Year 2022/23				
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %	
0 - 3	1	1	1	0	0	0%
4 - 6	2	3	2	1	1	33%
7 - 9	3	20	3	15	15	80%
10 - 12	4	8	4	4	4	50%
13 - 15	15	42	15	27	27	64%
16 - 18	-	-	-	-	-	
19 - 20	-	-	-	-	-	
Total	26	74	26	49	49	66%

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.

T3.7.7



# Chapter 3

Financial Performance Year 2022/23: Road Services					
R'000					
Details	Year 2021/22	Year 2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					#DIV/0!
<b>Expenditure:</b>					
Employees	9,527	8,154	924	10,041	19%
Depreciation and amortization	108,239	59,580	1	1	-5957900%
Disposal of PPE	2,653	1	1	1	0%
Operational cost	421	-73	1	394	119%
Inventory consumed	29	53	1	1	-5200%
<b>Total Operational Expenditure</b>	120,869	67,715	928	10,438	-549%
<b>Net Operational Expenditure</b>	120,869	67,715	928	10,438	-549%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.7.8

# Chapter 3

Capital Expenditure Year 2022/23: Road Services					
R' 000					
Capital Projects	Year 2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	22,990	25,635	24,685	7%	
Khutsong Roads and Stormwater (Phase 5)	6,000	6,000	5,992	0%	6000
Khutsong Roads and Stormwater (Phase 6)	8,000	8,000	55,199	86%	8000
Khutsong Roads and Stormwater (Phase 7)	1,500	3,159	1,413	-6%	1500
Kokosi Roads and Stormwater (Phase 4)	500	500	600	17%	500
Kokosi Roads and Stormwater (Phase 5)	3,000	3,000	2,998	0%	3,000
Kokosi Roads and Stormwater (Phase 6)	8,000	5,500	5,240	-53%	8,000
Kokosi Roads and Stormwater (Phase 7)	1,500	4,000	3,880	61%	1,500
Wedela Ext 3 Roads and Stormwater (Ph 6)	8,240	8,240	8,240	0%	8,240
Wedela Ext 3 Roads and Stormwater (Ph 7)	1,250	1,250	687	-82%	1,250
Khutsong North Water & Sewer Reticulation Stage 1	500	1,267	1,162	57%	500
Khutsong North Water & Sewer Reticulation Stage 2 - Skopas		1,878	1,878	100%	
Khutsong North Water & Sewer Reticulation Stage 3	6,500	6,500	3,609	-80%	6,500
				86%	2,022
Khutsong South Ext 5 & 6 Internal Roads & Stormwater	34,149	34,149	3,812	-796%	34,149
Upgrading & Rehabilitation of Wedela Sports Stadium	10,000	10,000	9,997	0%	10,000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.7.9

## COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The performance of roads fairly over the past financial years inclusive of the year under review. Implementation of roads construction projects have been done in Khutsong and Kokosi townships. Maintenance of existing roads is currently a challenge within the municipality due to the budgetary constraints. The current financial situation is worsening the backlog of the municipality since we are still faced with backlog of eliminating the gravel roads.

The implementation of roads has been set to be executed on each financial year. This will assist in addressing the current backlog of unsurfaced roads particularly in historically disadvantaged areas. This will go on up until all areas have been fully addressed. Khutsong township remains the priority of the municipality in terms of elimination of gravel roads since other areas are better off. Challenges of ineffective service providers have been identified where projects were delayed thereof. Grading of roads in areas with no tar roads has been prioritised as means of maintenance programmes throughout the financial year.

T 3.7.10

# Chapter 3

## 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

### INTRODUCTION TO TRANSPORT

This component includes Motor Vehicle Registration Authority (MVRA), Vehicle Testing Centre (VTS) as well as Driving License Testing Centre (DLTC). It includes issuing of vehicle permits, road worthiness of vehicles and application for learners, drivers and professional driving permits in line with the National Road Traffic Act 93 of 1996.

In addition, the South African Post Office is mandated to do renewal of motor vehicle licensing. As a result, this reduced the number of renewals of motor vehicle licensing at the municipality. In addition, learner license test is computerized. The bookings on DLTC are conducted by RTMC. (<http://online.natis.gov.za>)

South African Post Office is registered as an agent to renew motor vehicle licenses. In addition, legislation authorized a person to renew a motor vehicle license at any local authority within Gauteng Province with a renewal notice.

No bus Service in Merafong Municipality.

T 3.8.1

Municipal Bus Service Data				
Details	2020/2021	2021/2022		2022/2023
	Actual No.	Estimate No.	Actual No.	Estimate No.
1 Passenger journeys	The Municipality does not have bus services.			
2 Seats available for all journeys				
3 Average Unused Bus Capacity for all journeys				
4 Size of bus fleet at year end				
5 Average number of Buses off the road at any one time				
6 Proportion of the fleet off road at any one time				
7 No. of Bus journeys scheduled				
8 No. of journeys cancelled				
9 Proportion of journeys cancelled				

# Chapter 3

Transport Service Policy Objectives Taken From IDP (VEHICLE LICENSING)							
Service Objectives	Outline Service Targets	2021/2022		2022/2023		2023/2024	
		Target	Actual	Target	Actual		
Service Indicators		Target	Actual				
Service Objective xxx							
Registration of vehicles	Registration of vehicles	9087	8266	8266	7431	7431	7431
Licensing motor vehicle		38 431	36 856	36 856	38 416	38 416	38 416
Drivers Licenses		22 786	10 192	10 192	6 757	6 757	6 757
Learners Licenses		5 794	6 692	6 692	5 234	5 234	5 234
							T 3.8.3

Employees: Transport Services					
Job Level	2019/2020	2022/2023			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	4	4	2	2	50%
7 - 9	17	17	13	4	78%
10 - 12	25	25	19	6	80%
13 - 15	6	6	1	5	60%
16 - 18	0	0	0	0	0%
<b>Total</b>	<b>52</b>	<b>53</b>	<b>35</b>	<b>18</b>	<b>75%</b>
					<b>T3.8.4</b>

# Chapter 3

## COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

Registration and licensing section still negotiating with the Gauteng Department of Transport for Service Level Agreement to do registration and licensing of motor vehicles, learner license and driver licenses. The South African Post Office is also registered as an agent to renew motor vehicle licenses. As a result, this reduced the number of renewals of motor vehicle licensing at the municipality. The National Road Traffic Act. 93/1996 authorized a person to renew a motor vehicle license at any local authority within Gauteng Province with a renewal notice. In Merafong Municipality some mines and businesses are closed due to economy and Covid 19, the loss will be plus minus 300 (motor vehicles, trucks and trailers crones).

This section is responsible for the testing of learners and driver's licenses as well as testing of vehicles in terms of legislation. The learner license test is recently computerized, and the failing rate is high due to the fact that applicants are not familiar with the system. The Road Traffic Management Corporation (RTIC) has implemented the online booking system for bookings in order to reduce fraudulent: [online.natis.gov.za](http://online.natis.gov.za)

The project was registered for the building of the New Driver License offices in Carletonville. The building is at 90% completion. This will improve on service delivery and compliance to the best practice model.

T3.8.7

## 3.9 WASTE WATER (STORMWATER DRAINAGE)

### INTRODUCTION TO STORMWATER DRAINAGE

The municipality has managed to install stormwater infrastructure in areas that were having a challenge before through the MIG funding initiatives. The areas that benefitted with new stormwater infrastructure include Kokosi and Wedela, where the network never existed before. In Wedela and Khutsong the challenge is being addressed continuously within the roads projects.

The maintenance plan that was drafted for the year under review was partially adhered to to address some of the problems although the plan itself had to be downscaled due to financial constraints. There are areas that still have the need to upgrade the stormwater system through maintenance programme, but have been kept on halt due to budgetary constraints. That include Kokosi extension two and Wedela township.

T 3.9.1

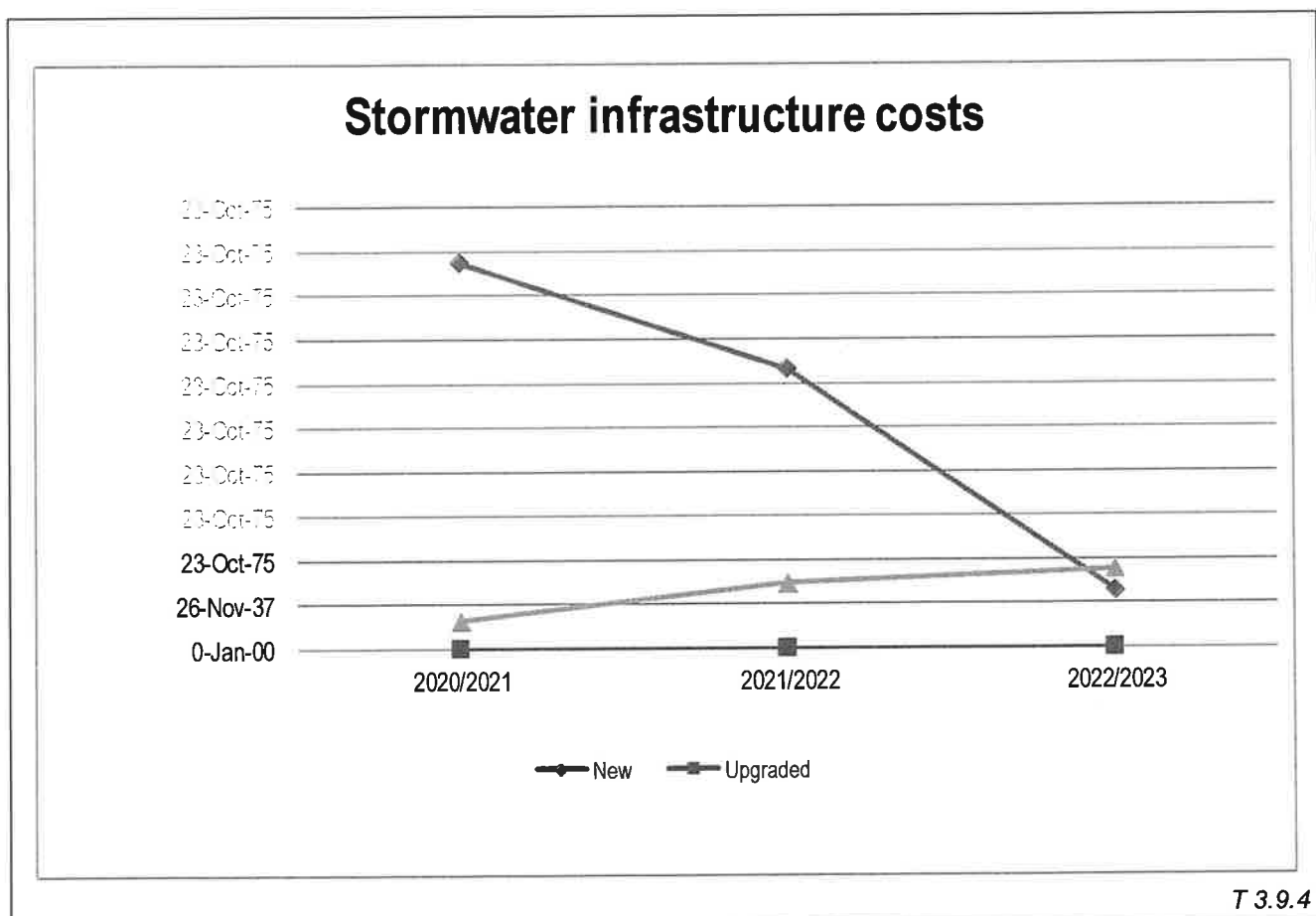
#### Stormwater Infrastructure Kilometers<sup>2</sup>

	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year 2020/2021	No baseline data	0	406 units kerb inlets cleaned	406 units kerb inlets

# Chapter 3

			and repaired	cleaned and repaired
<b>Year 2021/2022</b>	No baseline data	7	768 units kerb inlets cleaned and repaired	768 units kerb inlets cleaned and repaired
<b>Year 2022/2023</b>	No baseline data	1.3	853 units kerb inlets cleaned and repaired	853 units kerb inlets cleaned and repaired
T 3.9.2				

Cost of Construction/Maintenance R' 000			
	Stormwater Measures		
	New	Upgraded	Maintained
Year 2020/2021	8 748 033	0	644 501
Year 2021/2022	6 323 753.21	0	1473 847.52
Year 2022/2023	1 300 000.00	0	1 773 623.2
T 3.9.3			



# Chapter 3

# Chapter 3

Stormwater Policy Objectives Taken From IDP										
Service Objectives		Outline Service Targets		Year 2019/20		Year 2020/2021 Previous Year		Year 2021/2022 Current Year		Following Year
Service Indicators		Target		Actual		Target		Target Plan		2022/23
						*				
(i)		(ii)		(iii)		(iv)		(v)		(vi)
Service Objective: Reliable Storm water Infrastructure										
Meters (1000) of storm water drainage system maintained in accordance with the maintenance plan		Indicator measures meters of storm water drainage system maintained in accordance with the maintenance plan implemented		100		16.31		710		210
		Number (300) of kerb inlets maintained in accordance with the maintenance Plan		100		12		314		358
										400
T 3.9.5										



# Chapter 3

Employees: Stormwater Services					
Job Level	2020/21	2021/22			
	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	3	2	1	33%
7 - 9	3	20	3	17	85%
10 - 12	3	8	3	5	63%
13 - 15	15	42	15	27	64%
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
<b>Total</b>	<b>24</b>	<b>74</b>	<b>24</b>	<b>50</b>	<b>68% T3.9.6</b>

Financial Performance Year 0: Stormwater Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	120	125	100	95	-32%	
Expenditure:						
Employees	125	244	250	248	2%	
Repairs and Maintenance	25	244	250	248	2%	
Other	45	244	250	248	2%	
<b>Total Operational Expenditure</b>	195	732	750	744	2%	
<b>Net Operational Expenditure</b>	75	607	650	649	6%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.9.7

# Chapter 3

Capital Expenditure Year 0: Stormwater Services					R' 000
Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	260	326	378	31%	
Project A	100	130	128	22%	280
Project B	80	91	90	11%	150
Project C	45	50	80	44%	320
Project D	35	55	80	56%	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.9.8

## COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

### Roads and Stormwater

The performance of stormwater drainage system showed an improvement during the year under review, although it is not at the level where the municipality expects it to be. Cleaning of kerb inlets was implemented with the aid of temporal employees through the initiatives of Expanded Public Works programme. There is a need of manpower to execute maintenance activities that do not necessarily require financial implications.

During the year under review, new stormwater infrastructure was installed in townships of Khutsong and Kokosi through the MIG funding projects. The master plan of which funding has been requested, will also assist in addressing the long term maintenance plan issues. Some stormwater drainage systems have to be concrete aligned to ease the maintenance levels. The compilation of the master plan is pending funding availability.

T3.9.9

# Chapter 3

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

The Spatial Development Framework recognizes economic opportunities and guides new development opportunities to be strategically placed to achieve sustainable integrated planning and capital investment.

The municipality is committed to facilitate Radical Economic Transformation and to diversify the economy from the dominant mining sector. In this regard several catalytic projects have been identified that can change the face of Merafong City and the West Rand if investment can be attracted.

In the previous years it was reported that business plans were submitted to the Gauteng Funding Agency to facilitate Radical Economic Transformation within the West Rand, but to date no funding were received for the following projects:

- Carletonville Multi Nodal Transport Hub
- Khutsong South Extensions Taxi Rank
- Kokosi Precinct Upgrade
- Kokosi Social Development Cluster
- Fochville- Kokosi Regional Park

The modernisation of Human Settlements and urban development as one of the pillars for radical transformation is achieved through fully integrated township layouts for residential, business and community facilities for the following approved Mega Projects:

- Khutsong South Human Settlement Projects (next phases)
- Khutsong South Extension 8
- Elijah Barayi Village Mega Project
- Kokosi Extension 7

Due to a series of sinkhole formations in Khutsong, the Khutsong Resettlement Plan has received annexed attention at National level. The National Department of Human Settlement has appointed the Housing Development Agency (HDA) to provide urgent support to Merafong City, by inter alia develop a tangible action plan with specific mandated targets. The Khutsong Disaster Intervention Plan, co-ordinated by Gauteng COGTA, facilitates intervention plans from various Sector Departments in Merafong City. The Khutsong Resettlement Plan will be a catalytic project to attract investment and to fully develop the Carletonville-Khutsong-Welverdiend Corridor.

The attraction and implementation of Mega projects is dependent on the availability of bulk services pertaining to water, sewer and electricity. The Municipality also has a challenge of aging infrastructure that urgently needs rehabilitation. This aspect will also be addressed through the Khutsong Resettlement Plan and the Khutsong Disaster Intervention Plan facilitated by COGTA.

The Municipality is confident that its Strategic Planning Framework provides a solid foundation to attract investment for mega projects to facilitate growth and development in Merafong City, as part of the Gauteng City Regions' Western Corridor Development.

T 3.10

# Chapter 3

## 3.10 PLANNING

### INTRODUCTION TO PLANNING

Spatial Planning in Merafong City is guided by the Spatial Development Framework and the strategies outlined in the Planning Framework to ensure the following:

- Improve Urban Efficiency and rectify spatial disparities
- Improve urban and rural living environment
- Facilitate sustainable economic growth and diversification
- Protect natural and agricultural resources

#### Improve Urban Efficiency and rectify spatial disparities

In order to achieve integrated urban areas and restructure the urban form to meet current and future efficiency challenges, the following were achieved:

- Improvements were made to the Municipal Spatial Development Framework, with special reference to new growth management zones to guide development in accordance with the future desired state, and to incorporate the Capital Expenditure Framework.
- The Municipality has promulgated its new uniform Land Use Scheme on 16 August 2020, which is currently being implemented.
- Continuation of the implementation of existing and new Mega Human Settlement projects in order to rectify spatial disparities.

The main challenges experienced in this regard were related to funding constraints for the rehabilitation and construction of bulk infrastructure which caused a delay in the implementation of Human Settlement and development projects. Human Settlements is however a Provincial function and therefore the municipality is dependent on budget allocations from the National- and Provincial Annual Budget Allocations.

#### Improve urban and rural living environment

In order to create a conducive living environment for the community where basic needs are met, the cost of living is bearable, amenities and employment are accessible and urban spaces are aesthetically pleasing and healthy, the following was achieved:

- The MSDF identified land for economic development interventions in previously disadvantaged areas to enable the implementation of economic development projects.
- Non-Motorized Transport priorities and needs were identified and communicated to Gauteng Province as part of the Gauteng Renewed Focus on Non-Motorized Transport.
- Land was identified in previously disadvantaged areas for alienation for churches, businesses, residential development and NPO's, in order to support a better functioning social environment.
- Land was identified and availed for social infrastructure development in various areas comprising of clinics and libraries.

The main challenges experienced in this regard stem from the presence of dolomite which greatly reduces viable options for locating facilities in the process of creating improved living environments.

#### Facilitate sustainable economic growth and diversification

# Chapter 3

In order to facilitate the development of new economic drivers and the diversification of the economy and to revitalize stagnant economic activity nodes the following was achieved:

- Great strides were made with the conceptualization, project development and funding of Merafong City's game changer projects. The Gauteng Infrastructure Financing Agency (GIFA) concluded the feasibility study for the Bio-energy Eco-Industrial Park, which found the project to be feasible in Merafong City. The conceptualization of the project is currently underway.
- After extensive research the designated nodes and corridors in the MSDF were re-aligned in order to yield higher growth results in the urban space.

The main challenges experienced in this regard were the ever present shortage of funding as well as strategically located land for projects. These challenges are however being addressed through co-operation with the local Mining Houses and Gauteng Province.

## Protect natural and agricultural resources

In order to protect and actively manage the natural environmental resources of Merafong City to ensure a sustainable co-existence between urban, mining, agricultural and ecological land uses, the following was achieved:

- The MSDF was aligned to the new Gauteng Environmental Management Framework. Climate change mitigation measures were improved through the designation of new protected critical diversity areas. The renewed focus was placed on the inter-relation between spatial planning and conservation of wetlands by a new partnership between ICLEI, the WRDM and Merafong City.
- The Spatial Planning Section actively attracted interest for green investment that aims to rehabilitate mine impacted land and generate renewable green energy. The envisaged development will for a component of the Bio-energy Eco-Industrial Park bring about a reduction in carbon emissions noticeable on a regional scale.

Funding is once again the main challenge in implementing environmental orientated projects within a context of limited resources and competing social and economic needs.

Service delivery priorities pertaining to Land Use Management, Spatial Planning and Building Control were addressed in accordance with the Service Delivery Budget Implementation Plan (SDBIP) of Council.

The main services delivery priority pertaining to land use management was the implementation of the Spatial Planning & Land Use Management Act (SPLUMA) (Act 16 of 2013) which came into operation on 1 July 2015. The main intention of SPLUMA is to streamline Spatial Planning and Land Use Management and to promote a uniform system of spatial planning and land use management. Funding was received from GDRDLR for the compilation of a new uniform Land Use Scheme for the entire Merafong City. The new Land Use Scheme was promulgated on 16 August 2020, and are currently implemented.

The categorization of applications, the delegation of certain powers to the Designated Officer and the adoption of SPLUMA By-Laws has improved performance and efficiency within the Department. The SPLUM By-Laws were reviewed and aligned with the new Land Use Scheme, which was also promulgated on 16 August 2020. In comparison to the previous year, there was an increase in applications submitted and finalized. Apart from the challenges experienced with Covid-19 and the negative effect it had on the economy within Merafong City, a total of 39 development applications have successfully been processed.

# Chapter 3

The increasing number of illegal land uses identified during the year is a serious concern. A tendency has been noted that illegal back rooms are constructed and rented out, some of an informal nature, impacting negatively on services such as sewer, electricity and the living environment. In this regard 36 statutory processes have been implemented for illegal land uses and illegal buildings, and penalties charged.

Within the Building Control Section a concerted effort was made to improve the timeframe for processing building plans. In comparison with the previous year, a significant increase in the submission of building plans was experienced. During this year the total number of building plans approved increased to a total of 163 building plans within the legislated timeframe, resulting in no backlog on approval of building plans. The total value of building plans approved however decreased from R248,124,000 to R190 128 000.

T 3.10.1

Applications for Land Use Development						
Detail	Formalization of Townships		Rezoning		Built Environment	
	Year 2021/2022	Year 2022/2023	Year 2021/2022	Year 2022/2023	Year 2021/2022	Year 2022/2023
Planning application received	0	0	48	39	149	163
Determination made in year of receipt	0	0	38	32	92	94
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	10	7	57	69
						T 3.10.2

# Chapter 3

Service Objectives		Planning Policy Objectives Taken From IDP									
		2021/2022		2022/2023		2022/2023		2023/2024			
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators (i)	Outline Service Targets (ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	(viii)	*Current Year (ix)	*Following Year (x)		
Land Use Management	% statutory notices issued within 7 days of identification of Illegal Land use	100%	100%	100%	100%	100%	100%	100%	100%		
Spatial Planning	Reviewed SDF	1	1	1	1	1	1	1	1		
	SPLUMA - no of applications submitted vs approved	100%	100%	100%	100%	100%	100%	100%	100%		
Economic Development	% of developmental municipal owned land advertised for development in accordance with 5 year plan										
Building Control	Building plans <500m <sup>2</sup> attended within 30 days	100%	100%	100%	100%	100%	100%	100%	100%		
	Building plans >500m <sup>2</sup> attended within 60 days	100%	100%	100%	100%	100%	100%	100%	100%		
	% building inspections conducted vs applied for	100%	100%	100%	100%	100%	100%	100%	100%		
	% statutory notices issued within 14 days of identification of Illegal building	100%	100%	100%	100%	100%	100%	100%	100%		
T 3.10.3											

# Chapter 3

Employees: Spatial Planning Services					
Job Level	2021/2022	2022/2023			
	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	7	18	7	11	61%
7 - 9	2	3	1	2	67%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	10	22	9	13	59%

T 3.10.4

Financial Performance Year 2022/23: Planning Services (LED)					
R'000					
Details	Year 2021/22	Year 2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	124	750	1	1	-74900%
Expenditure:					
Employees	1,464	2,620	3,805	1,527	-72%
Depreciation and amortization	136	750	750	1	-74900%
Operational cost	1	1	1	1	0%
Inventory consumed	1	7	7	1	-600%
Total Operational Expenditure	1,602	3,378	4,563	1,530	-121%
Net Operational Expenditure	1,478	2,628	4,562	1,529	-72%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.10.5

Spatial Planning					
R' 000					
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
NO CAPITAL PROJECTS FOR THE YEAR UNDER REVIEW					
					T 3.10.6



# Chapter 3

## COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

The Spatial Planning and Environmental Management Section did not have any Capital projects for the year under review. As far as the Operating Expenditure is concerned, only 85% of the approved budget was spend. The 15% saving was due to vacancies within the various Sections. Spatial Planning has a vacancy rate of 58% and Building Control 79%.

