

MOGALAKWENA MUNICIPALITY

2021/2022

FINAL ANNUAL REPORT



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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

It is an honour to present the Annual Report of Mogalakwena Municipality for the 2021/22 financial year. This was yet another year full of turbulence and accomplishments. This report provides information about the municipality’s financial, operational, social and environmental performance over the 12 months in review, namely the period from 01 July 2021 to 30 June 2022. It also reflects on the progress made towards reaching our objectives as set out in the Integrated Development Plan (IDP).

The current Annual Report outlines our successes and shortcomings in relation to our political mandate as provided in the key focus areas of Local Government, these can be summarised as follows;

- Building a Municipality that is efficient, effective and responsive;
- Strengthen Accountability and promote clean Municipal operations;
- Accelerating Service Delivery and supporting the vulnerable;
- Promoting Economic and Social development;
- Fostering Development Partnerships, Social Cohesion and community

Looking at the above priority areas, it is important to note that these can never be successful on their own, it becomes important that as a collective, Councillors and Officials, work together in identifying the challenges raised in the annual report and rectify them as soon as possible. Having said that, it is equally important to note that there are a few specific areas, which must receive particular attention going forward:

Improved mechanisms will need to be found to strengthen the accountability and discipline of officials in their daily work, both to each other and to political principals;

- The establishment of project teams across the organisation must become central to a new way of working of officials. This will go a long way in breaking down the silo-approach to work. This project-based approach to work must be directly linked to the performance management system for officials;
- Speed, timing and excellence in the quality of daily work must become a key feature in the way in which officials undertake their work. The overall turn-around times of administrative and professional work will require significant improvement.
- Ways will be sought to ensure that all officials, at some point, interact directly with our communities. Too often the single most important objective of the public service, i.e. of serving our people, becomes an abstract idea that is regarded as the exclusive domain of the political principals;

Good governance entails addressing the needs of the public through consultation and communication, and being accountable to the residents of Mogalakwena as required by the Municipal Systems Act, 2000 (Act 32 of 2000). Council undertook a number of processes to achieve this goal, including issuing monthly newsletters and press releases; holding consultations with a wide range of stakeholders; and rebuilding our municipal website. Accountability is enforced through performance contracts signed by Senior Management and is monitored by the Mayor and Council on a regular basis.

The municipality's cash flow crunch, combined with the effect of the Covid-19 lockdown, created one of the most difficult environments to plan ahead to date. The municipality's dire financial situation and increased pressure on an already depressed economy by the national lockdown had a compounding negative effect and increased the universal challenges experienced by all spheres of government.

I remain thankful to Council, the Mayoral Committee, Acting Municipal Manager and Mangers who continue to direct our staff, resources and operations towards making a positive difference in the lives and future of the greater Mogalakwena community.

(Signed by :) _____

Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

Mogalakwena municipality's annual report for the 2021/2022 municipal fiscal year reflects the performance achievements against targeted deliverable aimed at improving the quality of life of the residents and commitments in the municipal area. The performance achievements are also indicative of progress made towards the attainment of strategic imperatives outlined in the IDP.

The Municipality continues to focus on efforts to strengthen governance structures, through the review and adoption of policies, procedures, improving systems and implementing new regulations. The municipality is currently in processes of reviewing the organizational structure to improve the functionality and alignment to the Municipality's strategy and to promote service delivery.

The Municipality is mainly dependent on government grants and support. The total revenue received for the 2021/2022 financial year amounted to R 1. 319 billion, with a total expenditure of R 1.683 billion, resulting in a net deficit of R 364 million. The total liabilities of the Municipality amounted to R120,7 million (current liabilities R43 million).

The municipality obtained a qualified audit opinion for the year under review. A qualified opinion is an auditor's opinion that the financials are fairly presented, with the exception of a specified area. My sincere appreciation to my management team, all our officials and Council for your dedication and contribution towards our qualified audit status. Now we need to work towards obtaining a clean audit that equates to better services delivery for all.

The municipality remain committed to accountable and ethical governance with no tolerance towards corruption and/or fraud. Any indications of alleged misconduct by officials shall be reported for investigation and disciplinary actions will be instituted should the evidence suggest it.

While the municipality made great strides in meeting performance targets set for the year under review, it is acknowledged that there is still significant opportunity to optimise the levels of performance towards the consolidation of the current term-of-office. In this regard, a turn-around plan that clearly outlines a set of concrete interventions and deliverables was developed. These deliverables include, amongst others:

- Electrification of villages
- Water provision
- Maintain a revenue collection to 95% year to year
- Maintenance of Roads

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

According to Census 2011, Mogalakwena Municipality contains over 45% of the Waterberg Districts population with a total population of 307 682 and 79 396 households. The Africans are in majority (295 796) and constitute approximately 96% of the total Mogalakwena municipality population. The white population is 9274, coloured population is 403 and the Indian/Asian population is 1646. Just over 53% of the population is females. The population growth rate is estimated at 0.31% in 2011.