T 3.10.7

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

### INTRODUCTION TO ECONOMIC DEVELOPMENT

Local economic development remains a key national challenge. This is no different in Merafong. Despite the huge potential for economic development in Merafong, growth has remained elusive.

Although financing is a problem, human resources have been deployed to the section to assist in bringing economic development to the foreground. Rapid improvements were made to deal with backlogs and to chart a new path forward. Numerous challenges remain, however steady progress in being made to improve services to the public and businesses as the municipality strives to create an environment that is more conducive to business development. A total of 24 new projects have been developed by the end of the financial year. These projects are included in the new IDP and are expected to make a big impact in reducing unemployment and growing the economy.

It is a well-known fact that the economy of Merafong is highly dependent on gold mining and that the sector is in decline. It is therefore of critical importance to create a new economic foundation separate from mining in order for our economy to thrive.

The municipality, with the cooperation of its partners and stakeholders from the government, private sector, and the community, needs to restructure the local economy into a vibrant post-mining economy.

T 3.11.1

# Chapter 3

## COMMENT ON LOCAL JOB OPPORTUNITIES:

Although new data is not available, it is expected that existing trends will persist. The following trends were evident in recent times.

While the population grew at 1.2% per annum over the period, the population of working age has grown by 0.1% per annum. The ability of the economy to employ new job seekers decreased by 0.16% per annum. Where 89.4% of people in the economically active age could have been accommodated in the economy in 1995, this figure decreased to 72% in 2019.

The pandemic is expected to result in job losses, which in turn will impact on household income and the ability to pay for municipal services. Based on the decline in output of various economic subsectors, we estimate that the total loss of formal employment opportunities will amount to 9 428 jobs. This represents 10.4% of the 90 599 employment opportunities reported in 2019.

It is estimated that approximately 4 500 households will be severely affected by the pandemic. Several households will become indigent as a result. Our calculated assumption returns a 672 increase in the indigent households, this will add to the already high proportion of indigent households.

T 3.11.4

Jobs Created during Year 2021/2022 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year 2020/2021	3696		3696	Monthly reports
Year 2021/2022	4482		4482	Monthly reports
Year 2022/2023	2631		2631	Monthly reports

T 3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
2021/2022	27	235
2022/2023	7	127
* - Extended Public Works Programme		

T 3.11.6

# Chapter 3

Local Economic Development Policy Objectives Taken From IDP						
Service Objectives	Outline Service Targets	Year 2020/2021		Year 2021/2022		Year 2022/2023
		Target	Actual	Target	Actual	Target
Service Indicators						
Service Objective						
Local Economic Development	Jobs creation through LED initiatives	4000				2400
	Review of the Merafong Growth and Development Strategy 2014	1	4482	4000	2665	1
	Percentage business licence applications and trading permits processed within 30 days	30 days	30 days	30 days	22 days	30 days
	Number of SMME workshops facilitated	3	3	3	4	3
						T 3.11.7

# Chapter 3

Employees: Local Economic Development Services					
Job Level	Year 2020/2021	Year 2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	1	4	1	3	75%
7 - 9	2	3	2	1	33%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	8	3	5	63%
					T 3.11.8

Financial Performance Year 2022/23: Local Economic Development Services					
					R'000
Details	Year 2021/22	Year 2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1	1	1	1	0%
Expenditure:					
Employees	1,464	2,620	3,805	1,527	-72%
Depreciation and amortization	135	750	750	1	-74900%
Operational cost	1	1	7	1	0%
Inventory consumed	0	5	5	1	-400%
Total Operational Expenditure	1,600	3,376	4,567	1,530	-121%
Net Operational Expenditure	1,599	3,375	4,566	1,529	-121%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.11.9

# Chapter 3

## COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Although new data is not available, it is expected that existing trends will persist. The economy has declined by about a quarter over the last three decades. The biggest contribution to the total value of local economy in recent years has been from manufacturing and business services. The mining sector, which has been a driver in the economy for a long time has drastically declined over the last three decades by an average of about -3% per year. Transport, construction and business services have shown the most growth out of all the sectors in recent years.

Given the municipal area's resource endowment, infrastructure network and positioning in the space economy, the major areas of development potential lie in agriculture, manufacturing as well as tourism and eventually urban renewal. This is confirmed by national and especially provincial policies. The following sectors and sub-sectors have a good chance of becoming highly competitive in Merafong:

- Agriculture and agro-processing. Merafong has thousands of hectares of good quality arable land that has been locked away under mine ownership with billions of litres of underground water that could be used for irrigation purposes.

General industrial development. The area has good industrial development potential. Conditions are favourable for industrial development given the locality of Merafong within the space-economy of the Gauteng Global City Region and existing infrastructure and a blue-collar skills base.

- Circular Economy. A confluence of opportunities and constraints has led to the development of economic concepts relating very strongly to industrial symbiosis and the circular economy. Merafong has the opportunity to reinvent itself and make a leap from lagging sectors to leading sectors that are competitive within the context of the 4th industrial revolution.

- Tourism and urban Renewal. Although the area has seen very little tourism development, there is massive latent potential. Merafong hosts the 6 largest caves in SA, has a site where an entire village was constructed in a cave and also has potential to expand the existing Abe Bailey Nature Reserve to become the largest provincial reserve in Gauteng without sacrificing agricultural land. The area also has a rich history of mining the labour movement and some of the best preserved examples of Mid-Century Modern Architecture in the country.

T 3.11.11

# Chapter 3

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

### INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Our main purpose is to promote literacy for all in order to build our country's future by producing future career-oriented people. Libraries play a vital role in education from basis to tertiary level by providing material to attain information regardless of one's socioeconomic status.

Libraries develop our community by offering knowledge through books, internet and tutoring they are also a safe place for children with children's programs which nurture their minds from grassroot. Library services benefits everyone in the community including students, teachers, researchers and job seekers, even for individuals who just need time to unwind with a good book.

Libraries also keeps the community up to date with the worlds development, locally and globally through books, magazines, newspapers and through free usage of the internet and are also vital to preserve our history.

T 3.12.0

### 3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

#### INTRODUCTION TO LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

##### MERAFONG CITY LIBRARY SERVICES

Merafong City has 22 Libraries which are funded by Gauteng Provincial Government through Conditional Grant and Equitable Share, this allows payment of staff salaries, maintain Library infrastructure and procurement of new books and furniture. These Libraries play a significant role to the community by offering free internet service (WIFI) to assist community in research purposes. Libraries also hosts social events such as book clubs and events that promote social networking and learning at a safe space.

These Libraries plays a critical role in building future leaders by assisting parents with registration of grade 1-8 learners and assisting with application of employment to different organizations.

T3.12.1

# Chapter 3

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)							
Month	Membership 2022/2023			In House Use (Number of _____) 2022/2023			
	Children	Adult	Total	Reference Users	Student Learners	ICT (Computer) Users	Total
July 2022							
August 2022	8098	11197	<b>19295</b>	71592	33872	3912	<b>54662</b>
September 2022	8121	11220	<b>19341</b>	13265	65398	6082	<b>84745</b>
October 2022	8145	11284	<b>19429</b>	7402	26413	4825	<b>38639</b>
November 2022	8170	11315	<b>19485</b>	12683	30463	5932	<b>49078</b>
December 2022	8174	11326	<b>19502</b>	6919	14333	4520	<b>25772</b>
January 2023	8221	11388	<b>19669</b>	10389	42539	10101	<b>63026</b>
February 2023	8250	11422	<b>19672</b>	11974	38387	10835	<b>61196</b>
March 2023	8250	11422	<b>19672</b>	16250	40357	12747	<b>69354</b>
April 2023	8321	11489	<b>19810</b>	13112	34257	12920	<b>60289</b>
May 2023	8359	11723	<b>20082</b>	16044	115517	14946	<b>146507</b>
June 2023	<b>8392</b>	11921	<b>20313</b>	22310	44213	17447	<b>83970</b>

# Chapter 3

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP											
Service Objectives		Outline Service Targets				Year 2020/2021		Year 2021/2022		Year 2022/2023	
Services indicator (i)		(ii)									
		Target		Actual		Target		Actual		Target	
		*Previous Year (iii)				*Previous Year (v)	*Current Year (vi)			*Current Year (viii)	*Following Year (2024/2025)
Service Objective xxx											
Access to information in the new developing area		Official Opening of Kokosi Ext. 4 Library	90.00%	10.00%	90.00%	10.00%	10.00%	90.00%	10.00%	90.00%	10.00%
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1											
										T 3.12.3	

Employees: Libraries						
Job Level	Year 2021/22		Year 2022/23		Vacancies (as a % of total posts)	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	No. of total posts	%
0 - 3	No.	No.	No.	No.		
0 - 3	0	0	0	0	0%	
4 - 6	0	1	1	0	0%	
7 - 9	8	11	8	3	27%	
10 - 12	22	25	22	25	100%	
13 - 15	6	10	6	4	40%	
16 - 18	11	21	11	10	0%	
19 - 20	0	0	0	0	0%	
Total	47	68	48	42	62%	
						T 3.12.4



# Chapter 3

Financial Performance Year 2022/23: Libraries; Archives; Museums; Galleries; Community Facilities; Other						R'000
Details	Year 2021/22	Year 2022/23			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	13,122	18,571	18,469	172,084	89%	
Expenditure:						
Employees	15,701	15,114	15,027	17,091	12%	
Depreciation and amortisation	866	2,085	2,085	1	-208400%	
Operational cost	2,062	3,280	3,018	2,795	-17%	
Inventory consumed	831	51	59	74	31%	
Total Operational Expenditure	19,460	20,530	20,189	19,961	-3%	
Net Operational Expenditure	6,338	1,959	1,720	-152,123	101%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						
T 3.12.5						

[illegible]

# Chapter 3

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.12.5

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Merafong City library services play a crucial role in society by providing access to information, education, and community resources. Their performance can vary widely, but when they are well-managed and adequately supported, they have a positive impact on individuals and communities. To remain relevant in the digital age, libraries need to invest in modern technology infrastructure and digital resources, ensuring that patrons have access to the latest information and tools.

T 3.12.7

## 3.13 CEMETERIES AND CREMATORIUMS

### INTRODUCTION TO CEMETERIES & CREMATORIUMS

Cemeteries are one of the highly utilised and visited areas in Merafong City especially during the religious holidays such as Easter and Christmas, as well as other important holidays. The top service delivery priorities are the provision of graves for burials, reservation of graves for future use, exhumation of mortal remains as and when requires, safe filing and keeping of records of all cemeteries functions as well as provision of safe environment through grass cutting, cleaning and tree trimming and maintenance of all cemeteries. Currently four (4) cemeteries in Merafong City are in use, whereas seven (7) have been used to capacity and two (2) have been discontinued due to health hazard that is caused by the high underground water level, especially during the rainy season. There has been a decline in the number of burials after the COVID19 pandemic. The demand for new graves and reopening of reserved graves has also declined in 2022/2023 which has a big influence on the availability of suitable burial land. A contracted service provider is responsible for the digging of all required graves. A service provider has been contracted for the provision of all indigent and pauper burials in the municipality.

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES & CREMATORIIUMS		
CEMETERY	2021/2022	2022/2023
West Wits Cemetery	177	120
Khutsong South Cemetery	681	615
Wedela Cemetery	41	12
Fochville Cemetery	346	325
Greenspark Cemetery	18	0
<b>Total</b>	<b>1263</b>	<b>1072</b>
T 3.13.2		

# Chapter 3

Cemeteries and Parks Policy Objectives Taken From IDP										
Service Objectives	Outline Targets	Service	Year 2020/2021		2021/2022		2022/2023		2023/2024	
			Target	Actual	Target	Actual	Target	Actual	Target	Actual
<i>Service-Indicators</i>			*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	*Current Year (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
(i)	(ii)									
<b>Service Objective</b>										
Grave Digging/ provision of graves at all cemeteries in Merafong City	Khutsong Cemetery	South	100%	100%	100%	100%	100%	100%	100%	100%
	West Wits Cemetery									
	Fochville Cemetery									
	Wedela Cemetery									
	Greenspark Cemetery									
Grass cutting on open spaces, sidewalks on main roads, Parks Cemeteries	All areas in Merafong City Local Municipality		100%	100%	100%	100%	100%	100%	100%	100%
Trees Maintenance	All areas in Merafong City Local Municipality		100%	100%	100%	100%	100%	100%	100%	100%
T 3.13.3										

# Chapter 3

# Chapter 3

Job Level	Employees: Cemeteries and Parks				
	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	1	0	1	100%
4 – 6	2	2	2	0	0%
7 – 9	6	10	6	6	60%
10 – 12	27	68	27	27	40%
13 – 15	35	107	35	35	33%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	70	188	70	69	37%

T 3.13.4

Financial Performance Year 2022/23: Cemeteries and Crematoriums					
					R'000
Details	Year 2021	Year 2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	114,610	98,057	97,397	75,792	-29%
Expenditure:					
Employees	1	1	1	1	0%
Depreciation and amortisation	35,417	33,220	2,866	1	-3321900%
Operational cost	2,799	2,707	3,186	2,912	7%
Inventory consumed	1	5	5	1	-400%
Total Operational Expenditure	38,218	35,933	6,058	2,915	-1133%
Net Operational Expenditure	-76,392	-62,124	-91,339	-72,877	15%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.13.5

# Chapter 3

Capital Expenditure Year 2022/23 Cemeteries and Crematoriums					
					R' 000
Capital Projects	Year 2022/23				
Total All	2,022	15,376	13,963	86%	
Development of New Kokosi Cemetery	2,022	15,376	13,963	13,963	280
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.13.6

## COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIUMS OVERALL:

The Cemeteries section did not have any capital projects during 2022/2023 financial year, except for the grave digging which is done by the contracted service provider. All the required functions of the cemeteries were executed internally, successfully. The provision of graves to the community of Merafong City is the main priority and function, which is done as and when required. The rate of burials has increased due to Covid19, whereas the rate of grave reservations has decreased.

T 3.13.7

## 3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

### INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Health and Social Development Section continued, through the 2022/2023 Plan to prioritise social relief and capacity building programs for the vulnerable groups. During the year in review, consistent strengthening of stakeholder relationships for efficient delivery of prioritised programmes was maintained. Efforts to reduce the scourge of drugs and substance abuse through the implementation of the Drug Masre Plan were prioritised. Five awareness creating workshops were held in schools around the Municipality. Six service users were referred and admitted for rehabilitation.

Capacity building workshops and training of Early Childhood Development practitioners were sustained as planned, Hundred and Forty (140) practitioners were enrolled for NCF training through the Mathew Gonie School of Governance and in order to improve safety at ECD centres, fifty (50) practitioners were given an accredited First Aid training facilitated by the EKK Consulting at no cost against the Municipality. In partnership with the Hope Worldwide Vision, a further forty-five practitioners were trained for the Learning through play program.

In collaboration with the office of the Executive Mayor, 28 older persons from wards around Merafong were hosted for a BRUCH with the Executive Mayor on the International Nelson Mandela Day and presented with Food hampers and blankets.

# Chapter 3

A food garden project established at the Katlego Ka Kgotelelo Centre in Watersedge continues to be supported and resourced to sustain food security to vulnerable children and community members from around the Watersedge area. Seven beneficiaries' child headed families were identified and adopted for the initiative facilitated by SALGA and Council for debt Collectors. These beneficiaries were supplied with monthly food vouchers for the entire 2022/2023. School shoes and underwear was also donated through this program.

Free Basic services for indigent households provided in line with the Indigent Policy. A total of 3777 households were verified and registered in the indigent register during the year in review.

T3.14.1

## SERVICE STATISTICS FOR CHILD CARE

During the year in review, a hundred and forty (140) ECD practitioners were enrolled for the National Curriculum Framework training through the Mathew Goniwe School of Governance. A further forty-five (45) practitioners were trained on the Learning through play program facilitated by the World Wide Vision. In an objective to ensure safety driven learning areas, fifty (50) practitioners were provided with accredited First AID training course.

T 3.14.2



# Chapter 3

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP										
Service Objectives		Outline Service Targets			2021/2022		2022/2023		2022/2023	2023/2024
Service Indicators	(i)	(ii)	Target		Actual		Actual		Target	
			*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx										
Coordinate and support ECDs on Social Development programs with Provincial Departments		Ensures that basic conditions at ECDs are improved	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Number of ECD awareness campaigns conducted		Measures the number of ECD awareness campaigns planned v/s conducted	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Number of Healthy Communities Plan approved		Measures the development of an integrated Healthy Communities Plan	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Calendar of Events on Health and Social Development		Measures the implementation of the Health and Social Development Plan	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Provision of Basic Services to the indigents		Measures the percentage of registered indigents supplied with free basic services	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Support to indigent families with Indigent burial		Measures the percentage of assistance provided to indigent families vs applications received	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
										T 3.14.3

# Chapter 3

Employees: Child Care; Aged Care; Social Programmes					
Job Level	2021/2022	2022/2023			
	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	0	3	0	3	100%
7 - 9	3	4	3	1	25%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	4	8	4	4	50%
					3.14.4

Capital Expenditure Year 2022/23: Child Care; Aged Care; Social Programmes					
					R' 000
Capital Projects	Year 2021/22				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
NO CAPITAL PROJECTS FOR THE YEAR UNDER REVIEW					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.14.6

# Chapter 3

## COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

Implementation of the 2022/2023 Health and Social Development Plan and IDP objectives were achieved through collaboration with Government and business stakeholders. All programs were enabled through collaboration with external stakeholders.

Reliance on temporary staff remains a challenge as it affects efficient implementation of programs. The Section still operates with an estimated 67% vacant structure with only Four (4) filled permanent positions. Forty-five (45) verification officers and supervisors were contracted to facilitate the Indigent verification program. Through this program, a total of 3777 indigents were verified, approved and supplied with free basic services. These indigents will remain in the register for 24 months. Eighty-six- families were assisted with indigent burial.

Five awareness workshops on the drugs and substance abuse reduction were implemented in schools and communities around Merafong City in line with the National Drug Master Plan. Food security programs for older persons and children from Child headed households were enabled in collaboration with Harmony Gold Mine and SALGA/ Council for Debt Collectors.

T3.14.7

## COMPONENT E: ENVIRONMENTAL PROTECTION

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

### INTRODUCTION TO ENVIRONMENTAL PROTECTION

T 3.14

#### 3.15 POLLUTION CONTROL

##### INTRODUCTION TO POLLUTION CONTROL

The Environmental Management Sub-Section within the Spatial Planning Department, mainly deals with detection of non-compliance in terms of environmental authorizations (RODs) on new developments, as well as compliance to permit and license conditions of listed activities, which is monitored through monthly audits.

The functions related to pollution control falls within the Municipal Health Services function, which is a District Municipal function. Good collaboration exists to ensure that pollution detected are reported to the relevant authorities for mitigation and control.

Matter pertaining to biodiversity is mainly managed by the West Rand District Municipality, in terms of the Regional Biodiversity Plan.

The environmental management section has conducted monthly audits of all waste management facilities within Merafong City, being the Rooipoort Landfill site, Fochville- and Welverdiend Transfer Stations. The compliance to waste management standards and permit conditions remains a serious challenge. The average compliance score for the Rooipoort Landfill Site has remained at 63% in relation to the previous year. The Fochville Transfer Station average compliance rate is still at a staggering 6,25%, whilst the Welverdiend Drop-off facility achieved an average compliance score of 40%.

The inability to implement recommendations remains a serious concern and is evident from the deteriorating environmental conditions. The lack of capacity, compounded by the financial position of Council, to address these issues remains a serious challenge.

Waste collection services throughout Merafong City have also deteriorated during the year which contributed to illegal dumping and waste pollution. The worst affected areas are the informal settlements where no formal waste collection services exist. The Waste Management Section could also not roll-out kerbside collection services to the newly developed human settlements in Khutsong South Extension 4, 5 and 6, Elijah Barayi Village, as well as Kokosi Extension 6. A strategy to address these shortcomings have been developed by the relevant section for implementation as and when funding becomes available.

## Monitoring of Waste Water Treatment Facilities

Quarterly audits have been conducted to monitor compliance to the legislative requirements at the 4 Waste Water Treatment Works of Merafong. The Khutsong Waste Water Treatment Plant slightly decreased to an average compliance score of 55%, the Kokosi Waste Water treatment plant has maintained an average score of 67% and the Oberholzer Waste Water Treatment Plant has dropped to an average score of 74%. Recommendations have been made to the relevant sections to ensure full compliance.

The Wedela Waste Water treatment plant was a mine facility but is currently managed by the Municipality. The facility does not have a licence and therefore no formal audits could be conducted. The Water and Sanitation Section is in process to apply for a water use licence.

## Monitoring of Kokosi Extension 6 human settlement project - RoD requirements

Pertaining to the compliance of the Environmental Authorisation (RoD) issued for the Kokosi Extension 6 human settlement project, audits are conducted on a monthly basis. The average compliance score achieved throughout the year has increased slightly to 44%. All non-compliance items have been reported to the project steering committee, as the Gauteng Department for Human Settlement is the project implementer.

T 3.15.1

## SERVICE STATISTICS FOR POLLUTION CONTROL

The following inspections were conducted within the year of review which resulted in 48 non-compliance notices issued:

Audits conducted	72
Routine site inspections	369

T 3.15.2

# Chapter 3

Pollution Control Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2020/2021		2021/2022		2022/2023		2023/2024	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
Service Indicators		*Previous Year		*Previous Year		*Current Year		*Current Year	*Following Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
<b>Service Objective</b>									
<b>Water and air purity</b>	% non-compliance detected vs compliance notices issued within 7 days	100%	100%	100%	100%	100%	100%	100%	100%
	% Environmental Audits Conducted vs Planned	72	72	72	72	72	72	72	72
<b>T 3.15.3</b>									

# Chapter 3

Employees: Pollution Control					
Job Level	2021/2022	2022/2023			
	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	4	2	2	50%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	4	2	2	50%

T 3.15.4

Financial Performance Year 2022/2023: Pollution Control					
R'000					
Details	2021/2022	2022/2023			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance	INFORMATION INCLUDED IN TABLE 3.10.5				
Other					
Total Operational Expenditure					
Net Operational Expenditure					

T 3.15.5

Capital Expenditure Year 2021/2022: Pollution Control					
R' 000					
Capital Projects	2021/2022				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
NO CAPITAL PROJECTS DURING THE YEAR UNDER REVIEW					

# Chapter 3

T 3.15.6

## COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

Pollution Control is an operational programme within the Spatial Planning & Environmental Management Section. The lack of funding to fund high cost capital infrastructure such as air pollution monitoring stations and sampling equipment impacts negatively on the effectiveness of the function. Due to the financial constraints experienced by the municipality, the likelihood to source funding to expand the function is low. This section therefore mainly focuses on operational audits and monitoring compliance.

T 3.15.7

## 3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

### INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

#### Environment

Bio-diversity as such is not managed by the Environmental Management Sub-section. The Regional-Bio-diversity plan is taken into consideration in the Spatial Development Framework and in the consideration in development applications.

#### Parks

The Section Parks and Cemeteries is responsible for grass cutting on open spaces, sidewalks, traffic islands, parks, cemeteries, town entrances, sports facilities as well as landscaping of municipal gardens in all facilities. This includes the development of and maintenance of parks, town entrances, municipal gardens and management of the municipal nursery, the tree planting as well as maintenance thereof.

T 3.16.1

### SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

Landscaping and maintenance of municipal gardens, town entrances and parks is done according to the preapproved sectional plans. The eradication of aquatic and terrestrial alien vegetation has not been done since 2014 due to financial constraints.

T 3.16.2



# Chapter 3

## COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

The Section: Parks and Cemeteries did not have any capital projects during 2022/2023 financial year. The section only focused on grass cutting and maintenance on open spaces, sidewalks, traffic islands, town entrances, parks, cemeteries, municipal facilities and sports facilities, as well as tree trimming at all areas in Merafong City, and the maintenance thereof. All these activities were executed successfully amid the challenges brought by old and worn out machinery and shortage of personnel.

T3.16.7

# Chapter 3

## COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

### INTRODUCTION TO SECURITY & SAFETY

This component is focused in safeguarding of the council assets, property, employees, executive mayor and other dignitaries, clients.

Community Safety Forum (CSF) is another wing/responsibility for municipal security section.

CSF it is a legislated forum, is the umbrella of all other crime forums such as Community Policing Forum (CPF) etc. The forum was established on May 2015, and it consists of many stakeholders such as SAPS, Social development, SANCA, Home Affairs etc. It is a very effective forum with quick response and communication through the social media (what's up). The private company of Fidelity Security Services is backing up the municipal security. The challenge of private security, the council is losing money due to the theft taking place in their presence. Planning of installation of alarm system, CCTV camera and biometric to all council infrastructures.

The objectives are to:

- Enable communities to participate in the local planning and monitoring of the criminal justice and social cluster department.
- Promote closer co-operation and access to basic services at local level in order to improve living conditions and community cohesion; and
- Support and enhance crime prevention and education programs in partnership with JCPS and Social Cluster departments, local government and communities.

T 3.20

### 3.20 POLICE

#### INTRODUCTION TO POLICE

This component ensures law enforcement relating to roadworthy vehicles, driver fitness, road conditions, promotion of road discipline, safety and education to road users and community safety policing. All law enforcement activities are executed within the legislative framework of National Road Traffic Act 93 of 1996, Municipal By-laws, Criminal Procedure Act 51 of 1977 and the Constitution of the country.

The objective is to do traffic control thus reducing motor vehicle accidents. Public nuisance is addressed through municipal by-laws. Stray animals within the municipality are dealt with in conjunction with the SPCA as per a service level agreement.

# Chapter 3

T 3.20.1

Security and Safety Police Service Data					
	Details	2021/22	2022/23		2023/24
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	1405	1208	1222	1222
2	Number of by-law infringements attended	65	100	136	100
3	Number of traffic officers in the field on an average day	51	66	39	40
4	Number of traffic officers on duty on an average day	25	55	26	75

T3.20.1

Security and Safety Police Service Data					
	Details	2021/22	2022/23		2023/24
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	1208	1208		
2	Number of by-law infringements attended	136	100		
3	Number of traffic officers in the field on an average day	39	40		
4	Number of traffic officers on duty on an average day	26	75		

T 3.20.2

Police Policy Objective Taken from IDP							
Service Objectives	Outline Service Targets	2021/2022		2022/2023		2023/2024	
		Target	Actual	Target	Actual		
Service Indicators		Target					
Service Objective xxx							
Reduction in road accidents	Reduction in road accidents over the years	1208	1405	1208	1222	1222	1222

T 3.20.2.1

T 3.20.2.1

# Chapter 3

Employees: Police Officers					
Job Level Police	2021/2022	2022/2023			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy					
Other Police Officers					
4 - 6	5	8	5	4	50%
7 - 9	26	57	27	30	60%
10 - 12	25	29	12	15	22%
<b>Total</b>	<b>57</b>	<b>94</b>	<b>44</b>	<b>49</b>	<b>100%</b>
T3.20.4					

T3.20.4

## COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

Law enforcement operational plans are set with the objective to mainly reduce motor vehicle accidents, reducing crime in the area, providing road safety education, road markings and signs, reduction of illegal trading in the area and provision of other special services.

The motor vehicle accident rate increased as compared to previous years due to shortage of traffic personnel. Increase in crime also played a role in this because of reduced staff compliment.

T 3.20.7

## 3.21 FIRE

### INTRODUCTION TO FIRE SERVICES

Fire Services are not a local municipality competency but of the West Rand District Municipality

T 3.21.1

# Chapter 3

## 3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

### INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Animal Licensing and Control of Public Nuisance are not functions of a local municipality but of the West Rand District Municipality.

*T 3.22.1*

# Chapter 3

## COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

### INTRODUCTION TO SPORT AND RECREATION

Sport & Recreation composes of Camp Sites, Sports Fields, Community Parks, Swimming Pools, Community halls/theatres and stadiums. These sites play a significant role in bringing our communities together and keeping our youth from the streets and engaging in unproductive activities and transforming them to be better people who will make positive contribution to the economy.

The Arts, Culture & Heritage Section's objective and focus is to develop, promote and preserve social cohesion and nation-building through Arts, Culture and Heritage programs. The Section aims to work towards sustainable economic development through partnership with Private and Business Sector.

T 3.23

### 3.23 SPORT AND RECREATION

#### SERVICE STATISTICS FOR SPORT AND RECREATION

#### SERVICES STATISTICS FOR SPORT & RECREATION 2022/2023

Month	Program Implemented
August 2022	- OR. Tambo Soncini Social Cohesion Games
September 2022	- Inter-Governmental/Stakeholder Relations Sport Day
March 2023	- Merafong Sport Confederation Election Committee Congress
April 2023	- Merafong City Easter Holiday Games
June 2023	- Merafong Mayoral Games Launch - Spar Hyper Soccer Tournament

#### SERVICE STATISTICS FOR ARTS & CULTURE 2022/2023

Month	Program Implemented
July 2022	- Merafong Poetry and Comedy Competition - Merafong Creatives Market
August 2022	- Establishment of Merafong Arts & Culture Forums and Council - Elderly Citizens Program

# Chapter 3

September 2022	- Provincial Heritage Festival
October 2023	- District Women's Dance, Theatre, & Music Festival
November 2023	- District Dance Festival - District Theatre & Poetry
December 2022	- Main Theatre & Poetry Festival - Merafong Clap & Tap Choral Music Competition - District Pantsula Dance Festival - District Amazoni Festival - MACHF Gauteng Theatre Productions & Festival
January 2023	- District Dance and Theatre Festival
February 2023	- Book Launch
March 2023	- Provincial Ishashalazi Theatre and Poetry Competition - Merafong Choral Music Festival
May 2023	- Merafong Creatives Program - Inter Provincial Choral Music Competition in Partnership with GACMA
June 2023	- Merafong Talent Search Auditions - Provincial Holiday Program

## SERVICE STATISTICS FOR SPORT FACILITIES 2022/2023

Facility Name	Statistics 2021/2022	Statistics 2022/2023
Popo Molefe Stadium	0	0
Gert Van Rensburg Sport Complex	0	0
Carletonville Sport Complex	126	99
Khutsong Stadium	219	201
Wedela Sport Ground	33	25
Wedela Indoor Sport Centre	-	18
Khutsong MPCC Gym	-	0

T 3.23.1

# Chapter 3

Sport and Recreation Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	Year 2020/2021			Year 2021/2022			Year 2022/2023	
		Target		Actual	Target		Actual	Target	
		*Previous Year (iii)		(iv)	*Previous Year (v)	*Current Year (vi)		*Current Year (viii)	*Following Year (2024/2025)
Service Indicators (i)	(ii)						(vii)	(2023/2024)	(2024/2025)
Service Objective xxx									
To render efficient and effective Sports ,Recreation, Arts & Culture service within the Jurisdiction of Merafong	Construction of Wedela Indoor Sport Centre	100.00%		90.00%	100.00%	90.00%	90.00%	100.00%	0.00%
	Construction of Khulsong MPCC	90%		90%	90%	90%	90%	100.00%	0.00%
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *Current Year' refers to the targets set in the Year 0 Budget/IDP round. *Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in									
									T 3.23.2



# Chapter 3

Employees: Sport and Recreation					
Job Level	Year 2021/2022	Year 2022/2023			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	1	3	1	2	50%
7 - 9	1	1	1	0	0%
10 - 12	2	4	2	2	50%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	9	4	5	56%

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 3.23.3

Financial Performance Year 2023: Sport and Recreation					
R'000					
Details	Year -2020/21	Year 2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees					V/0!
Depreciation and amortisation					#DIV/0!
Operational cost					#DIV/0!
Inventory consumed					#DIV/0!
Total Operational Expenditure	0	0	0	0	#DIV/0!
Net Operational Expenditure	0	0	0	0	#DIV/0!

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.23.4

# Chapter 3

## COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

As a department, we work to build a diverse and socially cohesive society with a common national identity. To accomplish this, we have instituted Sport and Recreation programs to bring people together.

Outlining the programs that the Federation implements in growing and developing sport in schools and communities: Locally, the Merafong SAFA has setup leagues for under 11, under 15, under 17 and seniors. It has hosted tournaments for juniors and seniors. It has maintained a relationship with schools to advance football in schools. Regionally, it has plenty of referees that are officiating at regional leagues and provincially, the federation is contributing also at the leadership level at the province as its chairperson is also a SAFA Gauteng PEC member and a chair of audit committee at the province.

The Annual Easter Holiday Games Program for under 15 was tabled by the Office of the Sport and Recreation and assisted by the Merafong City Sports Confederation. This program targeted only the under 15 as confederation believed that there is a potential for the participants to make it professional. This year's event was big and many prizes were won by affiliated clubs and Harmony Gold Mine was part of the sponsors. There were scouts that were invited and, Super Sports United and Highlands Park attended where the following was achieved: One player was signed by Super Sports United, three players were also signed by Kagiso Sports Academy and three are still training with Highlands Park. There are 18 best players that were selected to form Merafong Easter Squad and this squad went to play against various professional teams for friendly games wherein it eventually resulted to one player to be selected to form part of Gauteng team for FIFA program called U15 Inter Provincial Tournament.

The Arts & Culture and Heritage Section still encountered financial support and not having enough staff and transportation for the section to fully implement its planned approved calendar of events, however through stakeholder partnerships and collaborations with Local, District and Provincial Government the Arts, Culture & Heritage Department was able to render service delivery to the Community by implementing 21 programs.

T 3.23.6

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

### INTRODUCTION TO CORPORATE POLICY OFFICES, Etc.

The corporate policy offices in the Municipality provide the support functions necessary to drive the business of the Municipality. The offices play a critical role in promoting sustainable value creation in the management of the Municipality's affairs and are the forerunners in entrenching a strong culture of good corporate governance. The collective work of these offices drives legislative compliance, promotes financial prudence and provides the much needed leadership and technical support required for the optimal functioning of the Municipality, with service delivery as the main driver of all efforts.

# Chapter 3

T 3.24

## 3.24 EXECUTIVE AND COUNCIL

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

### INTRODUCTION TO EXECUTIVE AND COUNCIL

Merafong City Local Municipality has two management teams: A Political and an Administrative team.

The Political team is made up of councillors and headed by an Executive Mayor and mayoral Committee. They are responsible to make Strategic and Policy decisions for the residents and businesses.

The Administrative Team, headed by the Municipal Manager assisted by the Executive Directors, ensure that the political decisions made by Council are implemented

3.24.1

# Chapter 3

## 3.25 FINANCIAL SERVICES

### INTRODUCTION FINANCIAL SERVICES

**Delete Directive note once comment is complete** – Provide brief introductory comments. Set out priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by financial service during the year.

T 3.25.1

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	Year 2021/22		Year 2022/23			Year 2023/24	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates			54165	601030	300515	54165	637092
Electricity - B			65064	229032	114516	65064	242774
Electricity - C							
Water - B			37096	408405	204243	37096	432994
Water - C							
Sanitation			66773	79363	39682	66773	84125
Refuse			29509	89013	44507	59509	94354
Other			461	2451	1226	461	2598

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.

T 3.25.2

The municipality did not experience large number of billing complaints from consumers. Meters were read monthly and are reasonable accurate.

The average payment levels for the past twelve months were between 48% and 54%.

The non-payment of services by consumers is a serious situation. Council needs an average payment level of 80.00% to enable them to service its creditors.

The liquidation of Blyvooruitzicht mine had a detrimental effect on council's collection performance. Blyvooruitzicht mine is owing council R1 008 662 825.87 as at the end of June 2023. Councils outstanding debtors as at 30 June 2023 stands at R5 311 790 000

In addition Sibanye Gold is withholding its Rates and Taxes pending the outcome of the review of the valuation roll.

The non-payment by consumers had resulted in that council had to increase its provision for bad debt.

T 3.25.2.1

# Chapter 3

Employees: Financial Services					
Job Level	Year 2020/21	Year 2022/23			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	4	2	2	50%
4 - 6	7	15	5	10	67%
7 - 9	32	49	29	20	41%
10 - 12	17	29	19	10	34%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	59	98	56	42	43%
					T 3.25.4

Financial Performance Year 2022/23: Financial Services					R'000
Details	Year 2021/22	Year 2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	790 307	605 111	848 229	848 229	29%
Expenditure:					
Employees	31 502	33 954	34 186	34 186	1%
Repairs and Maintenance	22 301	20 169	18 425	18 426	-9%
Other	702 720	255 475	660 245	660 321	61%
Total Operational Expenditure	756 523	309 598	712 856	712 933	57%
Net Operational Expenditure	-33 784	-295 513	-135 373	-135 296	-118%
					T 3.25.5

# Chapter 3

## 3.26 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The Section Human Resource Management of Merafong City Local Municipality is focused on providing the best personnel services through fair and transparent processes and procedures. It is also focused on effective recruitment procedures, training and staff empowerment, and providing expert and professional advice to staff and management on Human Resources-related issues.

The Human Resources Management Section maintained its strategy during 2022/2023 to recruit qualified and competent staff to fill vacancies. Structured interviews were conducted together with work sampling-based tests to assist with the selection of the best candidates for appointment.

Verification of qualifications, working record/history, possible fraudulent activities, and criminal record are being done for selected positions through an independent service provider before appointments are made. This prevented the Municipality from appointing staff without the necessary skills, competencies, and qualifications.

*T 3.26.1*

### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

During the 2022/2023 financial year, the Human Resource Section development and implemented a Recruitment Strategy to respond to the Department needs for staffing of critical positions. Ward committee 13, Councillors 2, EPWP 59, HIV Volunteer 72, Indigent Verifiers 56, Field Workers 12, Political Support Staff 20, General worker 11, Learnership 52, Labourer 1, Municipal Manager 1, this is a great achievement due to the Municipals Financial constraints.

the Merafong City Local Municipality implemented the Amended Local Government: Municipal Systems Act 32 of 2000 and Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers (Government Notice 21 in Government Gazette 37245, dated 17 January 2014. Commencement date: 17 January 2014) by appointing the Section 56 Senior Managers permanently. This is an achievement to stabilize the institutions and ensure the provision of quality services to the community.

*T 3.26.2*

# Chapter 3

# Chapter 3

Financial Performance Year 0: Human Resource Services							R'000
Details	Year 2021/22		Year 2022/23			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual			
<b>Total Operational Revenue</b>	1810	8995	1800	9		-99844%	
Expenditure:							
Employees	23553	31920	45147	16250		-96%	
Repairs and Maintenance	2529	9585	8379	3046		-215%	
Other	17886	5266	1882	10192		48%	
<b>Total Operational Expenditure</b>	43968	46771	55408	29488		-59%	
<b>Net Operational Expenditure</b>	42158	37776	53608	29479		-28%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.							T 3,26.5



R' 000				
Capital Projects	Year 202/23			Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Total All		0	0	
NO CAPITAL PROJECTS DURING THIS FINANCIAL YEAR				
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).				T 3.26.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

A proper system of performance management is in place for senior managers. The process of concluding evaluation by an evaluation panel in order to facilitate that payment of bonuses was not finalized at the end of the financial year on 30 June 2023.

A performance appraisal system for employees of the council employed on the conditions of service applicable and prescribed by SALGBC (Salga Bargaining Council) is not implemented yet. They are still receiving only a thirteenth cheque. In the lack of proper national guidelines and aligned local policies, the performance of these employees is not evaluated. They however need to comply with the tasks and responsibilities that are included in their individual job description and are managed accordingly.

T 3.26.7

## 3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

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

Merafong City Local Municipality Information Communication and Technology is a component of Corporate Support and Shared Services. The section reports to the Director Corporate Support Services.

Merafong ICT is playing an increasingly strategic role as an enabler of Merafong City local municipality. The primary goals are to ensure that the investment in ICT generate business value and mitigate risks that are associated with ICT. Merafong Information Communication and Technology support all ICT infrastructure and Operations daily to ensure the availability of systems for service delivery objectives. The ICT section provide the following,

- Overall planning of ICT Architecture machinery, including ICT procurement, ICT governance and management.
- ICT operation services covering help desk support, desktop support, systems administration, network administration, ICT security and Telephone services.
- Knowledge management service and records management to the Municipality
- Business intelligence and Database administration services.
- ICT Service Delivery Support – management of ICT contracts and assets

T 3.27.1

### SERVICE STATISTICS FOR ICT SERVICES

During the year under review, ICT section implemented Master Systems plan which resulted in a stable ICT environment. The ICT policies are adopted and computer users trained on all policies.

ICT services are rendered by Merafong Technicians, such as emails, internet services, network switches, radios and network connectivity, servers, hardware, and telephones maintenance. The services rendered by internal ICT staff resulted in saving ICT costs previously paid to service providers.

Disaster Recovery Plan (DRP) has been implemented and testing is done twice a year.

The section cleared all management findings through OPCA initiatives.

T 3.27.2

# Chapter 3

Financial Performance Year 0: ICT Services						R'000
Details	Year 2022	Year 2022/23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	1	1	1	1	0%	
Expenditure:						
Employees	5,198	5,264	5,376	5,578	6%	
Depreciation and amortization	279	3,150	3,150	1	-314900%	
Operational cost	11,029	12,476	12,024	12,642	1%	
Inventory consumed	1	4	4	4	0%	
<b>Total Operational Expenditure</b>	16,507	20,894	20,554	18,225	-15%	
<b>Net Operational Expenditure</b>	16,507	20,894	20,554	18,225	-15%	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.						T 3.27.5

Financial Performance Year 0: ICT Services						R'000
Details	Year 2022	Year 2022/23				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
<b>Total Operational Revenue</b>	1	1	1	1	0%	
Expenditure:						
Employees	5 198	5 264	5 376	5 578	6%	
Depreciation and amortisation	279	3 150	3 150	1	-314900%	
Operational cost	11 029	12 476	12 024	12 642	1%	
Inventory consumed	1	4	4	4	0%	
<b>Total Operational Expenditure</b>	16 507	20 894	20 554	18 225	-15%	
<b>Net Operational Expenditure</b>	16 507	20 894	20 554	18 225	-15%	
						T 3.27.5

# Chapter 3

Capital Expenditure Year 2022/2023: ICT Services R' 000						
Capital Projects	Year 2021/2022					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Value	Project
<b>NO CAPITAL PROJECTS DURING THE YEAR UNDER REVIEW</b>						
						<i>T 3.27.6</i>

## COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

During the year under review, ICT section implemented Master Systems plan which resulted in a stable ICT environment. The ICT policies are adopted and computer users trained on all policies. ICT services are rendered by Merafong Technicians, such as emails, internet services, network switches, radios and network connectivity, servers, hardware, and telephones maintenance. The services rendered by internal ICT staff resulted in saving ICT costs previously paid to service providers. Disaster Recovery Plan (DRP) has been implemented and testing is done twice a year. The section cleared all management findings through OPCA initiatives.

*T3.27.7*

## 3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

### INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

#### PROCUREMENT SERVICES

During the 2022/23 financial year period the municipality awarded sixteen tenders and eight RFQ quotations.

There were risks or challenges experienced in the year of review, for example, decentralised SCM delayed the procurement of goods and services for implementation of basic services by the Municipality, financial constraints affected the payments of SMMEs in excess of 90 days and change management processes. And the good story to tell was on the appointment of the panel of service providers for three years to reduce time spend waiting for procurement process.

# Chapter 3

## RISK MANAGEMENT

Section 62. (1)(c) of MFMA states that "The Municipal Manager of the Municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control".

Risk is inherent in all business activities and every official and Councillor of the Municipality must continuously manage risks within their respective area of responsibility. The Merafong City Local Municipality (MCLM) recognizes that the aim of Risk Management is not to eliminate the risk totally but rather to provide the structural means to identify, assess, manage and monitor the risks involved in all municipal activities. It requires a balance between the cost of managing risks and the anticipated benefits that will be derived.

Every entity, whether for profit or not, exist to realise value for its stakeholders. Value is created, preserved, or eroded by management decisions in all activities, from setting strategy to operating the organisation day-to-day. ERM supports value creation by enabling management to deal effectively with potential future events that create uncertainty and respond in a manner that reduces the likelihood of downside outcomes and increases the upside.

The Enterprise Risk Management Unit is responsible for the coordination of Risk Management activities in the Municipality and it is accountable to the Accounting Officer.

A-risk identification and assessment exercise is undertaken on an annual basis in line with the IDP and SDBIP to re-determine the risk exposure of the municipality. In total 13 risks were identified and managed for the 2023/24 Financial Year.

## LEGAL

Corporate Legal, Secretariat and Administration Section is made up of Legal Services, Secretariat and Administration. Fleet section also falls under legal section. The Administration section includes the Municipal Telephone Switchboard, Records and Archive Management as well as the Document Reproduction Unit. The Secretariat section which Provides the secretariat function to Council and its Committees assist with the compilation and distribution of various agendas for Council Meetings, Section 60 and 80 Committee Meetings. The Secretariat assist with the drafting of Minutes and ensure that these minutes are distributed timeously.

Legal Section provide legal support to the entire Municipality including the political wing. It amongst others provide the following functions: perusing and drafting of contracts and agreements, provision of legal advice as well as assisting with legal disputes for and against the Municipality, it further assist with perusal and formulation of policies & by-laws. The Fleet section assists various Departments with the management the municipal fleet, the logistics regarding fuel provision and servicing of vehicles.

*T3.28.1*

# Chapter 3

## SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

### LEGAL

On an ongoing basis Corporate Legal Department has perused, drafted and advised on a number of Service Level Agreements and Contracts. In the 2022/2023 financial year the section completed all the Bargaining council matters. It attended to Labour Court matters which are still pending. Also attended to legal dispute with mining houses at the Valuation Appeals Board the matter is currently pending.

### PROCUREMENT SERVICES

During the 2022/23 financial year period the municipality awarded sixteen tenders and eight RFQ quotations. There were more appointments of provision of panel of service provider for three years supply, delivery and services to improve the process of procurement and minimisation of deviations.

There were risks or challenges experienced in the year of review, for example, decentralised SCM delayed the procurement of goods and services for implementation of basic services by the Municipality, financial constraints affected the payments of SMMEs in excess of 90 days and change management processes. And the good story to tell was on the appointment of the panel of service providers for three years to reduce time spend waiting for procurement process.

### RISK MANAGEMENT

The Enterprise Risk management plan was approved by the Accounting Officer and was implemented to ensure the embedding of risk management in the day-to-day activities of the municipality. The activities of the plan were fully achieved. The risk identification and assessment were done for Strategic, Operational, Fraud and project risks.

Strategic, Operational Fraud and Project risk registers were developed. Fraud risk assessments were included in a separate process to assess risk exposure in that area. Action plans were then put in place to mitigate these risks, and these are monitored throughout the year and reports are prepared for the Accounting Officer and serve at the Audit Committee for oversight.

For Risk Management to be fully implemented and effective the key success factors which influence the risk culture need to be met as follows:

# Chapter 3

NO.	KEY SUCCESS FACTORS	CONSIDERATIONS	CURRENT STATUS
1.	Tone at the Top	Management commitment and Accountability linked to Performance Agreements	Risk Management included in the performance agreements of senior management. This is the commitment to the processes of risk management within the organization. Risk Management is included as a standing item in Executive Management Committee(EXCO) meeting Agenda
2.	Governance of Risk Management/ Accountability	Effective Risk Management Policies, Committees (RMC & AC) and Reporting	Risk Management oversight is exercised by the following structures: Risk Management Committee (RMC), and Audit Committee. The RMC has approved its Charter with Terms of Reference and the Municipality has appointed an Independent External Chairperson through a district shared service model. All RMC meetings were held and recommendations of the RMC chairperson were reported to the Accounting Officer and Audit Committee..
3.	Risk Function Capacity	Risk Structure, Skills and Capacity	The Municipality has a functional Risk Management Unit in place for the implementation of an Annual Enterprise Risk Management Plan. Capacity in the unit in terms of filled position is still lacking as no added capacity was availed to the Unit. Management has included filling of a vacancy of a Risk Officer in the priority process plan. The Chief Risk Officer has attended training through the Provincial Audit and Risk Forum which is a learning forum where different aspects of Audit and Risk Management are discussed.

# Chapter 3

4.	Risk Management Methodology	Risk Management Frameworks and Plans; Risk Assessment Systems and Processes	Risk Management Frameworks and Plans are in place and reviewed in the 2019/20 Financial year and approved by Council; Risk identifications and Assessment Systems and Processes and methodologies are in place and assessments undertaken annually.
5.	Good Communication and Training	Management and employee awareness, training and development and workshops	Two workshops were undertaken during the last quarter of the financial year on the Ethics management side which is a competency of Risk Management.
6.	Organizational Integration	Incorporation of risk practices into policies, strategies, plans, processes and procedures for day-to-day implementation. Risk Management influencing the Control Environment	The Strategic Risk Assessment is aligned to the Strategic planning process of the Municipality which is the IDP process. Identified risks are linked to all objectives of the municipality as set out in the IDP. Risks are identified at a strategic and operational, Fraud and also at projects level. Risk registers are developed, monitored and reported on a quarterly basis through the Risk Management Committee and to Council through the Audit Committee chairperson.