Of the 307 682 residents of Mogalakwena Local Municipality, 96,1% are black African, 3% are white, with the other population groups making up the remaining 0,9%.

Of those aged 20 years and above, 18,2% completed/have some primary education, 35,6% have secondary education, 21,7% have completed matric, 8,5% have some form of higher education, and 16% have no form of schooling.

According to Census 2011, there are 17 525 households of which 42,3% have access to piped water in the yard, while only 20,2% of households have access to piped water in their dwelling which is the lowest figure in the Waterberg District Municipality.

According to Census 2011, of the 78 647 economically active (employed or unemployed but looking for work) people in the district, 40,2% are unemployed. The unemployment rate of Mogalakwena is almost double that of the other municipalities in the district. This could be attributed to a reduction in mining activities in recent years.

Of the 39 515 economically active youth (15–35 years) in the area, 51,7% are unemployed, which is also the highest in the district.

Agricultural activities include farming of cattle, poultry, game and citrus.

Mining activities include platinum, clay (for bricks), granite, limestone, fluorspar, tin, and coal.

Population Distribution by Age

NUMBER OF RESIDENTS PER AGE GROUP	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40-44
		39189	33751	32704	36240	29078	23236	17990	16459
PER AGE GROUP	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85+
	13388	11222	9796	8356	6645	6587	3964	2999	2480

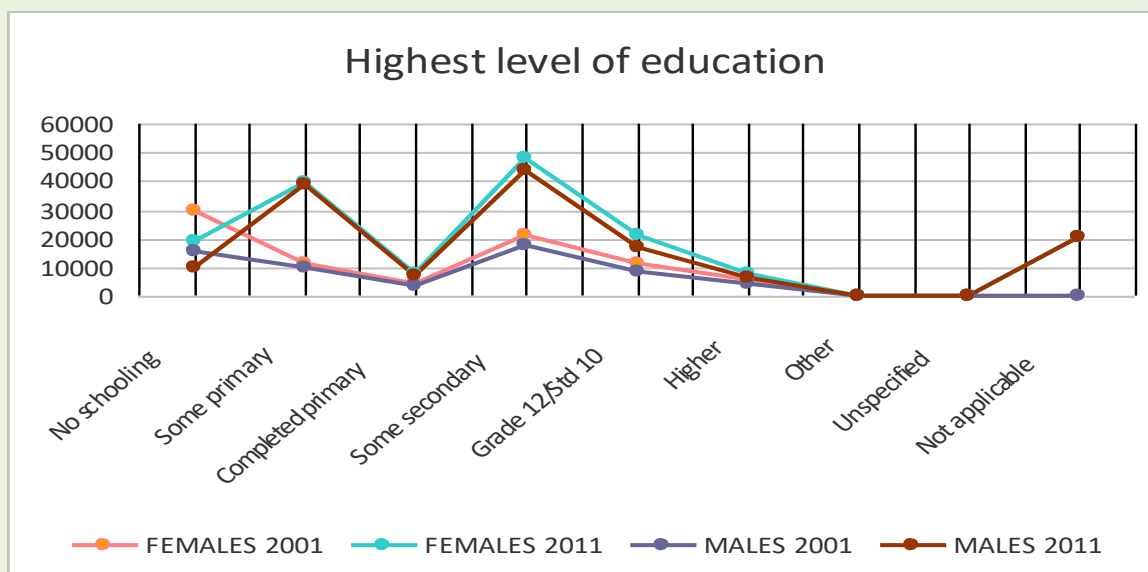
Population by Racial group and Gender

POPULATION GROUP	MALES		FEMALES		TOTAL		2011 CENSUS
	NUMBER OF PERSONS	PERCENTAGE OF POPULATION	NUMBER OF PERSONS	PERCENTAGE OF POPULATION	TOTAL POPULATION	TOTAL POPULATION IN %	% OF THE POPULATION IN WATERBERG DISTRICT
Black African	147791	96.87%	168024	97.27%	315816	97.09%	42.35%
White	3567	2.34%	3654	2.12%	7221	2.22%	0.97%
Coloured	314	0.21%	185	0.11%	499	0.15%	0.07%
Indians	887	0.58%	868	0.50%	1755	0.54%	0.24%
Total Population	152559	100.00%	172731	100.00%	325291	100.00%	43.62%

Source: Statistics South Africa (Stats SA), Community Survey 2016

Education Profile

Figure 3 shows the number of people who had reached each level of education as presented in the Census 2011. Over the years there has been a steady decline in the number of persons who have not received an education. The percentage of persons with no schooling have decreased from 15% in 2001 to 9% in 2011, whilst those with education higher than grade 12 has increased from 3% in 2001 to 5% in 2011. Most of the individuals without schooling were females but even so their numbers have decreased from 18% to 11% in 2011. There is also a good trend of more females attaining higher education.