T 3.28.2



# Chapter 3

[illegible]

# Chapter 3

2021/22		2022/23			
Job level	Employee No	Post No	Employees No	Vacancies	Vacancies %
0 – 3	1	3	1	2	67%
4 – 6	5	8	4	4	50%
7 – 9	12	13	11	6	46%
10 – 12	5	6	4	2	33%
13 – 15	1	1	1	0	0
16 – 18	3	4	4	0	0
19 – 20					
Total	19	27	19	14	52%

T 3.28.4

# Chapter 3

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

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

**A DETAILED PERFORMANCE REPORT IS INCLUDED AS ANNEXURE "B" OF THIS REPORT**

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### INTRODUCTION

#### INTRODUCTION

The Organisational Development Performance is reported on, based on the strategic objectives and core/support functions of the organisation. Organisational Development within the organisation is linked to the IDP Objectives in conjunction with the Vision and Mission Statement of the municipality. Specific Organisational Development Performance that can be reported include Organisational Structure, Staff Establishment and Workforce Profile.

#### Organisational Structure

The development of the organisation was funded by the COGTA in the 2021 to 2022 financial year to the grant value of R4m. The project still needs to be funded finalised and adopted by Council to stabilize the municipality. The municipality is currently implementing different organisational structures (2008 & 2014) as some of the business units are not aligned to the strategy and objectives of the institution. The 2022/2023 Staff Establishment Report was submitted, however in the strategic session held on the 17 to 18 May 2023, the strategic objectives of the municipality were reviewed, and this affected the alignment and adoption of the proposed new organisational structure.

#### Employment Equity

The report was submitted and acknowledged by the Department of Labour on the 15 January 2023. It should be noted that internal promotions of staff, where the appointment is within the same occupational level, are open for all candidates to apply as it would not impact on the representativeness within the occupational level. All other vacancies whether internal or external are adherent to Equity provisions, in instances where there is not a specific equity target other designated groups are given preference. In most internal appointments/promotions within the General, Semi-Skilled and Skilled occupational levels, where there are no equity targets from the internal pool, designated groups are given preference, this does result in over representation of certain designated groups.

T 4.0.1

# Chapter 4

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1.EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year 2022	Year 2023			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	67	188	79	109	58%
Waste Water (Sanitation)	41			0	
Electricity	82	123	58	65	53%
Waste Management	152	251	100	151	60%
Housing	17	23	10	13	57%
Waste Water (Stormwater Drainage)				0	
Roads	33	65	21	44	68%
Planning	14	15	7	8	53%
Local Economic Development	7	9	3	6	67%
Planning (Strategic & Regulatory)				0	
Community & Social Services	268	16	5	11	69%
Security and Safety	125	199	100	99	50%
Sport and Recreation	8	13	3	10	77%
Corporate Policy Offices and Other	170	673	355	318	47%
<b>Totals</b>	<b>951</b>	<b>1,575</b>	<b>741</b>	<b>834</b>	<b>658%</b>
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.					

T 4.1.1

# Chapter 4

## COMMENT ON VACANCIES AND TURNOVER:

Human Resource has advertised vacant position for senior managers 4 times in the last financial year all adverts reach expiry date due to delays in conducting selections and interviews. Only the municipal manager Position was filled in May 2023.

The turnover rate is based on terminations based on death, dismissals resignations and retirements.

T 4.1.4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

#### Human Capital

The Municipality had 1151 permanent employees on its complement on 30 June 2023. Where else the municipality have appointed employees on a fixed term basis with granted funded positions and are hosting intern training them to obtain the necessary qualifications. The total workforce was therefore increased with the interns that are not captured on our payroll.

The Municipality performed well in policy development during the past year. The pace was however not as good as it should be. One of the constraints in policy development is the fact that a policy is developed, referred to LLF (Local Labour Forum) who workshop the policy and thereafter it is referred to the portfolio committee. From the portfolio committee it is on its way to council.

Out of the above it's clear that policy formulation from initiation up to adoption and implementation takes too long. Bear in mind that human capital related policies and collective agreements have a life span of normally not longer than three years. An Employment Equity Plan has been developed and implemented and is annually reviewed. Annual reports on the implementation of the plan are sent to the Department of Labour as required by law. A variety of policies were developed and implemented as indicated in Section 4.2 on policies

A critical long outstanding policy is the cascading of performance appraisals to lower levels. Currently only employees appointed in terms of section 57 of the Municipal Systems Act, is evaluated and awarded performance bonuses. This is an unbearable situation, since managers and employees reporting to managers are excluded of an additional rewarding system for good performance.

Council still experience skilled shortages but positions are advertised and being filled. Mainly artisans are hard to get and the absence of a retention policy that couple monetary value to create competitiveness is doing no good in assisting with the staff shortage. Council compete directly with the private sector in the area. Some of the better benefits provided by the private sector is housing, better training, promotion possibilities and participation in a production bonus system.

# Chapter 4

## **Occupational Health & Safety**

To ensure that employees have a healthy and safe working environment, the Merafong complies with the Occupational Health & Safety Act and has a fully functional Health and Safety Committee. This Committee meets, quarterly to address health and safety issues. Health and Safety Representatives are elected, trained and appointed for a period of three years as per the Occupational Health & Safety Act.

## **Employment Equity**

In compliance with the Employment Equity Act, Act 55 of 1998, as amended, Merafong is in the final process of developing, amending and reviewing the 5-year Equity Plan that is expiring on the 30 September 2023. The Employment Equity Plan is reported annually, and statutory reports (EEA2 & EEA4) are submitted to the Department of Labour within the legislated timeframe. Progress made in terms of Employment Equity is monthly to the Local Labour Forum and the Section 80 of the Council. The Municipal Systems Act, 2000, Section 67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration in accordance with the Employment Equity Act 1998.

*T 4.2.0*

# Chapter 4

## 4.2

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	YES	100	In the EE Plan
2	Attraction and Retention	No	20	Being developed
3	Code of Conduct for employees	YES	100	Part of conditions of Services
4	Delegations, Authorisation & Responsibility	YES	80	
5	Disciplinary Code and Procedures	YES	100	Part of conditions of Services
6	Essential Services	YES	100	Part of conditions of Services
7	Employee Assistance / Wellness	YES	100	
8	Employment Equity	YES	100	In the EE Plan
9	Exit Management	YES	80	Employee Practice
10	Grievance Procedures	YES	100	Part of conditions of Services
11	HIV/Aids	YES	50	To be developed
12	Human Resource and Development	YES	100	Developed
13	Information Technology	YES	100	Developed
14	Job Evaluation	YES	100	Developed
15	Leave	YES	100	Developed
16	Occupational Health and Safety	YES	100	Part of conditions of Services
17	Official Housing	YES	80	in Process
18	Official Journeys	YES	80	in Process
19	Official transport to attend Funerals	YES	100	Bereavance Policy
20	Official Working Hours and Overtime	YES	100	20/03/2013
21	Organisational Rights	YES	100	Part of conditions of Services
22	Payroll Deductions	YES	100	Part of conditions of Services
23	Performance Management and Development	No	50	Part of conditions of Services
24	Recruitment, Selection and Appointments	YES	100	Part of conditions of Services
25	Remuneration Scales and Allowances	YES	100	Part of conditions of Services
26	Resettlement	YES	60	24/11/2014
27	Sexual Harassment	YES	100	Part of conditions of Services
28	Skills Development	YES	100	29/10/2009
29	Smoking	YES	60	7/12/2010
30	Special Skills	YES	60	20/03/2013
31	Work Organisation	YES	80	Part of conditions of Services
32	Uniforms and Protective Clothing	YES	100	29/05/2019
33	Cellphone Allowance	YES	100	30/09/2014
34	Fleet Management	YES	100	30/09/2014
Use name of local policies if different from above and at any other HR policies not listed.				

T 4.2.1



# Chapter 4

## COMMENT ON WORKFORCE POLICY DEVELOPMENT:

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

T 4.2.1.1

### 4.3 INJURIES, SICKNESS AND SUSPENSIONS

#### Number of Cost of Injuries on Duty

Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	164	7	4%	23	44903
Temporary total disablement	25	2	0%	12	70104
Permanent disablement	108	1	1%	1	256568
Fatal	0	0	0%	0	0
<b>Total</b>	<b>297</b>	<b>10</b>	<b>6%</b>	<b>36</b>	<b>371574</b>

T 4.3.1

# Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
MM and S57	13	0.08%	1	3	4.33%	
Management (level 1-2)	57	0.16%	12	16	3.56%	
Highly skilled supervision (levels 3-5)	310	0.15%	39	44	7.05%	
Highly skilled supervision (levels 6-8)	1307	0.19%	142	181	7.22%	
Skilled Production (level 9-12)	1501	0.15%	174	216	6.50%	
Production (Level 13-15)	1878	0.06%	241	919	2.04%	
<b>Total</b>	<b>5066</b>	<b>0.13%</b>	<b>408</b>	<b>1379</b>	<b>3.67%</b>	
* - 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

## COMMENT ON INJURY AND SICK LEAVE:

After an injury on duty has taken place the matter is reported to the Occupational Health and Safety officer whereby the officer will investigate the incident in order for him to take control measures that the incident does not repeat itself. Statistics on injuries on duty are based on BIQ system, not all injuries on duty are completed on leave forms by affected sections/units.

There Occupational and Health Officer will report the matter to the Office Risk Management. Injuries are monitored by the employee's own doctor. Special sick leave is taken in the case of injury on duty. An Occupational Health and Safety (OHS) Policy is in place and displayed at all workplaces. All departments are required to follow this policy. Regular OHS inspections and safety audits are carried out during the year to identify any new health and safety risks.

Departments are advised in terms of handling OHS matters. Accidents and injuries on duty were investigated in terms of relevant procedures/guidelines. Sick leave was monitored by HODs, and

# Chapter 4

proper record was kept of all leave and sick leave taken. Where necessary, officials may be sent to medical practitioners appointed by Council for second opinions in cases of extended sick leave.

T4.3.4

NUMBER and SUSPENSIONS			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
<b>Clerk</b>	Gross insubordination Abusive language Bringing the name of employer in disrepute Rude, abusive, insolence, aggressive and provocative and disruptive	A new chairperson and prosecutor appointed from panel of attorney to finalise the matter	Pending
<b>Manager Human Capital</b>	Fraud	A new chairperson and prosecutor appointed from panel of attorney to finalise the matter  Hearing in process. Matter set down for 19 April 2023	Pending
<b>Plumber</b>	Negligence	Not suspended. However disciplinary process is ongoing	Pending
<b>Driver</b>	Use of intoxicating liquor or drugs whilst on duty	Not suspended. However disciplinary process is ongoing (14 March 2023)	Pending
			T4.3.5

## Disciplinary Action Taken on Cases of Financial Misconduct

# Chapter 4

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Manager	Irregular appointment of a service provider without following SCM processes	Disciplinary process instituted Finalised.  Employee was awarded with the final written warning	
	Value R218 722.40		
Manager	Fraud Value R26 000	Disciplinary process instituted	Case ongoing
T4.3.6			

## COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

Due to the delay in the finalisation of the matter, appointment of these officials was cancelled and a new chairperson and prosecutor was appointed from panel cancelled and a new chairperson for prosecutor was appointed from panel of attorney.

T 4.3.7

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

# Chapter 4

## INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

### WORKPLACE SKILLS PLAN & ANNUAL TRAINING REPORT

The Municipality has submitted the Workplace Skills Plan (WSP) & Annual Training Plan (ATR) 2023/2024.

### MANDATORY GRANTS

The Municipality will be utilizing Mandatory Grants received in Financial Year 2022/2023 and 2023/2024 to train and develop the skills of employees through Study Assistance.

The allocation of Study Assistance will cater from First Semester 2024, and will be revisited every semester onwards.

The Municipality has also budgeted 1% of Annual Gross Salary according to Skills Development Levy Act that will also be utilized to close the skills gap across all the departments.

### DISCRETIONARY GRANTS

Skills Development Office under Human Resource Development will also apply for Discretionary Grants in the next Local Government SETA Discretionary Grants Window Periods coming up. The office will also apply for Discretionary Grants opportunities that will be availed by different SETA's during their Discretionary Grants Window Periods.

The following different SETA's has allocated and funded Training Programmes for Merafong City Local Municipality: -

- \* Local Government SETA
- \* Construction SETA
- \* Services SETA
- \* District Development Model (DDM) partnering with LGSETA

### PANEL OF TRAINING PROVIDERS

Merafong City has appointed three (3) Training Providers under Panel of Training Providers for as an when we need their services. The process of appointing more Training Providers is still underway to augment on the three appointed Training Providers to address the shortage of skills in the Municipality.

### INTERNS & WIL LEARNERS

# Chapter 4

WESTCOL and other Training Providers funded by SETAs also allocating learners to Merafong City Local Municipality for Internship and Work Integrated Learning (WIL).

## **NATIONAL TREASURY**

Municipality has recently appointed six Interns that are funded by National Treasury.

## **CHALLENGES**

Skills Development and Training Sub-Section under Human Resource Development encounter the following Challenges: -

- Lack of Capacity in the section
- Approval of working Organisational Structure
- Slow Supply Chain Processes
- No qualified Mentors in some sections of the Municipality to mentor interns and learners.
- Resources e.g. transport, telephones, WIFI etc.
- Training Facilities
- Communication and Lines of Reporting
- Municipal Documents
  - \* SARS (Sometimes the Municipality delay to update)
  - \* COIDA Certificate – not compliant (Municipality has outstanding amount)
  - \* OHS Certificate (Municipality not yet compliant)

*Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.*

T 4.5.0

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Management level	Gender	Employees in post as No.	Number of skilled employees required and actual as at 30 June Year 2022/23											
			Learnerships			Skills programmes & other short			Other forms of training			Total		
			Actual: End of Year 2021/22	Actual: End of Year 2022/23	Year 2022/23 Target	Actual: End of Year 2021/22	Actual: End of Year 2022/23	Year 2022/23 Target	Actual: End of Year 2021/22	Actual: End of Year 2022/23	Year 2022/23 Target	Actual: End of Year 2021/22	Actual: End of Year 2022/23	Year 2022/23 Target
MM and s57	Female													
	Male													
Councillors, senior officials	Female													
	Male					3	3	3				3	3	3
Technicians and associate	Female													
	Male													
Professionals	Female													
	Male													
Sub total	Female													
	Male						3	3					3	3
Total			0	0	0	3	3	3	0	0	0	3	3	3

\*Registered with professional Associate Body e.g CA (SA)

T 4.5.1

# Chapter 4

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))
<b>Financial Officials</b>						
<i>Accounting officer</i>	0	0	0	0	0	0
<i>Chief financial officer</i>	0	0	0	0	0	0
<i>Senior managers</i>	0	0	0	0	0	0
<i>Any other financial officials</i>	0	0	0	0	0	0
<b>Supply Chain Management Officials</b>						
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0			
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June

T 4.5.2



# Chapter 4

Management level	Gender	Employees as at the No.	Original Budget and Actual Expenditure on skills development Year 2022/23								R'000
			Learnerships		Skills programmes &		Other forms of		Total		
			Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	
MM and S57	Female										
	Male										
Legislators, senior officials	Female										
	Male										
Professionals	Female										
	Male										
Technicians and associate	Female										
	Male										
Clerks	Female										
	Male										
Service and sales workers	Female										
	Male										
Plant and machine	Female										
	Male										
Elementary occupations	Female										
	Male										
Sub total	Female										
	Male										
Total		0	0	0	0	0	0	0	0	0	
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.										%* R	T4.5.3

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

### ADEQUACY OF TRAINING PLANS

With the assistance of Discretionary Grants, we are / and we will be able to implement the planned trainings. Mandatory Grants will also assist to fund the Study Assistance that we planned for Financial Year 2023/2024.

### ADEQUACY OF FUNDING - VARIANCE BETWEEN ACTUAL AND BUDGETED EXPENDITURE

The 1% of our Annual Gross Salary we budgeting for Training it still poses the challenge because as Municipality we are unable to collect enough revenue.

### TRAINING ACTIVITIES ASSESSMENTS

We never do formal assessment on training activities but we do follow up on our employees if the training attended was informative and if its helping on their performance.

### MFMA COMPETENCY REGULATIONS

# Chapter 4

Most of affected positions stayed vacant for some time in finance and was occupied by officials acting on them. The Municipality newly appointed permanent employees and process will start to make sure that every employee who need to qualify do so.

Six Treasury finance interns that are appointed will also undergo training on MFMA Competence Regulation Programme

The Municipality has already appointed 3 Training Providers (and also busy with the process of appointing more training providers) to have readily available providers to address such issues.

*T 4.5.4*

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

*T 4.6.0*

#### 4.6 EMPLOYEE EXPENDITURE

Source: MBRR SA22

*T 4.6.1*

# Chapter 4

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 13 - 15)	Female	NO UPGRADING IMPLEMENTED
	Male	
Skilled (Levels 9-12)	Female	
	Male	
Highly skilled production (Levels 6-8)	Female	
	Male	
Highly skilled supervision (Levels 3-5)	Female	
	Male	
Senior management (Levels 1-2)	Female	
	Male	
MM and S 57	Female	
	Male	
Total		0
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i>		

**T 4.6.2**

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job level evaluation	Remuneration level	Reason for deviation
	Awaiting the process of job evaluation			
T 4.6.3				

# Chapter 4

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
No employees appointed on posts that are not approved				
T 4.6.4				

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

There are no posts that have been upgraded. Waiting for the job evaluation process to kick start and the organizational structure implemented.

T 4.6.5

## DISCLOSURES OF FINANCIAL INTERESTS

The disclosure of financial interest is done annually for Section 56 and Councillors and all Officials. Detailed information contained in Appendix "J" there are currently disclosures that are pending.

T 4.6.6

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 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

### INTRODUCTION

The municipality closed off with a deficit of R230 814 830 comparing to a budgeted deficit of R240 000.

Merafong's cash flow had deteriorated in 2022/2023.

Council's liquidity ratio had deteriorated in 2022/2023. The non-achievement of the low percentage debtor collection rate, the water losses of R8.8m and electricity loss to a total amount of R181m impacted negatively on the cash flow. An amount of R50 Million was invested with VBS Mutual bank, we did put a claim in at the curatorship. An amount of R3, 5 million was received. On 27 September 2017 Merafong City LM Council resolved to implement various actions (20 Point Plan) aimed at improving credit control, reducing water and electricity losses and indigent management. A priority financial turnaround plan was approved by Council during October 2018 focussing on the three main priorities from the 20 point plan, being improved collection; reduction of water losses and reduction of electricity losses.

The implementation of the priority financial turnaround plan will only be realised over the medium to long term period. The going concern is further impacted negatively by the outcome of the mine valuations appeals which was issued by the valuation appeal board in 2014. This matter has not been finalised to date due to the review application by Merafong in High Court dealing with incorrect valuation methodology for the period 1 July 2012 to 1 July 2015. A positive outcome of this process will have a significant impact on the financial sustainability of the municipality. As at the end of the reporting period, the establishment of the valuation appeal board by the MEC: CoGTA was not yet finalised. This has resulted in that the municipality could not finalize the supplementary valuations for the mines.

# Chapter 5

Based on the above factors as well as ratio's disclosed the municipality has a material uncertainty and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The cash flow constraints had resulted in that council had to implement serious cost cutting measures and creditors were prioritised for payment.

The municipality was not able to cover its fixed operating expenditure.

T 5.0.1

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at Appendix K.*

**Delete Directive note once comment is completed** - This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

T 5.1.0

# Chapter 5

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

# Chapter 5

Description		2022/23										
R thousands	Original Budget	Budget	Final	Shifting of funds	Virement	Final Budget	Actual Outcome	Unauthorised	Variance	Actual Outcome	Actual Outcome	
	1	2	3	4	5	6	7	8	9	10	11	
Financial Performance												
	Property rates	518 215	596 391	1 114 606		1 114 606	684 563		430 043	61%	132%	
	Service charges	887 937	877 948	1 765 885		1 765 885	751 149		1 014 736	43%	85%	
	Investment revenue		8 140	13 140		13 140	12 758		383	97%	255%	
	Transfers recognised - operational	287 246	294 441	581 687		581 687	259 388		322 299	45%	90%	
	Other own revenue	307 538	309 790	617 328		617 328	207 982		409 346	34%	68%	
	Total Revenue (excluding capital transfers and contributions)	2 005 936	2 086 710	4 092 646	-	-	4 092 646	-	2 176 807			
	Employee costs	383 660	375 274	758 934		758 934	758 934	370 478	-	100%	198%	
	Remuneration of councillors	22 219	26 341	48 560		48 560	48 560	25 460	-	100%	219%	
	Debt impairment						227 171	227 171	-	100%	200%	
	Depreciation & asset impairment	113 586	113 586	227 171			182 889	182 889	115	100%	250%	
	Finance charges	73 069	109 820	182 889			1 249 829	1 249 829	139 141	-	100%	195%
Materials and bulk purchases	641 967	607 863	1 249 829			2 580	2 580	560 516	-	100%	188%	
Transfers and grants	1 540	1 040	2 580			1 600 514	1 600 514	522	-	100%	214%	
Other expenditure	747 967	852 546	1 600 514			4 070 478	4 070 478	278 690	-	100%	205%	
Total Expenditure	1 984 007	2 086 470	4 070 478	-	-	8 140 955	8 140 955	1 374 922	-			
Surplus/(Deficit)	21 928	240	22 168	-	-	(4 048 309)	(8 140 955)	(1 374 922)	2 176 807	-	0%	
Transfers recognised - capital			-			-	-		-	0%		
Contributions recognised - capital & contributed assets			-			-	-		-			
Surplus/(Deficit) after capital transfers & contributions	21 928	240	22 168	-		(4 048 309)	(8 140 955)	(1 374 922)	2 176 807			
Share of surplus/(deficit) of associate			-			-	-		-			
Surplus/(Deficit) for the year	21 928	240	22 168	-	-	(4 048 309)	(8 140 955)	(1 374 922)	2 176 807	-	0%	
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	225 000	225 000	450 000			450 000					0%	
Public contributions & donations						-						
Borrowing			-			-						
Internally generated funds	5 492	10 197	15 689			15 689					0%	
Total sources of capital funds	230 492	235 197	465 689	-		465 689	-	-	-	-	0%	
Cash flows												
Net cash from (used) operating						-			-	0%	0%	
Net cash from (used) investing			-			-			-	0%	0%	
Net cash from (used) financing			-			-			-	0%	0%	
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	-	-	-	0%	
T 5.1.1												



# Chapter 5

Financial Performance of Operational Services							R '000
Description	2021/22		2022/23		2021/22 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<b>Operating Cost</b>							
Water	501.093	559.809	(87.673)	479.874	-16.66%	118.27%	
Waste Water (Sanitation)	60.717	67.932	(37.592)	12.588	-439.66%	398.63%	
Electricity	473.936	656.381	(1.372)	534.786	-22.74%	100.26%	
Waste Management	83.958	76.128	46.814	44.686	-70.36%	-4.76%	
Housing	5.808	5.476	47.958	6.064	9.70%	-690.86%	
<b>Component A: sub-total</b>	1,126	1,366	(32)	1,078	-26.69%	102.96%	
Waste Water (Stormwater Drainage)					0	0	
Roads	27.718	(28.279)	0.924	32.197	187.83%	97.13%	
Transport		-	-	-			
<b>Component B: sub-total</b>	27.718	(28.279)	0.924	32.197	187.83%	97.13%	
Planning/Economic Development	7.230	6.958	(0.289)	6.928	-0.43%	104.17%	
Local Economic Development	1.467	(2.634)	(1.184)	1.527	272.50%	177.54%	
<b>Component B: sub-total</b>	9	4	(1)	8			
Planning (Strategic & Regulatory)							
Local Economic Development							
<b>Component C: sub-total</b>		-	-	-			
Community & Social Services	237.265	223.814	44.889	192.227	-16.43%	76.65%	
Environmental Protection		-	-				
Health		-	-				
Security and Safety	29.575	24.081	(0.467)	28.362	0.00%	101.65%	
Sport and Recreation					0	0	
Corporate Policy Offices and Other		-	-				

# Chapter 5

Component D: sub-total	267	248	44	221	0	0
<b>Total Expenditure</b>	<b>1,429</b>	<b>1,590</b>	<b>12</b>	<b>1,339</b>	<b>-18.70%</b>	<b>99.10%</b>
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						
						T 5.1.2

## COMMENT ON FINANCIAL PERFORMANCE:

The municipality closed off for the financial year with a deficit of R230 814 830 compared to budgeted deficit of R240 000. Due to the low payment levels provision for bad debt was provided at an amount of R807 910 million. Employee costs are R5.6 million less than was budgeted for. This is as a result of a decrease in the Post-employment Medical Aid provision and vacancies that could not be filled.

Due to the municipality's financial situation creditors could not be paid within 30 days. This resulted in the interest on arrear accounts amounting to R139 141 000 Million accrued.

This is all due to low collection rate and an increase in provision for bad debts.

T5.1.3

# Chapter 5

5.2 GRANTS

# Chapter 5

Description	2021/22	2022/23		2022/23 Variance		R' 000
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%) Adjustments Budget (%)	
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>414 828</b>	<b>3 261</b>	<b>123 021</b>	<b>377 087</b>		
Equitable share	277 526	259 031		259 031	-6,66%	0,00%
Municipal Systems Improvement						
Department of Water Affairs	55 000	40 420	25 481	50 499	-8,18%	98,18%
Levy replacement						
Other transfers/grants [insert description]						
<b>EPWP</b>						
Municipal Infrastructure Grant (MIG)	66 533	85 708	71 923	52 934	-20,44%	-26,40%
Integrated National Electrification Prog. (INEP)	13 219	25 617	25 617	13 219	0,00%	-48,40%
Financial Management Grant	2 550	2850000		1 404	-44,94%	
<b>Provincial Government:</b>	<b>40 994</b>	<b>78</b>	<b>-</b>	<b>13 394</b>		
Health subsidy						
Housing	40 994	77540		13 394	-67,33%	0,00%
Ambulance subsidy						
Sports and Recreation						
Other transfers/grants [insert description]						
<b>EPWP</b>	-	532		466	#DIV/0!	
Performance Management Grant	-	-	-	-		
Library Grant	-	18500	-	14	#DIV/0!	
<b>District Municipality:</b>						
HIV and AIDS	-	2 864	2 708	3		
		2 864	2 708	3		
<b>Other grant providers:</b>						
EPWP Coglea		1 060		8 678		

**COMMENT ON OPERATING TRANSFERS AND GRANTS:**

As part of the DORA Act, the Municipality receives Conditional and Unconditional Grants from Treasury, these grants are ring fenced for a specific division and purpose, and they cannot be used for the Operational Expenditure incurred by the Municipality.

These are the monies transferred for Capital Grants

MIG: R75 708 000  
WSIP: R34 420 000  
INEP: R25 617 000  
HSDG:R98 304 715

National Treasury reduced the MIG Grant as was published in terms of DORA by R10 000 000 (R85 708 000 -R10 000 000) making it R75 708 000 during the 2022/23 financial year

T 5.2.2

# Chapter 5

Details of Donor	Actual Grant 2019/20	Actual Grant 2020/21	2021/22 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
A - "Project 1"	NONE	NONE	NONE	NONE	NONE	
A - "Project 2"	NONE	NONE	NONE	NONE	NONE	
B - "Project 1"	NONE	NONE	NONE	NONE	NONE	
B - "Project 2"	NONE	NONE	NONE	NONE	NONE	
<b>Foreign Governments/Development Aid Agencies</b>						
A - "Project 1"	NONE	NONE	NONE	NONE	NONE	
A - "Project 2"	NONE	NONE	NONE	NONE	NONE	
B - "Project 1"	NONE	NONE	NONE	NONE	NONE	
B - "Project 2"	NONE	NONE	NONE	NONE	NONE	
<b>Private Sector / Organisations</b>						
A - "Project 1"	NONE	NONE	NONE	NONE	NONE	
A - "Project 2"	NONE	NONE	NONE	NONE	NONE	
B - "Project 1"	NONE	NONE	NONE	NONE	NONE	
B - "Project 2"	NONE	NONE	NONE	NONE	NONE	
Provide a comprehensive response to this schedule						T 5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The municipality did not receive grants for any other additional source.

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

Merafong fully implemented GRAP 17.

Asset management are governed by Council approved asset management policy. The municipality has asset management business process in place that guides and articulates each respective stakeholders' role within asset management space.

The municipality receives hands on support from Gauteng Provincial Treasury and National Treasury towards the municipality capacity building, furthermore the municipality has appointed asset management service provider that assist the municipality to develop and maintain credible GRAP 17 asset register also noting that municipal asset is covered by underwritten insurance to maximise safeguarding of municipal assets.

Asset Counts and reconciliation are conducted to ensure the completeness and correctness of assets on the fixed asset register, all assets are physically verified in conjunction with the Internal Audit Department and confirmed at least once in a financial year. A detailed report of findings are compiled and issued to the Manager: Budget and Treasury, the Chief Financial Officer and Assets Accountant for management comment. The Chief Financial Officer checks the physical verification report.

All the infrastructure nearing their useful are downloaded from the BIQ system to an excel spreadsheet and the assets controller verify the assets by confirming the GPS co-ordinates on the assets register with that the location of the assets.

The reconciliation between the general ledger values and the fixed asset register values on the financial stem are automated as the fixed asset register is automated on the System.

# Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 2022/23						
Asset 1						
Name	P729					
Description	Replacement of Reservoir					
Asset Type	Water					
Key Staff Involved	Contractor					
Staff Responsibilities						
Asset Value	2019/20	2020/21	2021/22	2022/23		
Capital Implications						105 000 000.00
Future Purpose of Asset	Government Funding					
Describe Key Issues	Supply water to residents					
Policies in Place to Manage Asset	Asset Management policy					
Asset 2						
Name	P732 S1 and P732 S2					
Description	khutsong North Sewer Retiulation					
Asset Type	Sewer					
Key Staff Involved	Contractor					
Staff Responsibilities						
Asset Value	2019/20	2020/21	2021/22	2022/23		
Capital Implications						232 976 441.00
Future Purpose of Asset	Government Funding					
Describe Key Issues	Sewer reticulation					
Policies in Place to Manage Asset	Asset Management policy					
Asset 3						
Name	P759 and P723(S3)					
Description	khutsong North Sewer Retiulation					
Asset Type						
Key Staff Involved						
Staff Responsibilities						
Asset Value	2019/20	2020/21	2021/22	2022/23		
Capital Implications						48 213 750
Future Purpose of Asset	Government Funding					
Describe Key Issues						
Policies in Place to Manage Asset	Asset Management policy					
						T 5.3.2



## COMMENT ON ASSET MANAGEMENT:

Merafong adopted an asset management policy in the year under review. An asset management plan was developed and will be implemented in terms of the approved policy. The challenge Council faces is to fund the shortfall identified in the maintenance plan.

The biggest issue that the municipality faces at present is lack of funding. Repairs and Maintenance are performed on a priority basis. Maintenance plans cannot be fully executed. Roads are repaired when potholes occurred. An additional challenge the municipality faces is the vandalism of infrastructure assets, especially electricity infrastructure.

T 5.3.3

Repair and Maintenance Expenditure: 2022/23					R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance	
Repairs and Maintenance Expenditure	83	97	7		92%
					T 5.3.4

## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

# Chapter 5

The biggest challenge that the Municipality faces at present is lack of Funding, Repairs and Maintains (Contracted Survives) are performed on an emergency basis.

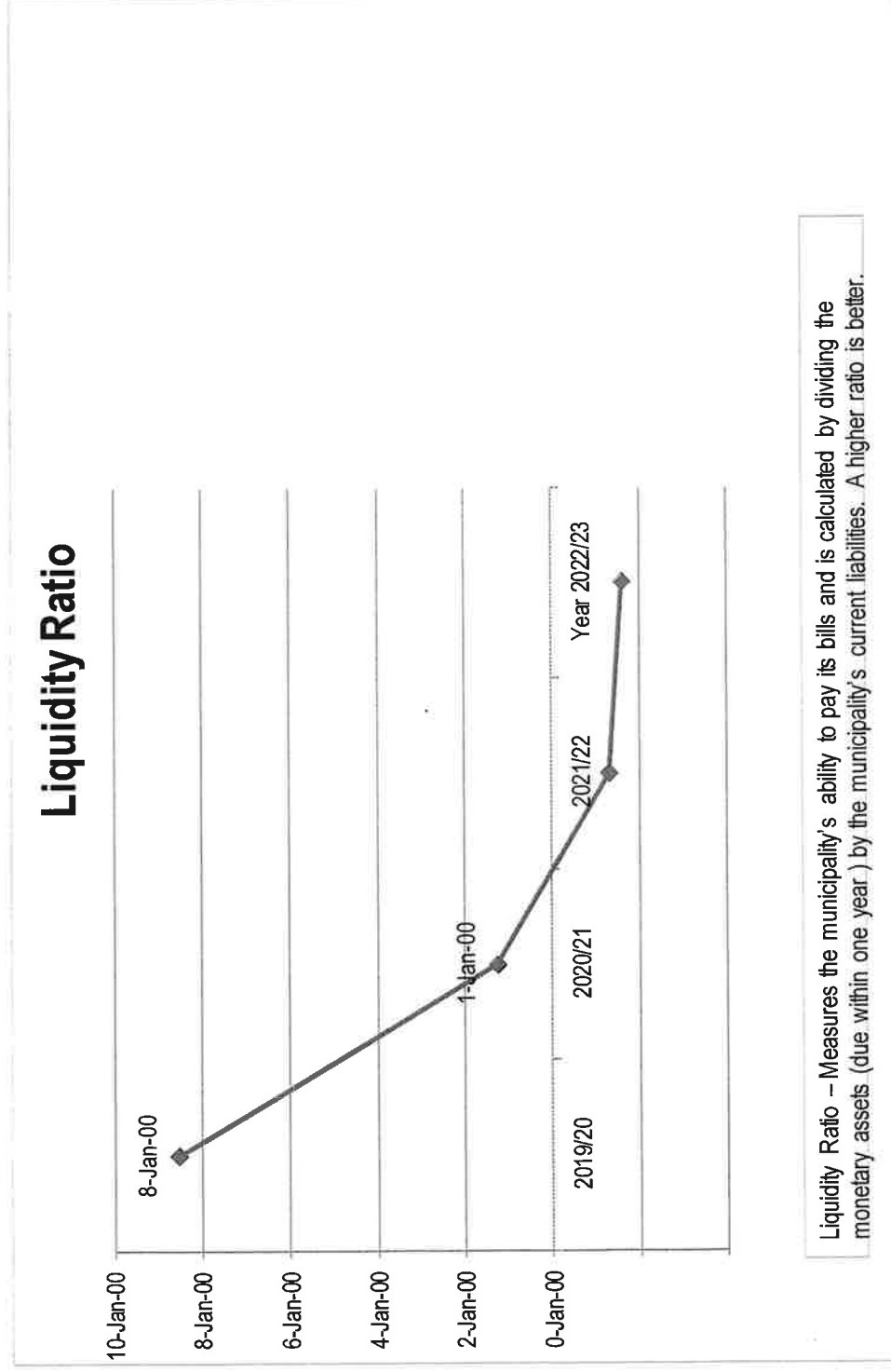
Contracted services cannot be executed, Roads are repaired when potholes occur.

An additional challenge that the Municipality faces is vandalization of Municipal Assets especially electricity installation.

T 5.3.4.1

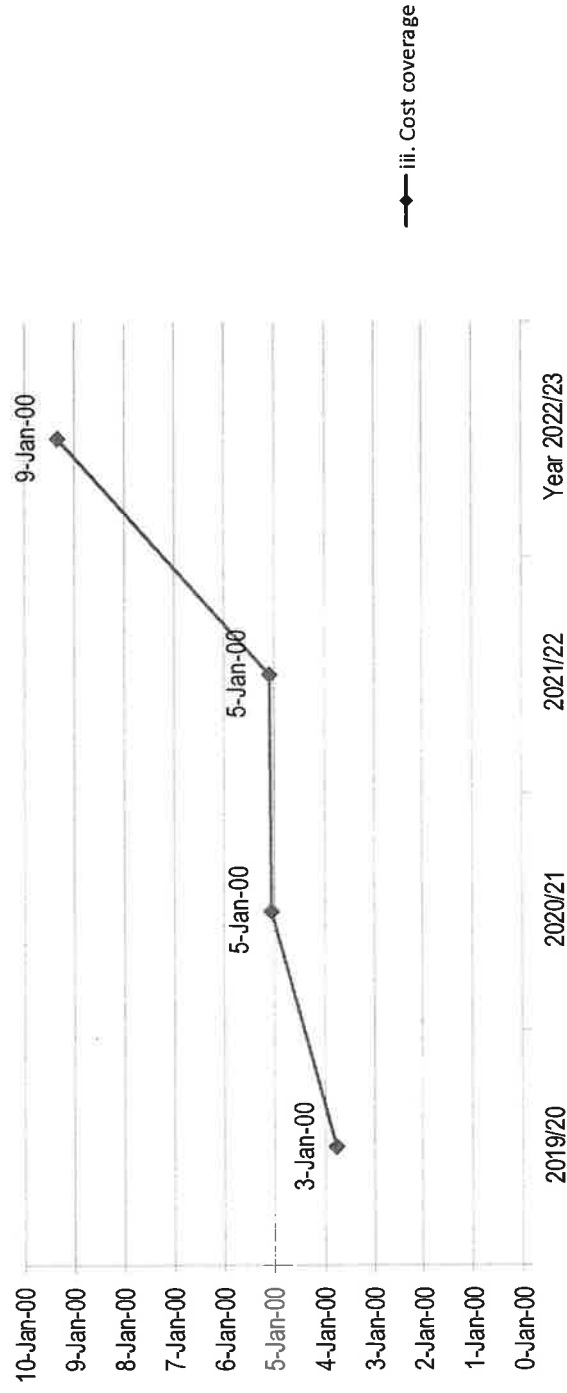
## 5.3 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

# Chapter 5



T 5.4.1

## Cost Coverage

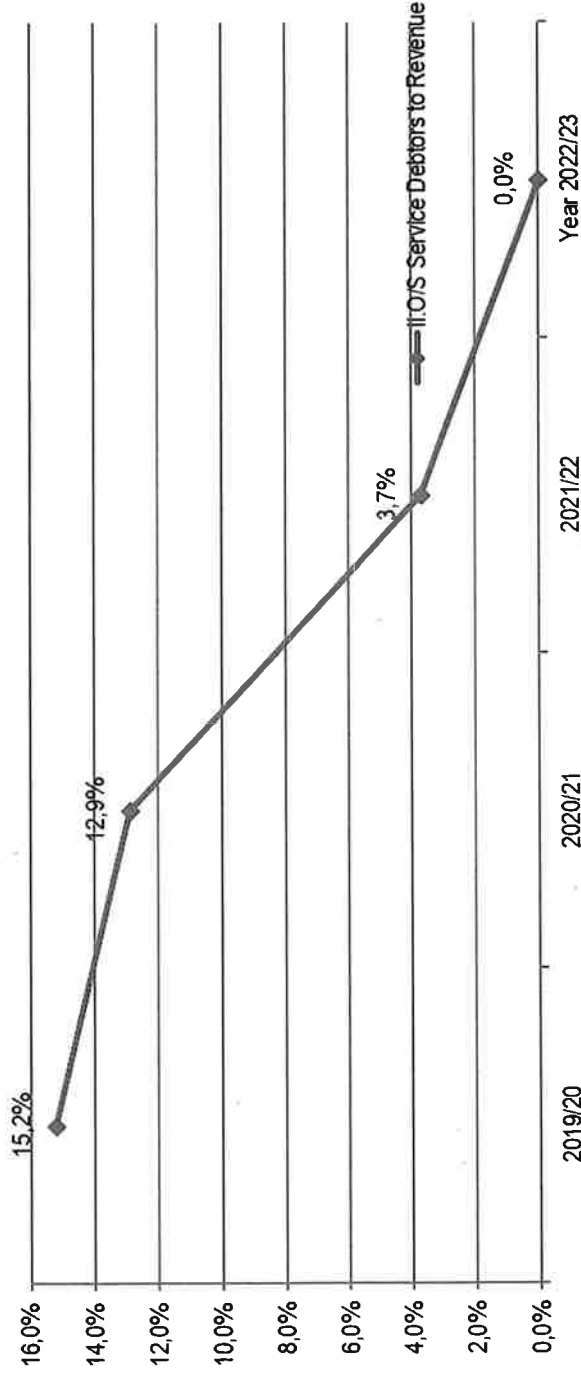


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T 5.4.2

## Total Outstanding Service Debtors

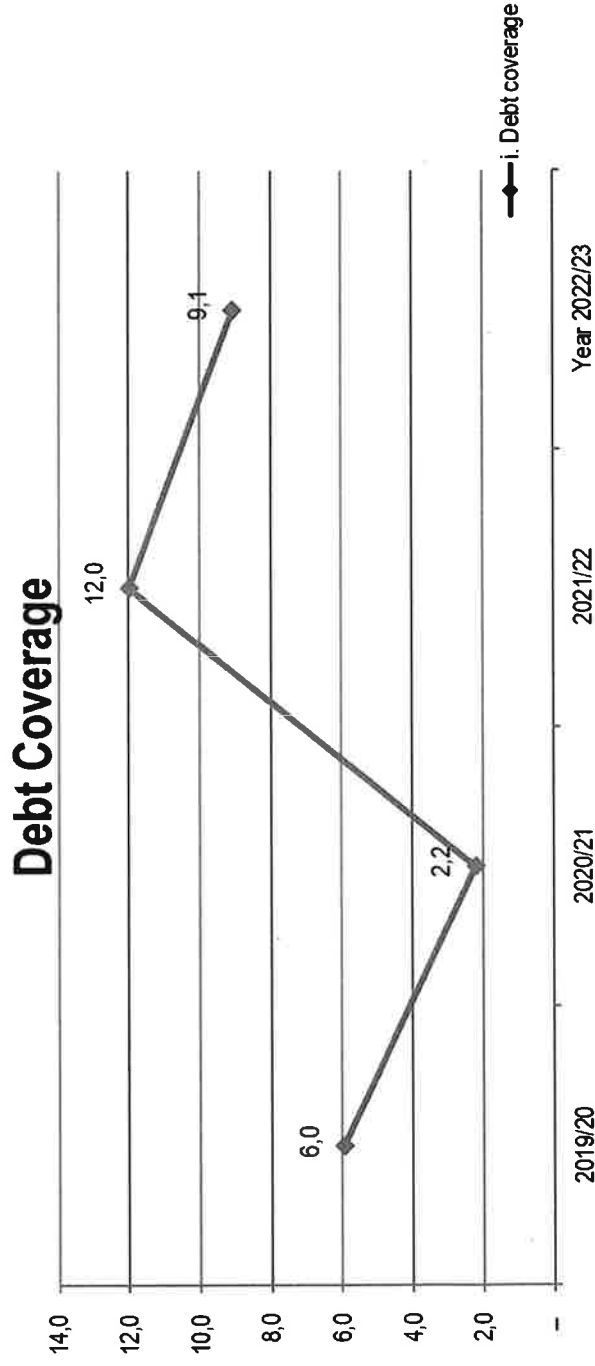


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

T 5.4.3

# Chapter 5

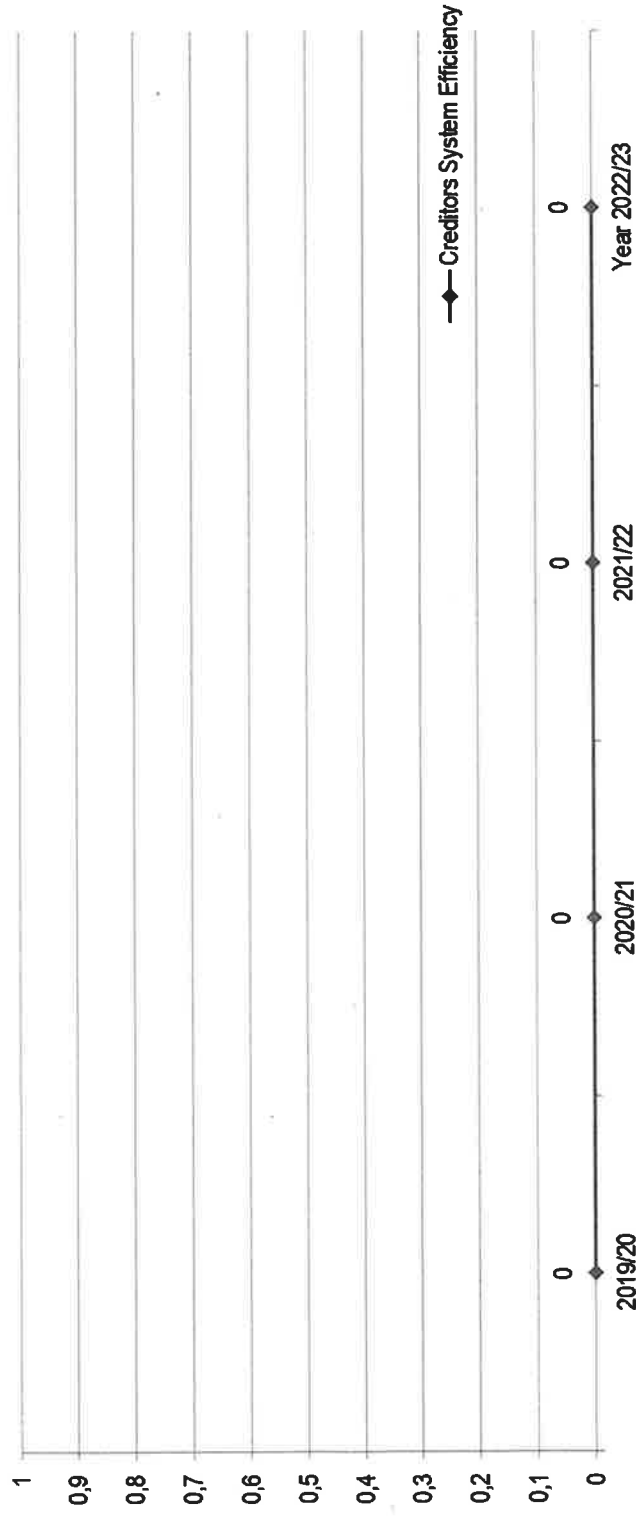


Debt Coverage— The number of times debt payments can be accommodated within Operating revenue (excluding grants) .  
This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5. 4. 4

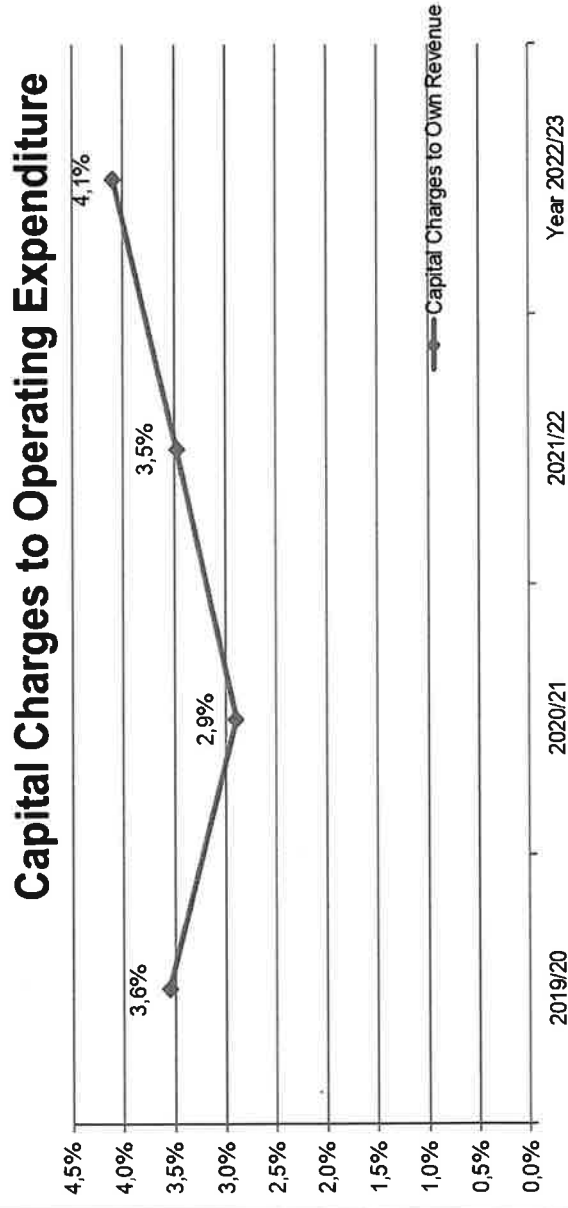
## Creditors System Efficiency



Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5



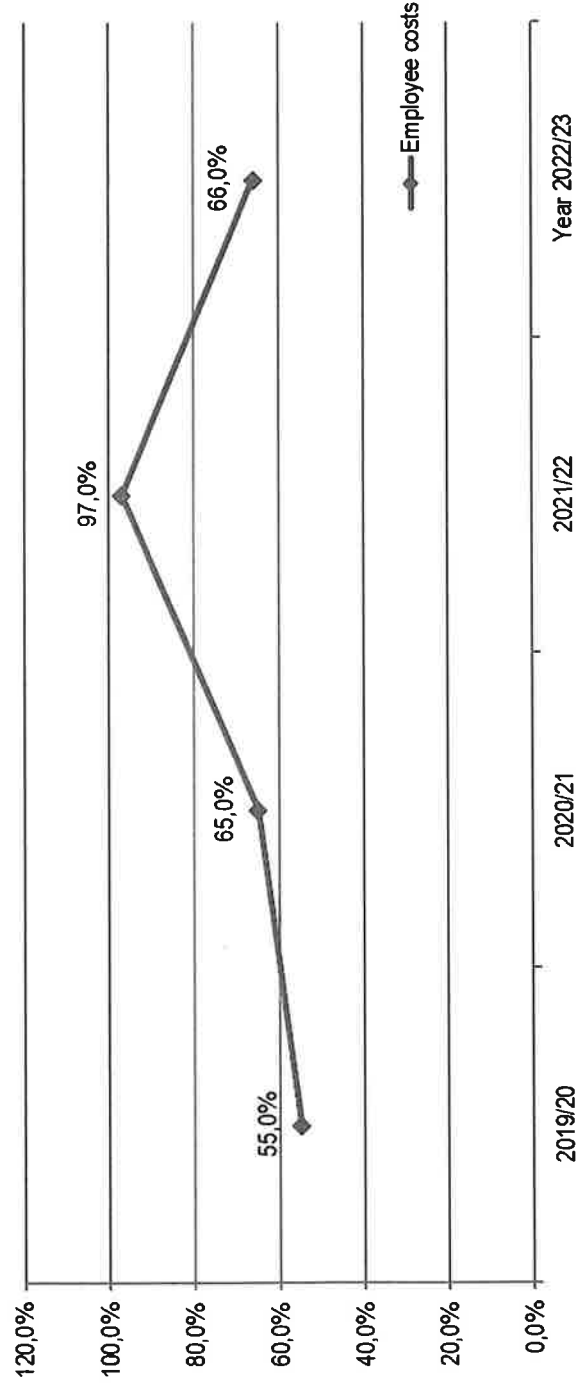
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T 5.4.6