Income Categories

In order to determine the people's living standards as well as their ability to pay for basic services such as water and sanitation, the income levels of the population are analyzed and compared to the income levels of Limpopo. In the table below distribution of the households per income group in Mogalakwena Municipality is shown. The table reiterates that general education levels are low, as income earned by low-skilled laborers is lower than income earned by highly skilled workers. Since education levels are low, income earned is concentrated in the lower brackets, which suggests that the general population is poor. In addition, the table shows that there is a tremendous amount of people who have no income and hence, that poverty is a major problem in the municipal area.

Table 1: Annual household income

Number of residents per income type	No income		R1 - R400		R401 - R800		R801 - R1 600		R1 601 - R3 200		R3 201 - R6 400	
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
1	132	7	83	8	8	7	41	6	10	4	7	
028	367	158	069	135	658	240	578	146	729	958	126	
	R6 401 - R12 800		R12 801 - R25 600		R25 601 - R51 200		R51 201 - R102 400		R102 401 - R204 800		R204 801 or more	
	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
1	6	466	4	144	975	65	229	18	149	11	120	
711	660		110									

Source: Statistics South Africa (Stats SA), Census 2011

Number of Households According to Census 2011, Mogalakwena Municipality contains over 45% of the Waterberg district's population with a total population of 307 682 people and 79 396 households.

Natural Resources	
Major Natural Resource	Relevance to Community
Waterberg Biosphere Reserve	The first "savannah" biosphere reserve registered in Southern Africa.
The Makapan Valley World Heritage Site	Declared as one of the first National Heritage Sites of the new united nation-an act supported by all local communities.
Entabeni Game Reserve	Big Five game park of more than 20 000ha; Beautiful mountain scenery around a major water feature; A magnificent Golf Estate & Ancient African Theme Resort; Multi cultural Museum; and a major Marine Resort.
George Masebe Nature Reserve	Core demonstration project of the Waterberg Savannah Biosphere Reserve. The reserve also has some old Bushmen paintings on the rocks which serve as a tourist attraction.
Mokopane Game Breeding Centre	The centre is managed by the Zoological Gardens in Pretoria breeding different animal species and it is currently a major tourist attraction.
Percy Fyfe Game Reserve	Rare game breeding centre in a granite studded landscape. Future major conferences centre and rare game exhibition.
Platinum belt	Mining and job creation
Iron Ore	In the area around Matlala

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The 2021/2022 service delivery commitments for the municipality were set within the context of a targeted pro-poor service delivery agenda, arising from dedicated approach of the new term of local government. The focus was ensuring improved dependable and impactful service delivery to communities.

The underpinning strategy for this trajectory of service delivery included the acceleration of responsiveness to speedily resolve service delivery blockages and coordinate onsite responses to observes service days for immediate community relief.

It is of paramount importance to acknowledge that the Municipality's services delivery efforts were hampered severely by the Covid-19 pandemic. Although essential services were delivered to residents during the lockdown phrases, capital expenditure was abruptly halted with the resulting lack of expenditure. It must be remembered that a number of basic infrastructure projects were designed to ultimately benefit the poorer areas.

Electricity: The efforts geared towards promoting access to energy and also making a contribution in the reduction of crime perpetuated by prevalence of darkness yielded the following results:

- A total number of 666 households were budgeted for electrification in various villages, the project was at 0% as at 30 June 2023;
- 1591 Electricity meter audits conducted to combat illegal connections.

Roads and storm water: In its quest to improve roads and infrastructure and to promote ease of transportation within Mokopane town, the municipality focused on the construction, upgrade and maintenance of the road and storm water infrastructure network. This included upgrading of gravel residential roads to paved roads focusing on previously disadvantaged villages, maintenance of tarred and gravel roads to prevent deterioration of existing infrastructure. In this regard, 12 300 m² of road patched and 2.9 km roads were paved and 714km road bladed.