## Employee Costs

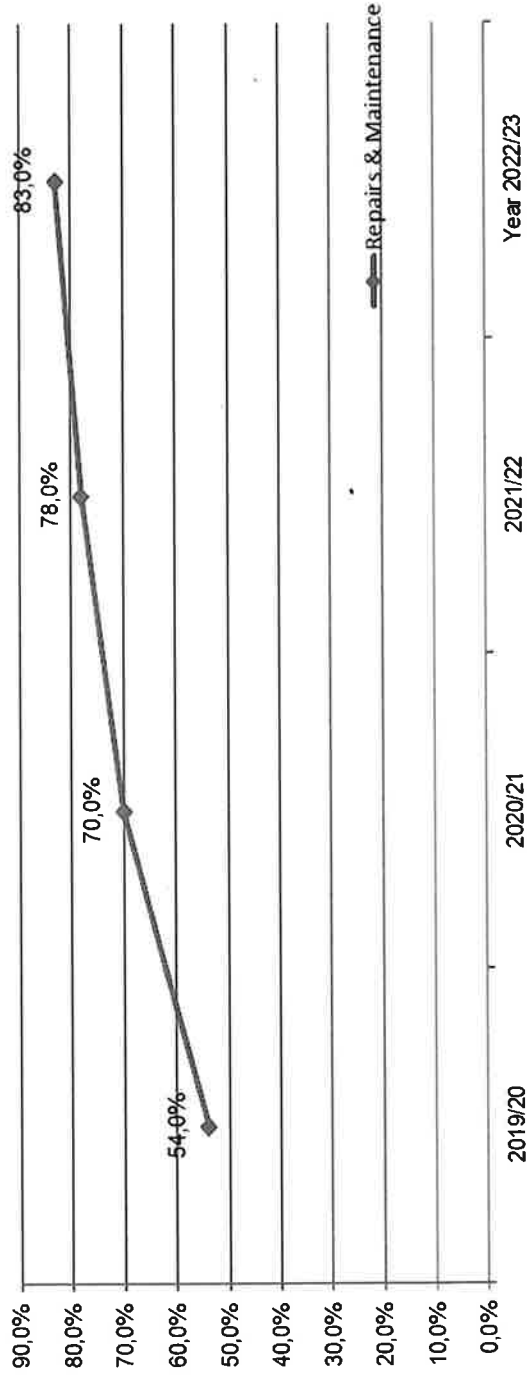


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7

## Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T 5.4.8

COMMENT ON FINANCIAL RATIOS:	
Current ratio measures the ability of the Municipality to pay its current liabilities out of the current assets. The industry usually looks for a ratio of 2:1, however the acceptable current ratio is 1:1 for municipalities. The municipality achieved a ratio of 1:0.4 which shows its ability to settle existing short term liabilities.	
In accordance with the current ratio and liquidity ratios the municipality is still under severe pressure from a liquidity point of view. In order for these ratios to be in line with industry norms, the municipality has a shortfall in current assets of which all should be in the form of unencumbered cash and cash equivalents. The shortfall indicates that the municipality incurred a net loss of R230 814 830 during the year ended June 2023. The non-achievement of the low debtor collection rate, the water losses of R8 839 074.64 and electricity loss to a total amount of R181 457 290.64 impacted negatively on the cash flow.	
The municipality is not in a position to settle its short-term liabilities as prescribed.	
The municipality's liquidity ratio had deteriorated in 2022-2023.	
Outstanding debtors to Revenue.	
	T 5.4.9

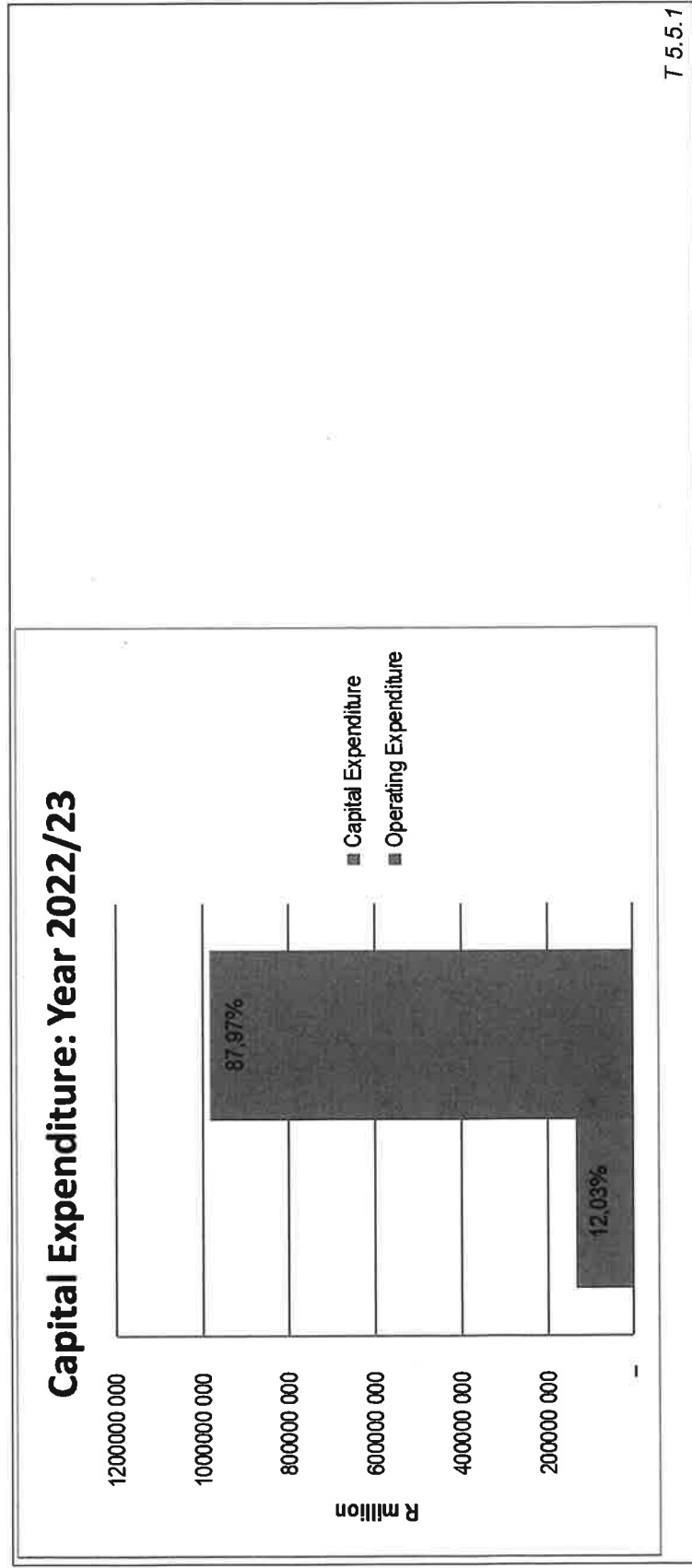
## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Council achieved 76.95% of the adjustment budget for 2022/2023. On the Mining Town allocation a rollover was requested and not yet approved. Due to the late transfers of funds to the municipality in the financial year and the procurement process, which is time consuming, this affected the projects negatively and caused delays in implementation by the end of the 2022/2023 financial year.

T 5.5.0

### 5.5 CAPITAL EXPENDITURE



# Chapter 5

## 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2021/22 - 2022/23							R+A2:H29' 000
Details	2021/22		2022/23				Actual to OB Variance (%)
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External loans	6131	27793	27793	27793	0,00%	0,00%	
Public contributions and donations	322		350				
Grants and subsidies	4050		4000				
Other	5131		5100				
<b>Total</b>	<b>15634</b>	<b>27793</b>	<b>37243</b>	<b>27793</b>	<b>0,00%</b>	<b>0,00%</b>	
<b>Percentage of finance</b>							
External loans	39,2%	100,0%	74,6%	100,0%			
Public contributions and donations	2,1%	0,0%	0,9%	0,0%			
Grants and subsidies	25,9%	0,0%	10,7%	0,0%			
Other	32,8%	0,0%	13,7%	0,0%			
<b>Capital expenditure</b>							
Water and sanitation	4410	40420	40420	15064	0,00%	-62,73%	
Electricity	2525	25617	25617	25617	0,00%	0,00%	
Housing	2712	98304	98304	41234	0,00%	-58,05%	
Roads and storm water	1518	81422	81422	71922	0,00%	-11,67%	
Other	3485		3501				
<b>Total</b>	<b>14650</b>	<b>245763</b>	<b>249264</b>	<b>153837</b>	<b>0,00%</b>	<b>-132,45%</b>	
<b>Percentage of expenditure</b>							
Water and sanitation	30,1%	16,4%	16,2%	9,8%	0,0%	47,4%	
Electricity	17,2%	10,4%	10,3%	16,7%	0,0%	0,0%	
Housing	18,5%	40,0%	39,4%	26,8%	0,0%	43,8%	
Roads and storm water	10,4%	33,1%	32,7%	46,8%	0,0%	8,8%	
Other	23,8%	0,0%	1,4%	0,0%	0,0%	0,0%	
							<b>T 5.6.1</b>

COMMENT ON SOURCES OF FUNDING:	COMMENT ON SOURCES OF FUNDING:
COMMENT ON SOURCES OF FUNDING:	<p>As part of the DORA Act, the Municipality receives Conditional and Unconditional Grants from Treasury, these grants are ring fenced for a specific division and purpose, and they cannot be used for the Operational Expenditure incurred by the Municipality.</p> <p>These are the monies transferred to the municipality for Capital Grants</p> <p>MIG: R75 708 000 WSIP: R34 420 000 INEP: R25 617 000 HSDG:R98 304 715</p> <p>T 5.6.1.1</p>

# Chapter 5

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*							R' 000
Name of Project	Current: Year 2022/23			Variance: Current Year 2021/22		Adjustment variance (%)	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)			
Khutsong South Ext 5 & 6 Internal Roads & Stormwater	34,149	34,149	3,812	89%		0%	
Kokosi Ext 7 East Outfall Sewer & WWTW	29,165	29,165	19,149	34%		0%	
Khutsong South Installation of Alternative Bulk water Supply	14,627	14,627	3,550	76%		0%	
Upgrading & Rehabilitation of Wedela WWTW (Phase 2)	25,000	25,000	7,297	71%		0%	
Development of New Kokosi Cemetery	20,022	15,376	13,963	30%		23%	
* Projects with the highest capital expenditure in Year 2021/2022							
Replacement of Khutsong Reservoir							
Objective of Project	Construction of new reinforced concrete reservoir with relevant structural members for storage purpose						
Delays	In registering a servitude were the mini-sub will be installed						
Future Challenges	None						
Anticipated citizen benefits	Khutsong North Residents						
Khutsong North Water & Sewer Reticulation SKOPAS							
Objective of Project	Address the sewer spillages around Skopas area that is causing sinkhole						
Delays	Hard rock						
Future Challenges	None						
Anticipated citizen benefits	Khutsong North Residents						
Fochville Electr Supply (Phase 4)							
	Eskom must install 1 x 20MVA, 132kV/6.6 kV transformer. Kokosi and Fochville must be split so that Fochville will feed from the existing 10MVA and 8MVA transformers and Kokosi from the new 20MVA transformer. The load will then split to 10MVA for Fochville and 6MVA for Kokosi.						
Objective of Project	Covid 19 remained a challenge during the installation phase which caused delays						
Delays	Availability of funding. Accommodation of SMME's during the construction stage						
Future Challenges							



# Chapter 5

Anticipated citizen benefits	Electricity supply to Kokosi Ext 6, Kokosi Ext 7 and Kokosi Ext 8-21 for a total of 8638 stands
<b>Street Light Merafong Phase 2(Ph 5)</b>	
Objective of Project	To reduce street darkness during the night around Merafong townships
Delays	To plants poles on road reserve in areas where pole are midblock
Future Challenges	None
Anticipated citizen benefits	Merafong citizens in townships
<b>Khutsong North Water &amp; Sewer Reticulation</b>	
Objective of Project	Address the sewer spillages and collapsed water & sewer pipelines around Khutsong North area
Delays	SMME's , labour recruitment and contractor having financial challenges
Future Challenges	None
Anticipated citizen benefits	Khutsong North Residents
	<b>T 5.7.1</b>

<p>Merafong achieved 76.95% of the adjustment budget for 2022/2023. On the Mining Town allocation a rollover was requested and not yet approved.</p> <p>Due to the late stage of the transfer to the municipality in the financial year and the procurement process, which is time consuming: affected the projects negatively and caused a delay in implementation by the end of the 2022/2023 financial year.</p> <p>This is the summary of expenditure by grant funding:</p> <p>(MIG) - 100%</p> <p>INEP -100%</p> <p>WSIG -99.41%</p> <p>Human Settlement Grant- 68.93%</p>	<b>T 5.7.1.1</b>
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## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

#### **Waste Management**

Refuse removal strategy in informal settlement was developed and approved but not been implemented due to the municipal financial status.

Refuse removal service in informal settlement has only been done in Mphahlw Village using 6m<sup>3</sup>.

Extension 6 in Kokosi Township and Extension 5 in Khutsong Township have the shortage of 240l bins and the distribution is still outstanding.

#### **Infrastructure**

It is the mandate of the municipality to provide basic services to the community. The municipality has in previous years implemented roads projects which have reduced the backlog of unsurfaced roads drastically in the townships of Kokosi and Greenspark respectively. That has assisted in installation of stormwater that never existed as well. We are currently left with Khutsong township which is worse off in terms of unsurfaced roads, however the MIG funding is providing for implementation on each financial year although it is not at the desired pace due to the challenge at hand.

Although no bulk funding has been availed so far, business plans have been submitted to request funding from various grant providers. The backlog relates to both roads and stormwater infrastructure. This has got a serious impact in Khutsong township since it is a necessity in a dolomitic area to avoid any ponding of stormwater. That can be achieved effectively on a surfaced road. Through the consultation with other spheres of government, the municipality still hopes to find a better alternative that could assist in addressing the matter.

T 5.8.1

# Chapter 5

Service Backlogs as at 30 June 2023			
**Service level below minimum standard			
Services	Wards Affected	% HHs	
<b>Water</b>			
Formal Households	1,2,5,8,13,14,15,21,24,27		36%
Informal Households	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,20,21,22,23,24,25,26,27,28		57%
<b>Sanitation</b>			
Formal Households	8,14,21		14%
Informal Households	1,2,3,4,5,8,9,10,13,15,21,22,23,24,27,28 8		57%
<b>Electricity</b>			
Formal Households	8,14,21		14%
Informal Households	1,2,5,13,14,15,21,22,23,24,27,28		43%
<b>Waste management</b>			
Formal Households	1,4,7,8,9,11,13,14,20,21,25,26,27		46%
Informal Households	1,2,3,4,5,8,9,10,13,14,15,21,22,23,24,27,28		61%
<b>Housing</b>			
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements. T5.8.2			

# Chapter 5

Municipal Infrastructure Grant (MIG)* Expenditure Year 2022/2023 on Service backlogs							R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjust-ments Budget		
Infrastructure - Road transport	37,400	39,650	34,574	-8%	-15%		
Roads, Pavements & Bridges	37,400	39,650	34,574	-8%	-15%		
Storm water		Cost included above					
Infrastructure - Electricity	7,000	6,750	34,574	0.7975357	-8462.5708		
Generation							
Transmission & Reticulation							
Street Lighting	7,000	6,750	34,574	80%	80%		
Infrastructure - Water	0						
Dams & Reservoirs							
Water purification							
Reticulation							
Infrastructure - Sanitation	0						
Reticulation							
Sewerage purification							
Infrastructure - Other	7,000	9,646	9,646	0.2743106	0		
Waste Management	7,000	9,646	6,650	-5%	-45%		
Transportation							
Gas							
Other Specify:	30,022	25,376	25,374	-0.1830864	-7.882E-05		
Economic Debt. Services							
Sport and Recreation	10,000	10,000	9,998	0%	0%		

# Chapter 5

Cemeteries & Crematoriums	20,022	15,376	15,376	-30%	0%
PMU (O&M)				0	0
<b>Total</b>	<b>81,422</b>	<b>81,422</b>	<b>84,524</b>	<b>4%</b>	<b>4%</b>

\* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.8.3

## COMMENT ON BACKLOGS:

**Delete Directive note once comment is completed** - Comment on how MIG grants have been utilised to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T 5.8.4

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Adequate and efficient cash management is one of the main functions of the Chief Financial Officer. Cash management plan was established and adhered to at all-time except on cases of low collection. Daily sound cash management includes the following:

- Collecting revenue when it is due and banking it promptly;
- Making payments to service providers to ensure effective and economical programme delivery
  - Avoiding pre-payments for goods or services (i.e. payments in advance of the receipt of goods or services), unless required in terms of contractual arrangements with the supplier;
  - Pursuing debtors with appropriate sensitivity and rigour to ensure that amounts receivable by the municipality are collected and banked promptly;
  - Accurately forecasting the municipality's daily cash flow requirements;
  - Timing the inflow and outflow of cash to ensure that significant cash outflows only occur when there is sufficient cash in the municipality's bank account; and
  - The municipality does not have any investment.

T 5.9

# Chapter 5

## 5.9 CASH FLOW

Cash Flow Outcomes					R'000
Description	2021/22	Current: 2022/23			Actual
	Audited Outcome	Original Budget	Adjusted Budget		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Ratepayers and other	1 891 671	2 231	2 310	167	
Government - operating	1 386 740	1 429	1 436	116	
Government - capital	252 673	238	259	—	
Interest	104 878	316	360	31	
Dividends	147 381	248	255	19	
<b>Payments</b>					
Suppliers and employees	(1 101 050)	(1 259)	(1 231)	(174)	
Finance charges	(1 044 752)	(1 221)	(1 161)	(135)	
Transfers and Grants	(54 003)	(37)	(70)	(37)	
	(2 295)	(2)	(1)	(2)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>790 621</b>	<b>972</b>	<b>1 078</b>	<b>(7)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE	—				
Decrease (Increase) in non-current debtors					
Decrease (Increase) other non-current receivables					
Decrease (Increase) in non-current investments					
<b>Payments</b>					
Capital assets					
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Short term loans					
Borrowing long term/refinancing					
Increase (decrease) in consumer deposits	5 172	3	—	0	
<b>Payments</b>					
Repayment of borrowing	—	(5)	—	—	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>5 172</b>	<b>(2)</b>	<b>—</b>	<b>0</b>	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>795 793</b>	<b>970</b>	<b>1 078</b>	<b>(7)</b>	
Cash/cash equivalents at the year begin:					
Cash/cash equivalents at the year end:	<b>795 793</b>	<b>970</b>	<b>1 078</b>	<b>(7)</b>	
Source: MBRR A7					1 59.7

# Chapter 5

## COMMENT ON CASH FLOW OUTCOMES:

Merafong closed off with a deficit of R230 814 830 comparing to a budgeted deficit of R240 000.

Cash flow had deteriorated in 2022/2023.

Council's liquidity ratio had deteriorated in 2022/2023. The non-achievement of the low percentage debtor collection rate, the water losses of R8.8m and electricity loss to a total amount of R181m impacted negatively on the cash flow. An amount of R50 Million was invested with VBS Mutual bank, we did put a claim in at the curatorship. An amount of R3, 5 million was received.

The going concern is further impacted negatively by the outcome of the mine valuations appeals which was issued by the valuation appeal board in 2014. This matter has not been finalised to date due to the review application by Merafong in High Court dealing with incorrect valuation methodology for the period 1 July 2012 to 1 July 2015. A positive outcome of this process will have a significant impact on the financial sustainability of the municipality. As at the end of the reporting period, the establishment of the valuation appeal board by the MEC: CoGTA was not yet finalised. This has resulted in that the municipality could not finalize the supplementary valuations for the mines.

Based on the above factors as well as ratio's disclosed the municipality has a material uncertainty and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The cash flow constrains had resulted in that council had to implement serious cost cutting measures and creditors were prioritised for payment.

*T 5.9.1.1*

## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

#### INTRODUCTION TO BORROWING AND INVESTMENTS

The Municipality has a long-term loan with Nedbank payable on a quarterly basis and DBSA payable 6 monthly which was earmarked for Capital projects.

The municipality has reached its prudent limits and cannot borrow anymore to fund Capital projects

The Nedbank loan will be redeemed on 30/05/2025 and the DBSA will be redeemed on the 30/09/2027.

The Municipality has a 3-year lease agreement with LCK Technologies for the leasing of Cannon Printers



# Chapter 5

T 5.10.1

Actual Borrowings: 2022-2023			
Instrument	2020/21	2021/22	2022/23
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	43 509 478,00	35 748 373,99	27 116 155,00
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	84 686,00	15 491,00	677 016,00
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	<b>43 594 164,00</b>	<b>35 763 864,99</b>	<b>27 793 171,00</b>
<b>Municipal Entities</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Entities Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

T 5.10.

## COMMENT ON BORROWING AND INVESTMENTS:

Council took up an external loan with Nedbank and DBSA to finance capital projects. Council had reached its prudent limits. Council cannot borrow anymore to fund capital projects.

T 5.10.5

# Chapter 5

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

### PUBLIC PRIVATE PARTNERSHIPS

For the year under review, the municipality did not enter into any Public Private Partnership agreements.

T 5.11.1

## COMPONENT D: OTHER FINANCIAL MATTERS

## 5.12 SUPPLY CHAIN MANAGEMENT

### SUPPLY CHAIN MANAGEMENT

Merafong City Municipality has a supply chain policy which the staff has been workshopped to implement. Templates to enforce compliance have been put in place in order to curb irregular expenditure. Training of SCM Staff will be ongoing. The majority of the SCM Staff have the competency levels set by Treasury. Where Auditor General has highlighted issues that need remedial action, the Council of Merafong has convened to recommend that MPAC investigate irregular expenditure and implement remedial action including consequence management .

T 5.12.1

## 5.13 GRAP COMPLIANCE

### GRAP COMPLIANCE

The municipality prepares its Annual Financial Statements (AFS) on GRAP (Generally Recognised Accounting Practice). Where certain disclosures are specifically required by the MFMA, these are included in the AFS in addition to the application of the GRAP.

#### Closing and balancing of the general ledger

The revenue accounts are reconciled to the general monthly with the preparation of the monthly management accounts (S71 reporting). The expenditure accounts are reconciled to the general ledger monthly with the management accounts (S71 reporting). Payables are reconciled to the general monthly with the management accounts (S71 reports). Receivables are reconciled to the general ledger monthly with the management accounts (S71 reporting).

Property, plant and equipment is reviewed annually and depreciation and impairment and the review of the useful lives is done annually. Provisions are calculated annually. Year end journals are done at the end of the financial year and passed to the general ledger. The final trial balance will be drawn from the financial system and the information captured in the financial reporting for the financial statements.

# Chapter 5

## Accruals

The amounts paid in advance together with payments made in advance are recorded in the period to which they pertain and a current asset or current liability will be recorded in the AFS for the year under review. The asset will be reversed when the benefit is received and the liability will be reversed when the obligations to the third party are met in the period to which the transaction pertains.

## Commitments:

Contracts which place the financial obligations to the municipality for a period exceeding one financial year are recorded either in the amount or the period of the obligation. The contract amounts are the total obligations of the municipality. The commitments are calculated by deducting amount already paid in the contract from the total obligation. The balance still due and payable to the third party from the contract is the commitment. Related parties: Related party transactions are transactions concluded between the municipality and those with decision making authority. All transactions concluded with related parties are recorded at year end in the AFS.