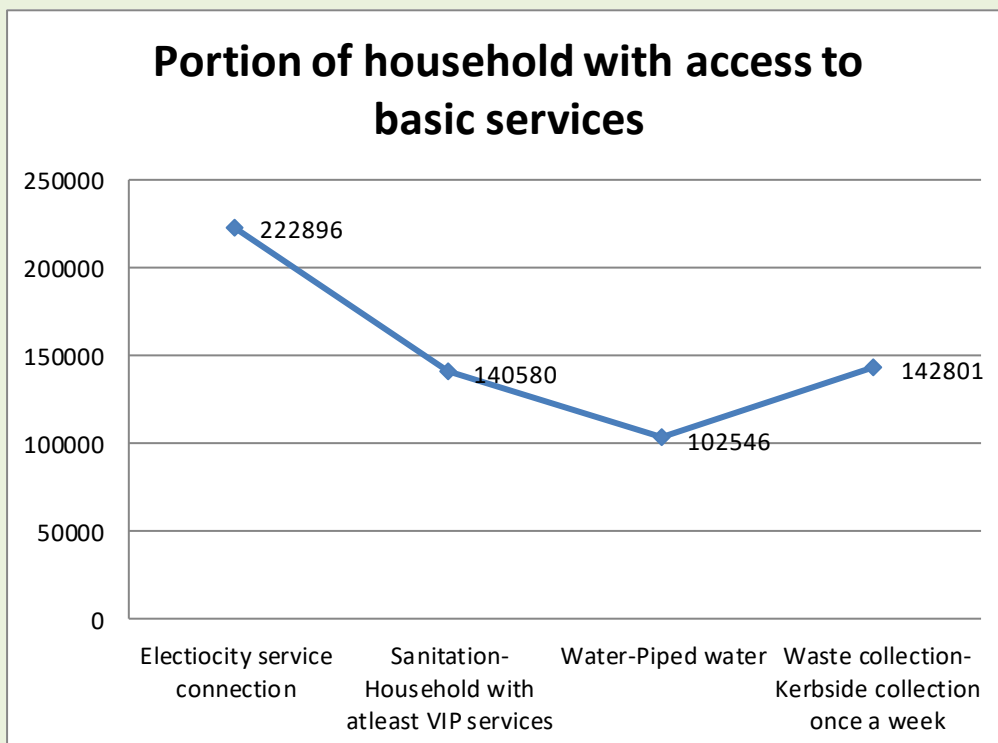
Water: The municipality has managed to complete a total number of thirteen (13) water projects which largely increased the provision of water in the Seema/Mapela, Sekgakgapeng/Parkmore, Madiba-Kgaba, Danisani wellfield bulk water, Jakkalskuil, Rebone, Moshate/Maruteng, Rantlakana, Salema, Ga-pila, Nkidikitlana and Sekuruwe cluster.

Waste Management: Waste collection and disposal across the municipality has improved substantially. Waste collection is done on a weekly basis from the township, RDP settlements, town and all the business and industrial premises. Residences of Mahwelereng, Extension 14, 19 and Rebone have been given the 240l trolley bins for temporary storage of waste prior to disposal, while the residences of Extension 20 use the 1750m³ bulk containers.

A total of 17548 households receive weekly kerb-side waste removal services in formal areas. Waste collection services are also rendered in the peri-urban areas through the Expanded Public Works Programme.

Mogalakwena provided emergency response services on behalf of the Waterberg District municipality 1 station. A total of 103 by-law enforcement inspections were conducted, of which 73 focused on compliance inspection at premises and the other 60 focused on inspecting dangerous goods and vehicle permit.

Free Basic Services: Free basic municipal services are services provided at no charge by the Government to poor households. The services currently include water; waste; cemetery and electricity. The municipality is committed to provide free basic services to communities; 6Kl water and 50 KWH electricity, 500m2 of refuse and 500m2 of sewerage per month to indigent’s members of the community.



1.4. FINANCIAL HEALTH OVERVIEW

The comparison between the budget and actual results as reflected in the Statement of Financial Performance in the Annual Financial Statements were as follows:

Financial Overview – 2021/2022			
R' 000	R' 000		
Details	Adjusted budget	Actual	Variance
Operating Income	1 455 707 797	1 319 260 443	136 447 354
Less Operating Expenditure	1 139 105 232	1 683 553 706	(544 448 474)
Surplus/ deficit	316 602 565	(364 293 263)	(47 490 698)
* Note: surplus/ (- deficit)			

The municipality has been able to honor all commitments for the financial year and still remained with a positive surplus of R283 077 317 from its operations for the year as depicted from the financial performance for the year ended 30 June 2020.

The **operating income** decreased in total by 1.1% from R1 333 905 068 of 2020/2021 to R1 319 206 443 of the 2021/2022 financial year.

Government grants and subsidies is the biggest source of income for the municipality, amounting to **R 715 613 196**. This amount also included capital grant income.

Service charges are the second income source, amounting to **R 416 148 339** for the 2021/22 financial year. It is reflecting an increase of **2%** from the previous year and a detailed analysis of the various services are discussed later in this report.

Assessment rates for the 2021/22 financial year amount to R 88 000 647.

The **Operating Expenditure** decreased by **1.2%** from R1 704 616 721 in the 2020/2021 to R1 683 553 706 in 2021/22, as reflected in the Statement of Financial Performance in the Annual Financial Statements.