## Contingent assets and contingent liabilities:

Contingent assets and liabilities are transactions where there are no certainties and the matters are subject to litigations. The matters are dealt with by legal and the register is finalized by the legal department. Provisions: Provisions are calculated on the future obligations to be met by the municipality. Some are calculated by external experts eg., employee benefit obligations and others by internal personnel.

## Unauthorised, irregular, fruitless and wasteful expenditure:

Where the approved budget per vote is exceeded and any amount approved by Council and the DoRA Act is exceeded unauthorised expenditure will be recorded in the financial statements. Irregular expenditure is recorded where there is non-compliance with the provisions of the Acts or the Regulations. These expenditures will be recorded as irregular. Fruitless and wasteful expenditure is recorded in all instances where payments are made without any reciprocal benefit accrues to the municipality.

The municipality has a year-end documented programme that details what should be performed, when it should be performed and who should perform it. Specific experienced personnel assigned responsibilities to perform various tasks required in the preparation of the annual financial statements (AFS)

To ensure completeness of the information to be disclosed in the AFS, the various line items are included in the year-end annual financial statements programme based on the prior year's signed AFS and understanding of the municipality's operations. This is used as a guide in the preparation of the AFS.

The schedules and other supporting information that were used in the preparation of the AFS are included in a folder which are provided on provision of the AFS to the Auditor General (AGSA). The findings of the (AGSA) for the previous periods are considered in the preparation of the AFS for the year under review

The financial statements are prepared in terms of GRAP Standards within two months after the end of the financial as prescribed the requirements of the MFMA. The presentation of the AFS is done in terms of the prescripts of the ASB.

# Chapter 5

T 5.13.1

# Chapter 6

## 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 section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

**Delete Directive note once comment is completed** - Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September, then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained.

T 6.0.1

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 2021/22

#### 6.1 AUDITOR GENERAL REPORTS YEAR 2021/22 (PREVIOUS YEAR)

# Chapter 6

Auditor-General Report on Financial Performance: 2021/22	
Audit Report Status	Adverse opinion
Non-Compliance Issues	Remedial Action Taken
Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA	Due to the cash flow situation of the municipality it is not possible to pay creditors within the 30 days period. Daily monitoring of the available funds is done by the CFO. Payments are released as soon as cash becomes available. Cost containment regulations are being implemented together with the revenue enhancement to improve Council's cash situation. A turnaround strategy was developed
Reasonable steps were not taken to prevent irregular expenditure amounting to R49 127 148 as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. All the irregular expenditure was caused by contravention of regulation 19(a), due to no competitive bidding processes for goods and services procured, non-compliance with regulation 32 and regulation 36(1) on procurement of goods and services under contracts secured by other organs of state and unjustified deviation from supply chain	Management will ensure that Supply Chain Management Regulations are adhered to in order to prevent the occurrence of irregular expenditure.
Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R74 166 664, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. All the disclosed fruitless and wasteful expenditure was caused by late payments to suppliers which incurred	Daily monitoring of the available funds is done by the CFO. Payments are released as soon as cash becomes available. Cost containment regulations are being implemented together with the revenue enhancement to improve Council's cash situation. A turnaround strategy was developed in partnership with Provincial Treasury and COGTA.
<p><i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i></p>	

T 6.1.1

# Chapter 6

Auditor-General Report on Service Delivery Performance: 2021/22	
Audit Report Status:	Adverse audit opinion
Non-Compliance Issues	Remedial Action Taken
The source information, evidence and method of calculation for measuring the planned indicators was not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the 7 predetermined indicator definitions. As a result, limitations were placed to audit the reliability of the achievements of indicators.	Smart indicators will be implemented to address the finding on planned outcomes to actual outcomes.
	T 6.1.2

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2022/23 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 2022/23

Auditor-General Report on Financial Performance: 2022/23	
Audit Report Status	The office of the Auditor-General issued a disclaimer of opinion for the year under review. Both financial performance and predetermined objectives were audited. The final report was issued on 30 November 2022. Details of the report are discussed in the table below:
Non-Compliance Issues	Remedial Action Taken
Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA	Due to the cash flow situation of the municipality it is not possible to pay creditors within the 30 days period. Daily monitoring of the available funds is done by the CFO. Payments are released as soon as cash becomes available. Cost containment regulations are being implemented together with the revenue enhancement to improve Council's cash situation. A turnaround strategy was developed in partnership with Provincial Treasury and COGTA.

# Chapter 6

Reasonable steps were not taken to prevent irregular expenditure amounting to R49 127 148 as disclosed in note 47 to the annual financial statements, as required by section 62(1)(d) of the MFMA. All the irregular expenditure was caused by contravention of regulation 19(a), due to no competitive bidding processes for goods and services procured, non-compliance with regulation 32 and regulation 36(1) on procurement of goods and services under contracts secured by other organs of state and unjustified deviation from supply chain management regulations, respectively.

Management will ensure that Supply Chain Management Regulations are adhered to in order to prevent the occurrence of irregular expenditure.

Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R74 166 664, as disclosed in note 47 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. All the disclosed fruitless and wasteful expenditure was caused by late payments to suppliers which incurred penalties and interest.

Daily monitoring of the available funds is done by the CFO. Payments are released as soon as cash becomes available. Cost containment regulations are being implemented together with the revenue enhancement to improve Council's cash situation. A turnaround strategy was developed in partnership with Provincial Treasury and COGTA.

*Note: \*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)*

T 6.2.1

Auditor-General Report on Service Delivery Performance: 2022/23	
Audit Report Status:	Disclaimer of opinion
Non-Compliance Issues	Remedial Action Taken
The source information, evidence and method of calculation for measuring the planned indicators was not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the 7 predetermined indicator definitions. As a result, limitations were placed to audit the reliability of the achievements of indicators.	Smart indicators will be implemented to address the finding on planned outcomes to actual outcomes.

T 6.2.2



# Chapter 6

## AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2022/23

AG Report Attached as Annexure C of this Annual Report

**Delete Directive note once comment is completed** - Attach report.

T 6.2.3

## COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0:

**Delete Directive note once comment is completed** - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on year 0 if it provides useful context.

T 6.2.4

## COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)  Dated

T 6.2.5

# GLOSSARY

## GLOSSARY

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

# GLOSSARY

<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to

# GLOSSARY

	achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

# APPENDICES

## APPENDICES

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

#### Councillors, Committees Allocated and Council Attendance

Council Members	Full Time/Part Time	Committees Allocated	*Ward and /or Party Represented	Percentage Council Meetings Attendances	Percentage Apologies for non-attendance
	FT/PT				
				100%	100%
N BEST	FT	EXECUTIVE MAYOR	ANC	100%	0%
MR CHALATSI	PT	HUMAN SETTLEMENT & LAND DEVELOPMENT	EFF	60%	30%
M CILIZA	PT	SPORT, RECREATION, ARTS & CULTURE	AIC	50%	20%
		MPAC MEMBER			
WA FIHLA	PT	LED, TOURISM & COMMUNITY DEVELOPMENT	DA	90%	10%
		MPAC MEMBER			
NW GCWALANGOBHUTHI	PT	PUBLIC SAFETY & TRANSPORT	UDM	60%	20%
		MPAC MEMBER			
CY KGAKATSE	PT	WATER, ELECTRICITY & GAS,	DA	40%	10%

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		LED, TOURISM & COMMUNITY DEVELOPMENT			
		HEALTH & SOCIAL DEVELOPMENT			
SMHA KHAN	PT	FINANCE	EFF	80%	10%
L LEGABE	PT	LED, TOURISM & COMMUNITY DEVELOPMENT	EFF	80%	0%
		INTERGRATED ENVIRONMENTAL MANAGEMENT			
		MPAC MEMBER			
N LETLABIKA	PT	HEALTH & SOCIAL DEVELOPMENT	ANC	80%	20%
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		INTERGRATED ENVIRONMENTAL MANAGEMENT			
		SPORTS RECREATION & CULTURE			
RG LUBBE	PT	LED, TOURISM & COMMUNITY DEVELOPMENT	VFP	80%	20%
		CORPORATE & SHARED SERVICES			
		FINANCE			
T MALATJIE	PT	MPAC MEMBER	IND	80%	10%
LI MANGALISO	PT	WATER, ELECTRICITY & GAS	ANC	90%	0%
		PUBLIC SAFETY & TRANSPORT			
		FINANCE			
		ROADS, STORMWATER & PUBLIC WORKS			
		MPAC MEMBER			
L MARITZ	PT	PUBLIC SAFETY & TRANSPORT	DA	60%	20%

# APPENDICES

		SPORTS RECREATION & CULTURE			
TR MASIU	PT	WATER, ELECTRICITY & GAS	ANC	100%	0%
		CORPORATE & SHARED SERVICES			
		INTERGRATED ENVIRONMENTAL MANAGEMENT			
		FINANCE			
J MATABANE	PT	PUBLIC SAFETY & TRANSPORT	EFF	90%	0%
GE MBALISO	FT	MMC: LED, TOURISM & COMMUNITY DEVELOPMENT	ANC	100%	0%
SB MBECHENI	PT	HEALTH & SOCIAL DEVELOPMENT	EFF	90%	0%
N MCETYWA	FT	MMC: PUBLIC SAFETY & TRANSPORT	ANC	80%	20%
LA MGANU	FT	MMC: WATER, ELECTRICITY & GAS	ANC	60%	40%
DL MYILIBE	PT	HEALTH & SOCIAL DEVELOPMENT	ANC	90%	0%
		CORPORATE & SHARED SERVICES			
		SPORTS RECREATION & CULTURE			
		ROADS, STORMWATER & PUBLIC WORKS			
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
TM MNQANDI	PT	PUBLIC SAFETY & TRANSPORT	ANC	100%	0%
		WATER, ELECTRICITY & GAS			
		FINANCE			

# APPENDICES

		HEALTH & SOCIAL DEVELOPMENT			
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		MPAC MEMBER			
T MOKUKE	FT	CHIEF WHIP	ANC	70%	10%
TD MOLATLHEGI	PT	WATER, ELECTRICITY & GAS	ANC	100%	0%
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		SPORTS RECREATION, ARTS & CULTURE			
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
ATR MOTSUMI	PT	HEALTH & SOCIAL DEVELOPMENT	ANC	100%	0%
		SPORTS RECREATION, ARTS & CULTURE			
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
M MOYENI	FT	MMC FINANCE	ANC	90%	10%
TE MPHITHIKEZI	FT	SPEAKER OF COUINCIL	ANC	90%	0%
LM MPUPU	PT	FINANCE	ANC	100%	0%
		ROADS, STORMWATER & PUBLIC WORKS			



# APPENDICES

		SPORTS RECREATION, ARTS & CULTURE			
		INTERGRATED ENVIRONMENTAL MANAGEMENT			
ET MTEMBU	PT	CORPORATE & SHARED SERVICES	EFF	80%	0%
Z MTETO	PT	HEALTH & SOCIAL DEVELOPMENT	DA	60%	10%
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
		INTERGRATED ENVIRONMENTAL MANAGEMENT			
KL NABISO	PT	SPORTS RECREATION, ARTS & CULTURE	EFF	70%	0%
M NAKI	PT	ROADS, STORMWATER & PUBLIC WORKS	ANC	90%	10%
		HEALTH & SOCIAL DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
		CORPORATE & SHARED SERVICES			
M NGQELE	PT	FINANCE	ANC	80%	20%
		ROADS, STORMWATER & PUBLIC WORKS			
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		CORPORATE & SHARED SERVICES			
DC NIEUWENHUYZEN	PT	HUMAN SETTLEMENT & LAND DEVELOPMENT	DA	60%	30%

# APPENDICES

		SPORTS RECREATION, ARTS & CULTURE			
		WATER, ELECTRICITY & GAS			
MB NKABINDE	PT	ROADS, STORMWATER & PUBLIC WORKS	ANC	90%	10%
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		CORPORATE & SHARED SERVICES			
		INTERGRATED ENVIRONMENTAL MANAGEMENT			
VB NKWANYANA	FT	SPORTS RECREATION, ARTS & CULTURE	IFP	80%	20%
M NTABENI	PT	ROADS, STORMWATER & PUBLIC WORKS	MAC	80%	20%
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		SPORTS RECREATION, ARTS & CULTURE			
		INTERGRATED ENVIRONMENTAL MANAGEMENT			
		WATER, ELECTRICITY & GAS			
MA MANTILANE	PT	FINANCE	MAC	80%	0%
		HEALTH & SOCIAL DEVELOPMENT			
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
		CORPORATE & SHARED SERVICES			
		MPAC MEMBER			

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PEB O'RILEY	PT	HEALTH & SOCIAL DEVELOPMENT	MAC	100%	0%
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		SPORTS RECREATION, ARTS & CULTURE			
		MPAC MEMBER			
AM PHENDUKA	FT	MPAC CHAIRPERSON	ANC	100%	0%
NC PITILELE	PT	FINANCE	ANC	100%	0%
		HUMAN SETTLEMENT & LAND DEVELOPMENT			
		PUBLIC SAFETY & TRANSPORT			
		WATER, ELECTRICITY & GAS			
CMD REBELO	PT	FINANCE	DA	100%	0%
		PUBLIC SAFETY & TRANSPORT			
		WATER, ELECTRICITY & GAS			
PN SEFAKO	FT	MMC: HUMAN SETTLEMENT & LAND DEVELOPMENT	ANC	90%	10%
DM SEGAKWENG	FT	MMC: INTEGRATED ENVIRONMENTAL MANAGEMENT	ANC	100%	0%
GM SELLO	FT	MMC: CORPORATE & SHARED SERVICES	ANC	90%	0%
ET SOYIPA	PT	WATER, ELECTRICITY & GAS	EFF	90%	0%

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CS STEENKAMP	PT	FINANCE	DA	70%	10%
		ROADS, STORMWATER & PUBLIC WORKS			
		CORPORATE & SHARED SERVICES			
DV TABANE	FT	MMC: ROADS, STORMWATER & PUBLIC WORKS	ANC	100%	0%
SI TLHARIPE	PT	HEALTH & SOCIAL DEVELOPMENT	ANC	90%	0%
		LED, TOURISM & COMMUNITY DEVELOPMENT			
		CORPORATE & SHARED SERVICES			
		INTERGRATED ENVIRONMENTAL MANAGEMENT			
		WATER, ELECTRICITY & GAS			
		MPAC MEMBER			
E TIBANE	FT	MMC: HEALTH & SOCIAL DEVELOPMENT	ANC	90%	10%
SJ TLHAPI	PT	ROADS, STORMWATER & PUBLIC WORKS	DA	70%	10%
		HEALTH & SOCIAL DEVELOPMENT			
		INTERGRATED ENVIRONMENTAL MANAGEMENT			
VM TYELINGANE	PT	HEALTH & SOCIAL DEVELOPMENT	ANC	80%	10%
		SPORTS RECREATION, ARTS & CULTURE			
		PUBLIC SAFETY & TRANSPORT			
		INTERGRATED ENVIRONMENTAL MANAGEMENT			

# APPENDICES

		WATER, ELECTRICITY & GAS			
B VAN DER BERG	PT	PUBLIC SAFETY & TRANSPORT	VFP	80%	10%
DF VAN DER HOFF	PT	ROADS, STORMWATER & PUBLIC WORKS	VFP	100%	0%
		INTERGRATED ENVIRONMENTAL MANAGEMENT			
NE WANA	PT	ROADS, STORMWATER & PUBLIC WORKS	EFF	80%	0%
JDW ZWART	PT	FINANCE	DA	70%	20%
Note* Councillors appointed on a proportional basis do not have wards allocated to them					TA

## Concerning T A

The above percentages are based on the attendance of scheduled ordinary Council meetings, as well as non-scheduled (urgent/special) Council meetings. The attendance of Section 80 and Section 79 committees is not considered for the purpose of calculating the attendance percentages.

Most of the decision-making of a local government takes place in Council meetings, from passing ordinances and approving budgets, these meetings are essential for the functioning of a city. The table above illustrates high level of attendance both in scheduled and non- scheduled Council meetings.

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# APPENDICES

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
<b>Audit Committee</b> 1. Mr L Konar CA(SA) (Chairperson) 2. Mr L Mangquku CA(SA) 3. Mr M Maseko 4. Mr L Ravhuhali CA(SA) 5. Mr B Ahmed CA(SA)	Section 166(2) of the MFMA regulates the functions of the Audit Committee, its powers, composition and frequency of meetings, as it seeks to provide minimum requirements to be complied with. The Audit Committee is an independent advisory body to the municipal council, the political office-bearers, the accounting officer and the management and staff of the municipality, or board of directors, the accounting officer and the management staff of the municipal entity. It is primarily responsible for oversight over the organization's governance, legislative compliance, control and risk management processes.
<b>Performance Audit Committee</b> 1. Mr. M Mongalo (Chairperson) 2. Mr S Khoza 3. Ms O Senokoane 4. Mr P Fourie CA(SA) 5. Mr A Mangokwana	Regulation 14(2) (a) of the Municipal Planning and Performance Management Regulations, 2001 requires that each Municipality must annually appoint and budget for the Performance Audit Committee. Regulation 14(4) (a) of the Municipal Planning and Performance Management Regulations, 2001 states functions and responsibilities of the Performance Audit Committee. The primary objective of the Performance Audit Committee is to exercise oversight over the West Rand municipalities' performance and performance management processes.
<b>MPAC Committee – Section 79 Committee</b>	Oversight role on the activities of Council as well as an oversight role on the Annual Report

T B

# APPENDICES

## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

DEPARTMENT/SECTION	DETAILS OF MANAGER
<b>POLITICAL SUPPORT</b>	
Office of the Mayor	PI Mahlatsi (Mr)
Office of the Speaker	B Mjiwu (Ms)
Office of the Chief Whip	D Mosolotsane (Mr)
<b>OFFICE OF THE MM</b>	
Internal Audit	V Manthata(Ms)
Risk Management	E Segakweng-Diale(Ms)
Programme Management Office	E Ngamashe(Ms)
<b>CORPORATE SUPPORT AND SHARED SERVICES</b>	
Industrial Relations	SB Mazibuko (Mr)
Information Communications and Technology	S Segone(Mr)
Human Capital	Vacant
Legal and Secretariat	Vacant W Sejake(Mr) (Acting)
Corporate Marketing and Communications	Vacant B Mkhontwana (Ms) (Acting)
<b>FINANCE</b>	
Budget and Treasury and Expenditure:	S Ngobese (Mr)
Revenue and Credit Control:	Vacant J Segakweng (Mr) (Acting)
Supply Chain Management	J Magongwa (Ms)
<b>COMMUNITY SERVICES</b>	
Social Development	BI Seatlholo(Ms)
Waste Management	Vacant M Mavhutha(Mr ) (Acting)

# APPENDICES

Public Safety	P Olivier (Mr) (Acting)
SRACH & Lis	Vacant Michael Msukwini (Mr) (Acting)
<b>ECONOMIC DEVELOPMENT AND PLANNING</b>	
Housing and Administration	L Jofile (Mr)
Spatial Planning	J Smith (Mr)
Local Economic Development	C De Jager (Mr) (Acting)
<b>INFRASTRUCTURE DEVELOPMENT</b>	
Electrical Services	E Shange(Mr)
Water and Sanitation Services	Vacant Thulani Bonkolo (Mr) (Acting)
Civil Engineering	Ms N Moyo (Ms)
Project Management Unit	Vacant D Ngoasheng (Mr) (Acting)

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	No	Yes
Building regulations	Yes	Yes
Child care facilities	Yes	Yes
Electricity and gas reticulation	Yes	Yes
Firefighting services	No	Yes
Local tourism	Yes	Yes
Municipal airports	No	No
Municipal planning	Yes	Yes
Municipal health services	No	Yes
Municipal public transport	No	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	Yes
Pontoons, ferries, jetties, piers and harbors, excluding the regulation of international and national shipping and matters related thereto	No	No
Stormwater management systems in built-up areas	Yes	Yes



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

# APPENDICES

## APPENDIX E – WARD REPORTING

Wards	Name of a ward councillor and committee member 2022/2023	Committee established	Number of committee meeting held during the year	Number of monthly reports submitted to the Speaker's office on time	Number of quarterly public ward meetings held during the year
1	<b>CIlr A.T.R. MOTSUMI</b>  Boqwana Deon  Legoete Tebogo Mashapa Sydney Magwaza Sello Petrus Kula Johanne Manyedi Mavis Mashapa Lerato Phatswane Rebecca Nhlapo Jeremia Leping Johannes	YES	12	12	02
2	<b>CIlr T.M. MNQANDI</b>  Lefifi Elsie Mohapi Lebohang Senatla Kgomotso Nkentshane Lucas Jokozela Mbabaza Gloria Vas Zodwa Nazo Mapule Mosoche Maria Gwala Sophie Nkopane Portia	YES	12	12	03
3	<b>CIlr E. TIBANE</b>  Sikhenjane Sabata Andries Silimela Linah Nghenabo Bridget Moloko Nellie Hlwili Nompumelelo Ngesi Nomalizo	YES	12	12	01

# APPENDICES

	Molefe Gogo Maria Masetle Lieketseng Angelina Nthibane Lisebo Emily Khoza Patrick Lebelekwana				
4	<b>Cllr F.A MOTLOUNG</b> Bathebeng Thabo Rabanye Ntsoaki Patricia Cebisa Zwelinzima Ntuli Helen Makoko Ntabeleng Mtshengu Vuiswa Agnes Ntsheyang Thandiwe Wasa Ncumisa Makeleni Mavis Mnyamana Amanda	YES	12	12	0
5	<b>Cllr N. MCETYWA</b> Spamla Nontsikelelo Nxumalo Sibusiso Tobayo Nosipho Sylvia Zembe Tabisa Ndude Nosidima Goshobe Nontsikelelo Kanyiwe Zanele Leduba Nthabeleng	YES	12	12	03
6	<b>Cllr L.I. MANGALISO</b> Dilima Lindiwe Monama Vuyelwa Siwa Msiya Moeketsi Moses Busakwe Precious Talita Khalipha Esak Meno Ncwane Pual Stephane Mgqubeni Noluvuyo Patricia Kula Daniel Ndabankulu CN	YES	12	12	02
7	<b>Cllr D.M. SEGAKWENG</b>  Mogale Princess Medupe Boitumelo Ramantsi Mosetlha Baas Oupa Joseph Kgatitsoe Kelebogile Kekana Itumeleng	YES	12	12	04

# APPENDICES

	Makhoba Thulani Nkomane Sibusiso Magwaza Nobuhle Maseko Mathapelo				
8	<b>CIlr M.B. NKABINDE</b>  Mabitsa Ndleleni Madikizela Yonela Coliath Nomakhosazana Ziqotyana Nocawe  Tsotetsi Golden Phiri Mmenyama Erestina Foteng Kenneth Mhlanga Nosipho Tabane Elias KGOBE MOTI	YES	12	12	04
9	<b>CIlr N.C. PITILELE</b>  Meletse Aletta Silli Motlhaoleng Seabelo Andrew Rabuthu Thabang Elisas Myeni Elliot Montsho Miriam M Mokhahlane Pule Mabote Hans Seete Alinah Motlalepula Mathebula Khensani S Moya Aaron	YES	12	12	03
10	<b>CIlr T.R. MASIU</b> Matabane Mathapelo Rabele Tebogo Marubyane Mponeng Legoete Monosi Ephraim Moremi Boitumelo Mlotshwa Princess Dlamini Sipho Musa Faxayi Thandiwe Joyce Lecwamotse Gabriel Merriana Digwamaje Dikeledi Rebecca	YES	12	12	01
11	<b>CIlr N. LETLABIKA</b>  Modibane Obakeng SiyenguPrester Delibango Mazwi Sampson Tembisile	YES	12	12	04

# APPENDICES

	Gxulu Akhona Cosa Zukhanye Siniu Richard Mbulelo Tungela Ncumisa Mazwi Nonzukiso Sivungu Nolubabalo Gamthini Mthandazelwa				
12	<b>Cllr T. MOKUKE</b> Ntori Mahao Lebabo Martin Moeketsi Ncana Given Nake Nomsa Agnes Ncebeni Elizabeth Sethole Suzan Tekana Martha Bokale Gloria Mathapelo Daniel Belinda Itumeleng Telile Thabo	YES	12	12	03
13	<b>Cllr E.T. MTHEMBU</b>  Ndamase Zukisiwa Mbina Nontobeko Madibi Phillip Chola Xoliswa Sylvia Saia Benjamin Maluleka Gezani Thomas Khetshana Nontobeko Senteni Fundisile Balintulo Yolanda Lutshetu Sinovuyo	YES	12	12	0
14	<b>Cllr L. MARITZ</b>  Nieuwoudt Casper Willhemnus Albertus Hahingh Francois Arnoldus Michau Barend Van der Merwe Corn Van Den Berg Jacob Petronella van der Merve Jacobus Pieter Matlala Simon Hattingh Heidi Bouwer Nadine Van Der Merwe Corne	YES	12	12	01
15	<b>L. MGANU</b>	YES	12	12	0

# APPENDICES

	Sicwebu Zimasa Mbuli Yoleka Mtyhida Sikelelwa Ndamase Mxolisi May Siyoyo Manqokomelana Ntombentle Mosebetsane Ntuseng Mpiti Tlotliso Sotyingwa Amanda Langa Zandiswa				
16	D.H.HARMAN Dlamini Florence QOLO GLADYS NOMVULA Hlalele Thapelo Phakoago Agnes Nogaga Siviwe Wana Annah N Lekhooa Kekeletso Mohutsiwa Hilda Tsholo Martha Esterhuizen Jacobus	YES	12	12	02
17	<b>Cllr C.S. STEENKAMP</b> Botlholo Alfred Matomela Nomfundo Stuurman Aphiwe Makgota Fannie Molotsi Moelo Mokgatsi Joseph Letsie Motsabi Aletta Ntsoabole Abusiswe Matsepe Reginah Fischer Nicelle	YES	12	12	01
18	<b>Cllr S.I. TLHARIPE</b> van Rooyen Patricia Mphahlele Blantina Leoto Phamphillia Mamokhoo Mokoto David Nhlapo Veronica Maile David Mtimkulu Victoria Zungu Thembi Ramncwana Inganathi Serekego Magudi Alina	YES	12	12	02

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19	<b>CIlr V.M. TYELINGANE</b> Mzukwa Liziwe Ranana Xolani Sixhanti Aphelele Zozoyama Bongile Mpanza Lungani Phohlo Mampho Deyi Zukiswa Chakuua Poni Mhlongo Sthembile Cebani Noziphiwe	YES	12	12	01
20	<b>CIlr M. NGQELE</b> Titi Ziyanda Pito Luyanda Chabagae Maria Thuthubudu Ntutu Babalwa Mkhetsu Zanele Zituta Lunga DentiNomthandazo Mzomba Nomvula Kama Phumla Jobo Nonkanyiso Melba	YES	12	12	02
21	<b>CIlr J.D.W. ZWART</b> Vermaas Zonder Berni Groenewald Elvis Makhaya Tsidi Pheiffer Richard Dean Willemse Mandu Pricilla Fourie Mathapelo Leboko Jabulani Philemon Zwelibanzi Bettie Isaaks Abraham Jackson Moerane Ephraim	YES	12	12	0
22	<b>CIlr A.M. PHENDUKA</b> Ndlovu Buti Isaac Letloenyane Abel Thabo Mootsi Dora Masesi Phajane John Moeletsi Ndayi Elsie N Okolo Lindela Obos Nonhlupheko Peggy Qekelana Fezeka Menyatso Matlhomola Molefe Sipho Johannes	YES	12	12	01

# APPENDICES

23	<b>CIlr L.M. MPUPU</b> Ngxabani Xoliswa Mdingi Phumlani Mvimbi Nomalungisa Tshemese Faniswa Ntutha Nomthandazo Sebakwe Iris Pito Bukiwe Nelicia Philiswa Mzolisa Mohloboli Seeshe Simon Zondo Siyabonga	YES	12	12	03
24	<b>CIlr T.D. MOLATLHEGI</b> Tlholoe Isaac Pappie Mogale Gosalamang Ruth Diale Mosiua Daniel Motaung Lucas M Mnqwazi Mandlana Edward Misapitso Mary Motlalepule Banda Siphiwe James Kani Thobile Konopi Majoro Jonqo Thandi Alice	YES	12	12	0
25	<b>CIlr D.L. MAYILIBE</b> Ndzilane Ntobekhaya Vimba Mthuthuzeli William Gundane Sisina Ramotapi Buti Jacob Booi Noluthando Molefe Motlalepule C Moloko Alpheus Ngwanya Saulina Deliwe Koti Asanda Robert Phato Esther	YES	12	12	05
26	<b>CIlr G.E. MBALISO</b> Phenduka Lindiwe Lizzy Shabalala Loyiso Setona Palesa Rose Kumalo Nonhlanhla Goodness Mokoena Ntebaleng Emily Thiko Nomvula Mphumela Thomas Malefane Noyozanele Alinah Mpeke Matshepang	YES	12	12	0



# APPENDICES

	Phopoye Tshepiso				
27	<b>Cllr M. NAKI</b>  Bungalipeli Mbulelo Medichane Orapeleng Seribe Kabelo Landu Princess Bhota Anelisa  Khohli Nozandisa Mokone Moipone Somdaka Babalwa Mtshali Honjiswa Sitshongaye Nomawethu	YES	12	12	0
28	<b>Cllr C.MD. REBELLO</b> Leballo Tseliso Zungu Constance Mgqaliso Raymond Ngqasa Chuene Jane Fanie Phuthuma Axole Segau Molwanta Abraham Mkonza Anna Mafulane Templeton John Ntsimane Maria	YES	12	12	0
TE					

# APPENDICES

## APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in Year 0 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value

T F.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery					X
Households without minimum service delivery					
Total Households*					
Houses completed in year	X				
Shortfall in Housing units					

*\*Including informal settlements*

T F.2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 0

T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

Names: xxx (8); xxx (7)...

T F.3

# APPENDICES

## APPENDIX G1 – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2022/2023

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
22/08/2022	All resolutions taken by the Audit Committee should have timelines with fixed dates for implementation.	Yes
	The approved Audit Committee Charter (2022/2023) to be tabled to Council for adoption.	Yes
	Internal Audit Unit to set firm deadlines with fixed dates for all findings indicated as still in-progress.	Yes
	The Municipality must consider appointing one (1) external person in the ICT Steering Committee as it still have financial constraints to appoint two.  The Municipality to appoint two (2) external members that are experienced in ICT who will add value to the deliberations, challenge what happens from an internal point of view and provide professional advice to the Municipality.	No Municipality is unable to appoint external ICT Steering committee members due to limited resources, the external members will be appointed as soon as Merafong's finances improve.
	The Litigation and Contingency Liability Report to be amended to include a column indicating age analysis for each case that is pending or waiting for judgement.	Yes
	The Status of Labour Matters Report to be amended to include a column indicating age analysis for each case that is pending or waiting for judgement.	Yes
	The Status of Disciplinary Cases Report to be amended to include a column indicating age analysis for each case that is pending or waiting for judgement.	Yes
23/08/2022	The following agenda items to be referred back for revision and corrections by management: - Draft Annual Financial Statements (2021/2022) - Internal Audit Report on the Draft Annual Financial Statements (2021/2022) - Draft Annual Performance Report (2021/2022) - Internal Audit Report on the Draft Annual Performance Report (2021/2022)	Yes
	Internal Audit to arrange another joint special Audit Committee and Performance Audit Committee meeting on a future date to be determined by management, which should be prior to the deadline of the 31 August 2022.  No sitting allowance/fee to be paid for the meeting of 23 August 2022 and the budgeted fee for the joint meeting to apply for payment of the next meeting	Yes  Yes

# APPENDICES

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	that will be arranged.	
23/08/2022	The Draft Annual Report (2021/2022) to be referred back and be considered at a later date that will be determined by management.	Yes
27/09/2022	AGSA Engagement Letter: The AG Directive and the scoping technical guidance memo, which is applicable to the cycle being audited mentioned on paragraph 23 of the Engagement Letter to be provided to the Audit Committee for information purposes.  The Audit Committee recommended the tabling of the Engagement Letter to Council, the recommendation was moved by Mr. Manguku and seconded by Mr. Fourie.	Yes  Yes
	AGSA Audit Strategy: The AGSA to include the structure of the Audit Steering Committee under paragraph 5. The paragraph to also be amended and be specific on who attends the meeting as not all those in charge with governance attend the weekly meetings as mentioned e.g. Performance Audit Committee does not meet weekly or given weekly updates on the progress of the audit.  The AGSA to submit a report to indicate the steps taken to assess the work of Internal Audit and the conclusion that was reached. The report to be sent to the Audit Committee for information purposes.	Yes  Yes
	The Auditor-General to provide the Audit Committee with an expenditure analysis outlining a detailed breakdown of the audit fee, hours spent per activity and fees paid to consultants enlisted by the Auditor-General to assist with the audit.	Yes
	The Audit Committee recommended the tabling of the Audit Strategy, 30 June 2022 to Council.	Yes
30/11/2022	The minutes of the meeting held 27 September 2022 deferred to the next ordinary Audit Committee meeting. The Minutes approved during the meeting held 13 December 2022.	Yes
	The Matters Arising/Action List deferred to the next ordinary Audit Committee meeting. An update on Matters Arising/Action List was provided during the meeting held 13 December 2022.	Yes
	The Acting Municipal Manager to table a report to the Audit Committee with details on the turn-around strategies and actions plans that will be deployed to improve performance of the Municipality and that continuous updates be provided to the Audit Committee on the status of implementation of the action plans.	Yes

# APPENDICES

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
13/12/2022	The Acting Chief Financial Officer to provide a report on the outcome of the finance induction and the analysis of the environment in the Finance Department i.e. of capacity, capability and all challenges identified in the Department.	Yes
	The Risk Management Report and the Risk Management Chairperson report to be consolidated into one report.	Yes
08/02/2023	Internal Audit Unit to include information of hours budgeted for and the actual hours spent on audit projects.	Yes
	Management to start immediately to implement corrective measures to address findings on contract management. Feedback to be provided in the next Audit Committee on actions plans that are put in place to address findings on contract management.	No Out of 3 Audit findings, all three findings are still in progress, as this include development of Contract Management Policy. The Standard Operating Procedures have been developed and awaiting the approval of the Organizational Structure to address delegations contained in the SOPs.
	The Acting Chief Financial Officer to investigate whether Mailtronic Direct Marketing CC is listed in the SCM database of the Municipality, feedback to be provided in the next meeting.	Yes
26/06/2023	The scope of the ICT Report to be expanded to cover other key ICT governance areas as outlined in the DPSA ICT Framework.	Yes
	The ICT Report to also include information on ICT projects and appraisal of the functionality of electronic systems used by the Municipality such as the automated performance management system and the Caseware system.	No Signing of SLA was finalised. The reporting through system will be done during Q2.
	The Human Resource Report include discussions on Employee relations, Employee wellness as well as Skills Development and Training.	Yes

During the 2022/2023 financial year, the Audit Committee took twenty-nine (29) resolutions, twenty-six (26) were completed and six (3) were not implemented.

## APPENDIX G2 – RECOMMENDATIONS OF THE MUNICIPAL PERFORMANCE AUDIT COMMITTEE YEAR 2022/2023

DATE OF MEETINGS	NO# OF RESOLUTIONS	STATUS	
		COMPLETED	INCOMPLETE
08/12/2022 26/01/2023 08/06/2022	During the 2022/2023 financial year, the Performance Audit Committee took thirteen (13) resolutions.	Seven (7)	Six (6)

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# APPENDICES

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# VOLUME II

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

# Contents

Vote Description	Year 2021/22		Current: Year 2022/23		Year 2022/23		R' 000	
	Actual		Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Actual	Variance Adjustment & Budget
<b>Municipal Manager</b>	209,00		1 565,00	1 565,00	124,00			8%
MUNICIPAL MANAGER	0							
GENERAL MANAGER	209		1 565,00	1 565,00	124			
EXECUTIVE MAYOR	0							
SPEAKER	0							
CHIEF WHIP	0							
MPAC MUN PUB ACC COM	0							
CHIEF OF STAFF	0							
<b>Finance</b>	836 895,00		923 213,00	448 876,00	1 157 949,00			125%
BUDGET & TREASURY OFFICE	66 591		284 030,00	287 284,00	312 582			258%
S.E. FINANCE CFO	180 164		117 798,00	118 716,00	160 270			
INCOME TAX	0				0			
EXPENDITURE	0				0			
CONTROL AND CLIENT SERVICES	383		319,00	455,00	528			
SUPPLY CHAIN MANAGEMENT	589 629		518 214,00	39 571,00	684 562			
RATES & TAXES	0		2 850,00	2 850,00	0			
FINANCE : INTERNS	0				0			
SALE OF ASSETS	128				0			
ASSET WRITTEN-OFF ACCOUNT	0				0			
<b>Economic Development and Planning</b>	1 274 167,03		1 308 542,00	939 623,00	908 709,52			69%
BUILDING CONTROL	766		569,00	874,00	614			
S.E. ECONOMIC DEVELOPMENT & PLANNING	0				0			
SPECIAL PLANNING & ENVIRONMENTAL DEVELOPMENT	1 003		654,00	1 494,00	1 464			
SOCIAL HOUSING	1 272 392		1 308 319,00	937 255,00	906 602			
HOUSING ADMINISTRATION	0				0			
<b>Infrastructure Development</b>	760 715,00		902 821,00	754 918,00	586 377,00			65%
MUNICIPAL BUILDINGS	103		81,00	81,00	0			
PROJECT MANAGEMENT UNIT	0				0			
MANAGER CIVIL ENGINEERING	0				0			
PUBLIC WORKS	0				0			
ROADS & STORMWATER	1		8,00	81,00	0			
S.E. INFRASTRUCTURE	0		1,00	1,00	0			
FACILITIES MANAGEMENT	0		1,00	1,00	0			
OCCUPATIONAL HEALTH AND SAFETY/EQUIPMENT	114		98,00	98,00	0			
SEWER NEW CONNECTIONS	1		1,00	1,00	83			
WATER CARE WORKS	415 207		533 116,00	528 651,00	222			
WATER NEW CONNECTIONS	36			25,00	0			
ELECTRICITY DISTRIBUTION	345 186		369 530,00	225 784,00	280			
ELECTRICITY NEW CONNECTIONS	73			188,00	1			
SALARY DIV ACC.-WATER	0				0			
<b>Electricity</b>	0				0			
SALARY DIV ACC.-ELEC.TEST	0				0			
<b>Community Services</b>	181 911,92		133 002,00	215 540,00	78 705,84			59%
LIBRARY	0				0			
S.E. COMMUNITY SERVICES	1		1,00	1,00	1			
PARKS	61 641			67 245,00	67 245			
SPORT COMPLEX Carletonville	0				0			
MANAGER SRACH.LLIS and Parks	0				0			
SOCIAL DEVELOPMENT	3 523		2 196,00	22 112,00	2 292			
TRAFFIC & LICENSING	0				0			
SECURITY	121		18 571,00	18 523,00	318			
LIBRARIES	441		486,00	330,00	346			
CERMETARY	116 183		111 748,00	107 329,00	8 504			
REFUSE REMOVAL	0				0			
<b>Chief Operating Officer</b>	0				0			
CHIEF OPERATING OFFICER	0				0			
RISK MANAGEMENT	0				0			
IDP/PMS	0				0			
DONATIONS	0				0			
INTERNAL AUDIT	0				0			
<b>Shared Services</b>	447,00		9 473,00	2 089,00	468,00			5%
IDP Performance Management	0				0			
SECRETARIAT & LEGAL	447		478,00	480,00	477			
MUNICIPAL HOUSING	0				0			
S.E. SHARED SERVICES	0				0			
Information Technology	0				0			
HR & SKILLS DEVELOPMENT	0		8 995,00	1 619,00	-9			
INDUSTRIAL RELATIONS	0				0			
FLEET MAINTENANCE SERVICES	0				0			
HR Training & Bursaries Management	0				0			
LEARNERS	0				0			
<b>Total Revenue by Vote</b>	3 054		3 280	2 393	2 732			83%
<b>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBSR table A3</b>								116%
								T K 1



# Contents

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

Revenue Collection Performance by Source							R '000
Description	Year -2021/22	Year 2022/23			Year 2023/24		Variance
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	567,514	518 215	596 391	684 563	100%		13%
Property rates - penalties & collection charges							
Service Charges - electricity revenue	257,569	317 806	307 132	276 005	100%		-11%
Service Charges - water revenue	374,831	403 972	407 737	316 746	100%		-29%
Service Charges - sanitation revenue	70,389	79 669	80 332	75 864	100%		-6%
Service Charges - refuse revenue	80,091	86 488	82 747	82 533	100%		0%
Service Charges - other							
Rentals of facilities and equipment	1,772	1 881	1 516	1 421	100%		-7%
Interest earned - external investments	5,046	5 000	8 140	12 758	100%		36%
Interest earned - outstanding debtors	187,953	252 249	253 056	178 042	100%		-42%
Dividends received							
Fines	44,417	4 764	4 835	3 022	99%		-60%
Licences and permits	0,708	18 000	18 001	1	45%		-1389274%
Agency services							
Transfers recognised - operational	256,019	287 245	294 441	259 388	100%		-14%
Other revenue	21,842	30 640	32 381	25 496	100%		-27%
Gains on disposal of PPE							
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 868,151</b>	<b>2 005 929</b>	<b>2 086 710</b>	<b>1 915 839</b>	<b>99,90%</b>		<b>-8,92%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.							T K.2

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## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG							R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)	
				Budget	Adjustments Budget		
INEP	25 167,00	25 167,00	25 617,00	102%	102%		
WSIG	40 420,00	40 420,00	25 481,00	63%	63%		
MINING TOWN	98 304 715,53	98 304 715,53	67 757 235,29	69%	69%		
Total							
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.							T L

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COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

**Delete Directive note once comment is completed** – Use this box to provide additional information on grant benefits or conditions and reasons for acceptance.

T L.1

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APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

# Contents

Capital Expenditure - New Assets Programme*								R '000
Description	Year -1		Year 0			Planned Capital expenditure		
	Actual		Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>								
<b>Infrastructure - Total</b>	-	-	-	-	-	-	-	-
<b>Infrastructure: Road transport - Total</b>	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges								
Storm water								
<b>Infrastructure: Electricity - Total</b>	-	-	-	-	-	-	-	-
Generation								
Transmission & Reticulation								
Street Lighting								
<b>Infrastructure: Water - Total</b>	-	-	-	-	-	-	-	-
Dams & Reservoirs								
Water purification								
Reticulation								
<b>Infrastructure: Sanitation - Total</b>	-	-	-	-	-	-	-	-
Reticulation								
Sewerage purification								
<b>Infrastructure: Other - Total</b>	-	-	-	-	-	-	-	-
Waste Management								
Transportation								
Gas								
Other								
<b>Community - Total</b>	-	-	-	-	-	-	-	-
Parks & gardens								
Sportsfields & stadia								
Swimming pools								
Community halls								
Libraries								
Recreational facilities								
Fire, safety & emergency								
Security and policing								
Buses								
Clinics								
Museums & Art Galleries								
Cemeteries								
Social rental housing								
Other								

Table continued next page

# Contents

Capital Expenditure - New Assets Programme*								R '000	
Description	Year -1		Year 0			Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure		FY + 1	FY + 2	FY + 3	
<b>Capital expenditure by Asset Class</b>									
<b>Heritage assets - Total</b>	-	-		-		-	-	-	
Buildings									
Other									
<b>Investment properties - Total</b>	-	-		-		-	-	-	
Housing development									
Other									
<b>Other assets</b>	-	-		-		-	-	-	
General vehicles									
Specialised vehicles									
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
<b>Agricultural assets</b>	-	-		-		-	-	-	
List sub-class									
<b>Biological assets</b>	-	-		-		-	-	-	
List sub-class									
<b>Intangibles</b>	-	-		-		-	-	-	
Computers - software & programming									
Other (list sub-class)									
<b>Total Capital Expenditure on new assets</b>	-	-		-		-	-	-	
<b>Specialised vehicles</b>	-	-		-		-	-	-	
Refuse									
Fire									
Chiropractic									
Other									

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APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

# Contents

Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	Year -1	Year 0		Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	-	-		-	-	-	-
Infrastructure: Road transport - Total	-	-		-	-	-	-
Roads, Pavements & Bridges							
Storm water							
<b>Infrastructure: Electricity - Total</b>	-	-		-	-	-	-
Generation							
Transmission & Reticulation							
Street Lighting							
<b>Infrastructure: Water - Total</b>	-	-		-	-	-	-
Dams & Reservoirs							
Water purification							
Reticulation							
<b>Infrastructure: Sanitation - Total</b>	-	-		-	-	-	-
Reticulation							
Sewerage purification							
<b>Infrastructure: Other - Total</b>	-	-		-	-	-	-
Waste Management							
Transportation							
Gas							
Other							
<b>Community</b>	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
<b>Heritage assets</b>	-	-		-	-	-	-
Buildings							
Other							

Table continued next page



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Capital Expenditure - Upgrade/Renewal Programme*							
Description	Year -1		Year 0		Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Investment properties</b>							
Housing development	-	-		-	-	-	-
Other							
<b>Other assets</b>	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
<b>Agricultural assets</b>	-	-		-	-	-	-
List sub-class							
<b>Biological assets</b>	-	-		-	-	-	-
List sub-class							
<b>Intangibles</b>	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
<b>Total Capital Expenditure on renewal of existing assets</b>	-	-		-	-	-	-
<b>Specialised vehicles</b>	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

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## APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 2022/23

Capital Programme by Project: Year 2022/23							R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %		
<b>Housing</b>							
Khutsong South Outfall Sewer	0	9,005	9,005,175	100%	100%		P747
Khutsong South Ext 5 & 6 Internal Roads and Stormwater	30,000	4,149	34,149,347	100%	100%		P748
Khutsong South Installation of Alternative Bulk Water Supply	13,434	1,192	14,627,677	100%	100%		P749
Khutsong Bulk Electricity	5,000	4,755	9,755,620	100%	100%		P750
Kokosi Ext 6 Installation of Water meters & Completion of Sewer Network	0	1,600	1,600,973	100%	100%		P750
Kokosi Ext. 7 Outfall Sewer	29,105	60	29,165	100%	0%		P746
Greenspark Outfall Sewer	0	0	1,440	0%	0%		P738
<b>Refuse removal</b>							
"Project A"	0	0	0	#DIV/0!	#DIV/0!		
"Project B"	0	0	0	#DIV/0!	#DIV/0!		
<b>Stormwater</b>							T3.7.9
Khutsong Roads and Stormwater (Phase 4)	2,450	4,117	3,900	-6%	37%		P722(5)
Khutsong Roads and Stormwater (Phase 5)	9,700	5,426	1,005	-440%	-865%		P722(6)
Khutsong Roads and Stormwater (Phase 6)	700	1,178	1,178	0%	41%		P753
Kokosi Roads and Stormwater (Phase 4)	290	3,235	662	-389%	56%		P723(4)
Kokosi Roads and Stormwater (Phase 5)	5,925	4,735	5,140	8%	-15%		P723(5)

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Kokosi Roads and Stormwater (Phase 6)	850	644	577	-12%	P754
Wedela Ext 3 Roads and Stormwater (Phase 4)	461	1,800	927	-94%	P724(4)
Wedela Ext 3 Roads and Stormwater (Phase 5)	5,165	5,165	5,261	2%	P724(5)
Wedela Ext 3 Roads and Stormwater (Phase 6)	650	1,500	1,566	4%	P755
Upgrading of Access Road to Carletonville Landfill Site	3,275	3,387	3,387	0%	P745
Khutsong South Ext 5 & 6 Internal Roads and Stormwater	5,000	5,000	851	-488%	P748
<b>Economic development</b>					
"Project A"	82	85	92	8%	11%
"Project B"	82	85	92	8%	11%
<b>Sports, Arts &amp; Culture</b>					
"Project A"	82	85	92	8%	11%
"Project B"	82	85	92	8%	11%
<b>Environment</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Health</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Safety and Security</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>ICT and Other</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
T N					

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## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Establishments lacking basic services	Service Backlogs: Schools and Clinics			
	Water	Sanitation	Electricity	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
NONE				
Clinics (NAMES, LOCATIONS)				
NONE				
TP				

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## APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
<b>Clinics:</b>	68% out of 28 wards	Lack of access to proper health care facilities.
<b>Housing:</b>	57% out of 28 wards	Lack of access to formal houses.
<b>Public Safety:</b>	79% out of 28 wards	Lack of access to Police/Satellite Stations and Police visibility.
<b>Reservoirs</b>	75% out of 28 wards	Inadequate supply of water to formal and Informal areas.
<b>Schools (Primary and High):</b>	36% Primary Schools	Lack of access to schools. Lack of access to sports/recreation facilities. Lack of access to Disability Centres.
	46% High Schools	
<b>Sports Fields:</b>	68% out of 28 wards	
<b>Disability Centres</b>	100% of all wards	
		T Q

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## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 2022/2023				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 0 R' 000	Total Amount committed over previous and future years
The municipality did not make any loans or grants to any institution				
* Loans/Grants - whether in cash or in kind				T R

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## ANNEXURE A: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

ATTACHED AS ANNEXURE A OF THIS ANNUAL REPORT

## ANNEXURE B :ANNUAL PERFORMANCE REPORT

## ANNEXURE C: AUDITOR GENERAL’S REPORT

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# VOLUME II