The **Total Cash and Cash Equivalents** at the end of the financial year decreased by 6.5% from R73 025 345 on 30 June 2021 to R 68 224 446 **on 30 June 2022**.

Operating Ratios	
Detail	%
Employee Cost	21%
Repairs & Maintenance	6%
Finance Charges & Depreciation	18%

The 'employee costs', Repairs and maintenance and 'finance charges and depreciation are within the expected norms of 30, 10 and 20% respectively.

1.5. AUDITOR GENERAL REPORT

Mogalakwena Local Municipality has obtained qualified opinion. The 2021/2022, qualified audit opinion resulted from following major matters that prevented the municipality from getting clean audits:

Property, plant and equipment

Insufficient appropriate audit evidence for the restatement of the corresponding figure for property, plant and equipment for an amount of R 747 655 281 (2021: R 208 179 403) I was unable to confirm the restatement by alternative means. There is also a resultant impact on the surplus and accumulated surplus

Insufficient appropriate audit evidence for journals processed against property, plant and equipment amounting to R 281 553 425 (2021: R 174 357 111) as the municipality did not provide the underlying supporting documents. I could not confirm these journals by alternative means. Consequently, I was unable to determine whether any adjustment to property, plant and equipment stated at R4 014 325 335 (2021: R4 304 869 052) in the financial statements was necessary.

Investment properties

Investment properties was materially misstated by R15 335 878 due to the cumulative effect of individually immaterial uncorrected misstatements:

- Investment properties stated at R140 751 656 was overstated by R11 918 731.
- Investment properties limitation of scope of R1 932 367
- Overstatement of investment property as a result of incorrect classification by R1 484 780

Impairment provision

Identified differences of R 19 500 133 between the provision of impairment as per the annual financial statement and provision of impairment as per my re-computations based on the variables in the current year impairment methodology. Consequently, My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures .This has a consequential impact on receivable.

Inventory

The municipality did not recognise land inventory in accordance with GRAP 12 Inventories, I identified land inventory in the accounting records that was valued at zero amounts.

Consequently, land inventory is understated. I was not able to determine the full extent of the understatement as it was impracticable to do so. There is a resultant impact on the surplus and accumulated surplus.

Payables

Insufficient appropriate audit evidence for the reconciling item amounting to R117 687 025 with debit balance reducing Payable for exchange transactions as the municipality did not provide the underlying supporting documents. In the year under I could confirm an amount of R 97 391 457 I could therefore not confirm the balance of R 20 295 477 by alternative means. My audit opinion for the period ended 30 June 2022 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

1.6. STATUTORY ANNUAL REPORT PROCESS

NO	ACTIVITY	TIME FRAME
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 Annual Performance Report to Internal Audit and Auditor-General	
5	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
6	Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
8	Auditor General audits the Annual Report including Annual Financial Statements and Performance data	November-March
9	Municipalities receive and start to address the Auditor General's comments	November
10	Develop the 2019/2020 Annual Report	March
11	Mayor tables Draft Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	January
12	Draft Annual Report is submitted to Auditor General and other stakeholders	February
13	Audited Annual Report is made public and representation is invited	
14	Oversight Committee assesses Annual Report	March
15	Council adopts Oversight report	
16	Oversight report is made public	April
17	Oversight report is submitted to relevant stakeholders	

CHAPTER 2 – GOVERNANCE

The governance model implemented by Mogalakwena Municipality follows the “doctrine of separation of powers”. This model makes a clear distinction between the legislative and executive powers. The model is implemented within the framework of the Constitution and other local government legislation as well as other supporting policies of the Municipality. The focus is on promoting effective oversight and accountability through the allocation of powers and functions to both the legislative and the executive authorities in the municipality.

Furthermore, the Municipality adopted a system of delegations, which guides and supports the implementation of the governance model. The implementation of this governance model has had a positive impact on promoting transparency and responsiveness thus making a sizeable impact on the benefits accrued to the residents of the Municipality. Where there are strong mechanisms for accountability the organization becomes more responsive and improves its transparency on how things are done.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

The municipal council was established guided by section of the Municipal Structures Act 117 of 1998. The municipality consists of 63 councilors (31 Proportional representative councilor’s and 32 Ward councilors’)

Section 29 (1) of the municipal structures requires the speaker of a municipal council to decides when and where the council meets subject to section 18(2), but if a majority of the councillors requests the speaker in writing to convene a council meeting, the speaker must convene a meeting at a time set out in the request. The council has the municipal standing rules to monitor the attendance of the council.

The following council meetings were held during 2021/2022 financial year:

Council	Number of meetings held
Ordinary council	2
Special council	12

The adoption of the delegation of powers system necessitated the establishment of Section 79 Committees, which are political structures envisaged in the Municipal Structures Act, to monitor, evaluate and conduct oversight on the performance of the executive committee and the departments. Council’s legislative functions are therefore exercised through these committees which are representative of all political parties in the council.

This system is supported through proper delegation of powers, thereby ensuring that the respective role-players are able to execute their respective mandates without fear or favour.

Executive committee

The municipal council has established the mayoral executive committee in terms of section 79 of the Municipal Structures Act 117 of 1998; The Executive committee consists of nine (9) Members of which the Mayor of the municipality is the chairperson.

Executive Committee meetings were held as indicated on the table below. These meetings assisted the councillors in understanding items in depth before they were discussed at council level thus making it easier for them to play their oversight role by taking informed decisions.

The Municipal Finance Management Act 56 of 2003 chapter 7 and 8 guides in terms of responsibilities of both politicians and officials.

The following Executive Committee meetings were held during the 2021/2022 financial year:

Meetings	Number of meetings
Ordinary Meetings	3
Special Meetings	13

The committees that assist the Executive Committee in terms of section 80 of the Municipal Systems Act are as follows:

1. Portfolio committees

Established to assist the Executive Committee of the municipality in execution of programmes and plans. The municipality consists of nine (9) portfolio committees namely:

The portfolio committees consist of the following members:

PORTFOLIO	CHAIRPERSON	COUNCILLORS
1. Special Projects	C W Hlako	C W Hlako (Chairperson) M M Rapatsa F J Shadung M G Monama N J Maseko M J Shikwane D M Mphaho
2. Traffic & Emergency Services	T E Mashabane	TE Mashabane (Chairperson) P S Mabe

		E T Setsiba K J Maluleka M O Maartens
3. Community Services	L P Molekoa	L P Molekoa (chairperson) M D Hlonyana M B Baloyi G P Kgole K A Sebele L J Molefe Y Coetzee M O Maartens P J Mogotle
4. Finance	R G Selemela	R G Selemela (chairperson) H J Nkhona M R M Ngwenya M S Meteleni H P Makhubela M S Thobane D M Mphaho
5. Corporate support services	M S Tefu	M S Tefu (chairperson) M R Kekana M J Ncube T M Nkgapele T N Malebana M J Molebale P J Mogotle D M Mphaho
6. Technical services	M M Senoamadi	M M Senoamadi (chairperson) M E Dolo L S Marakalala M P Marakalala T G Nxube L P Molekoa K L Mmangokoane Y Coetzee
7. Planning & developmental services	M T Lebese	M T Lebese (chairperson) R V Manganyi P J Ngoepe M C Matlou N J Maseko M J Shikwane

		D Patleswane
8. Electrical services	M F Mokwele	M F Mokwele (chairperson) R S Ledwaba L N Ngwetjana C N Marakalala T H Maponya S Alberts D Patleswane
9. Rules	P L Olifant (Speaker)	P L Olifant (Chairperson) M A Tsebe M J Molebale P Molekoa S Alberts
10. Local Labour Forum		M S Tefu M F Mokwele M J Molebale

The following Portfolio committee meetings were held in 2021/2022 financial year:

PORTFOLIO	NO. OF MEETINGS HELD
Corporate Support Services	3
Technical Services	1
Finance	0
Special Projects	0
Electrical Department	1
Planning and Developmental services	1

Community Services	0
Traffic and Emergency Services	1
Rules	0
LLF	2

Municipal Public Accounts Committee

The Municipal Public Finance Committee was established in terms of section 79 of the municipal structures act 117 of 1998 to assist the council and executive committee to perform their functions effectively to ensure good governance in the municipality.

The Municipal Public Accounts Committee provides oversight reports on issues raised on the annual report and the financial statements as required by section 129 of the Municipal Finance Management Act 53 of 2003.

The Municipal Public Accounts Committee consists of the following non-executive members:

1. Cllr. L.K Satege (Chairperson)
2. Cllr. T.A Mooka
3. Cllr. K.S Majadibodu
4. Cllr. M.A Ratema
5. Cllr. R.G Selemela
6. Cllr. M.T Mogle
7. Cllr. M.E Moloto
8. Cllr. L.E Laka
9. Cllr. R.P Sebjane
10. Cllr. N.B Magongoa
11. Cllr. T.E Monama
12. Cllr. M.C Leshiba

The total number of MPAC meeting held during the 2021/2022 financial year is 2.

Performance and Audit Committee

The Performance Audit and Audit Committees are established guided by section 166 of the Municipal Finance Management Act no. 53 of 2003 to advise the municipal council, accounting officer and the management staff on matters relating to:

- Internal financial control
- Risk management
- Accounting policies
- The adequacy, reliability and accuracy of financial reporting and information
- Performance management
- Effective governance
- Performance evaluations
- Compliance with legislations
- Audit investigations

The total number of 8 audit committee and 6 performance audit meeting were held during 2021/2022 financial year

The following members have be appointed as audit and performance committee:

Name	Chairperson (Yes/No)	Qualifications
SAB Ngobeni	Yes	<ul style="list-style-type: none"> • Master in Business Administration (MBA) • Master in Commerce (Taxation) • Professional Accountant (SA) (SAIPA) • Registered Government Auditor (RGA) • SA Tax Professional (SAIPA) • B.Compt Honors (CTA) • B.Com (Accounting) • Higher Diploma in Computer Auditing • Certificate in Mining Taxation • Certificate Project Management

		• Certificate in Labour Relations Certificate in Portfolio Management and Investment Analysis "
PR Mnisi	No	"• Bachelor of Law (LLB) • Certificate in Compliance Management"
TG Nevhutalu	No	"• CA(SA) –Chartered Accountant • Post Graduate Diploma in Accountancy • Bcom in Accounting"

2. Remuneration Committee

The municipality has established the remunerations committee to ensure that the senior managers and staff members are remunerated fairly and responsibly with the long-term interests of the municipality.

The following standing members of the remuneration committee were approved:

- The Mayor
- The chairperson of the community services portfolio
- The chairperson of the finance portfolio

No meetings held during 2021/2022 financial year.

There are 32 ward councillors with 31 proportional representation ones which makes a total number of 63 councillors. Council is the highest decision making body but in between council activities there is the Executive Committee.

THE EXECUTIVE COMMITTEE



**Cllr. N.S Taueatwala - ANC
The Mayor and Chairperson
Of the Executive Committee**



Cllr. L.P MOLEKOA EFF-PR
Portfolio Committee Head: Community Services Portfolio



Cllr. M.M Senoamadi-ANC
Portfolio Committee Head: Technical Services



Cllr. M.T. LEBESE - ANC
Portfolio Committee Head: Planning and Development Services



Cllr. M.S. - ANC
Portfolio Committee Head: Corporate Support Services



Cllr. R.G. Selemela ANC-Ward
Portfolio Committee Head: Finance Services



Cllr. M.F. MOKWELE - ANC-PR
Portfolio Committee Head: Electrical Services



Cllr. T.E MASHABANE – ANC
Portfolio Committee Head: Traffic and Emergency Services



Cllr. K.Q DEKKER- DA
EXCO member



Cllr. K.J MALULEKE EFF
EXCO member

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipality's administration is led by the Municipal Manager and there are eight departments which are named below. Each department is led by a section 56 manager who reports directly to the Municipal Manager.

Chapter 7 Section 55 of the Municipal Systems Act has it that the Municipal Manager as head of administration is subject to the policy directions of the municipal council, responsible and accountable for the formation and development of an economical, effective, efficient and accountable administration.

The Municipal Manager chaired Executive Management meetings where all section 56 managers, Deputy Managers, Chief Internal Auditor, and Chief Operations Officer are attending.

The table below shows the roles and responsibilities that were played by different departments:

Table: Institutional overview

DEPARTMENT	OVERVIEW	SUB-FUNCTION
CORPORATE SUPPORT SERVICES	<ul style="list-style-type: none"> Corporate Support Services plays a vital role in the performance and developmental role of Mogalakwena Municipality as it provides a supportive function to all departments, council, executive committee, portfolios, councillors and officials. 	<ul style="list-style-type: none"> Legal Services Information Technology Human Resources Council Secretariat Property Management Support Services
TECHNICAL SERVICES	<ul style="list-style-type: none"> Planning, provision and maintenance of water and sanitation infrastructure, including roads, stormwater and building. 	<ul style="list-style-type: none"> Water and Sanitation Roads and Stormwater Building inspectorate and PMU
ELECTRICAL SERVICES	<ul style="list-style-type: none"> To provide an effective electrical service to all consumers of the municipality ensuring that all networks are well maintained and that new projects are being completed to acceptable standards and within set time frames. To further ensure that all communities have access to electricity. 	<ul style="list-style-type: none"> New Projects Maintenance, Metering and Loss Control Public lighting
TRAFFIC AND EMERGENCY	<ul style="list-style-type: none"> Traffic and Emergency Services is responsible for municipal emergency services, regulate traffic and licensing services. 	<ul style="list-style-type: none"> Security Traffic Fire Licences

DEPARTMENT	OVERVIEW	SUB-FUNCTION
DEVELOPMENTAL SERVICES	<ul style="list-style-type: none"> Developmental Services is responsible for developing an Integrated Development Plan that facilitates economic growth, alleviate poverty and addresses basic needs through an inclusive stakeholder-driven process and further ensures proper control of spatial planning and land use management within the municipal area. It finally provides support in the monitoring of the provision of quality and adequate housing and rural sanitation to residents of the municipality. 	<ul style="list-style-type: none"> Integrated Development Planning (IDP) Local Economic Development and Tourism Planning Housing
FINANCE DEPARTMENT	<ul style="list-style-type: none"> Finance Section is responsible for ensuring the smooth running of finances, assets, investments and liabilities of the municipality. 	<ul style="list-style-type: none"> Budget and Treasury Income Expenditure Supply Chain Management
COMMUNITY SERVICES	<ul style="list-style-type: none"> Community services is responsible for municipal waste management, environmental health, parks and recreational and library services. 	<ul style="list-style-type: none"> Waste Management Environmental Health (Municipal Health Services) Parks and Recreational Services



Mr HSM Ngoepe
Acting Municipal Manager

			
<p>Mr B Mathibe Acting Chief Financial Officer</p>	<p>Mr. L Mashishi Acting Manager: Planning and Development Services</p>	<p>Mrs. R Madisha Manager: Community Services</p>	<p>Mr. B Senokoane Acting Manager: Traffic and Emergency</p>
			
<p>Mr J Mashapo Acting Manager: Corporate Support Services</p>	<p>Mr. G. Ramango Acting Manager: Electrical Services</p>	<p>Mr. S Mafoko Acting Manager: Technical Services</p>	

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Municipality represented by the Mayor, the Speaker, the Municipal Manager and senior managers, participate in several district and provincial intergovernmental forums. The Speaker's Forum, the Mayor's Forum, and the Municipal Manager's Forum are some of the most active Intergovernmental Relations structures that the Municipality participates in.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

The Municipality observed all four components of governance during the year in review. Annual schedules of Council, Mayoral Committee (EXCO) and Executive Management were adhered to. All these schedules were approved by Council.

The Municipality attended all District Mayoral, Speakers, Chief Whips and Municipal Public Accounts Committees Forums as and when they were called.

In terms of Administration, the Municipal Manager attended the District, Provincial and National Municipal Manager's Forum. The Municipal Process Plan also outlined the public participation processes which were also observed to the end.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

In pursuit of promoting public accountability and participation' the MLM demonstrated a strong commitment on community centered participatory approaches in the management of the municipality. Extensive involvement of the communities in municipal planning through established institutional arrangements characterized the initiatives undertaken to give expression to public accountability. In this regard, significant strides were made in engaging the community through various governance structures at both executive and legislative components of the council. This was aimed at ensuring effective participation of the communities and other stakeholders in their developmental areas of the municipality and to increase the level of accountability of the municipality.

Among others, the following initiatives were undertaken to demonstrate the municipality's commitment in ensuring community involvement in the issues of governance, management and governance:

IDP and Budget engagement

The IDP review meeting were held as a means to consult with the community members to identify their priority needs for consideration in the planning development of the municipality. These consultations were held in communities through ward councillors and led to a significant benefit on how the municipality has prioritised its resources based on the realistic community needs.

Mayoral Imbizo Programme

Public participation is a cornerstone of democracy and the MLM has made it as a strategic priority in its endeavor to achieve clean and inclusive governance. The Mayoral imbizo presents the MLM with an opportunity to engage communities on the progress of the IDP and Budget implementation.

The mayoral imbizo created the opportunity for the mayor to answer questions; hearing community's concerns and taking an informed decision about the programmes/projects and services of the municipality.

Ward committees

Monthly ward committee meetings were held and various issues were raised and discussed, including issues that are critical and urgent in nature and the way forward.

These meeting served as a platform for integration, engagement and sharing of information.

COMMUNICATION, PARTICIPATION AND FORUMS

Chapter 4 Section 17 of the Municipal System Act, 2000 deals with the mechanism, process and procedures for community participation. The municipality first developed an IDP Process Plan which constituted the PMS and Budget circles. This process went concurrently with the advert to call for the stakeholders to register on our data base so that they are not left behind during the review, assessment and consultative meetings. In terms of this section, community participation in the IDP Process was structured as follows:

(a) Councilors

Councilors informed their constituencies about the IDP process, provided information regarding the progress of the IDP Review and guided stakeholders on how to participate in the IDP Representative Forum and Ward Committee System.

(b) IDP Representatives Forum

This forum represents stakeholders registered on our data base and was as inclusive as possible. Efforts were made to bring additional organizations into the Representative Forum and ensure their continued participation throughout the process.

(c) Ward Committees

Ward Committees were established for all the 32 wards, and played a pivotal role during the IDP review and assessment process.

(d) Community Development Workers (CDWs)

To improve community participation and intergovernmental relations (25 appointed and 2 deceased) CDW's were deployed in the municipal area.

(e) Media

Local radios, newspapers and national newspapers were used to inform the public about the review processes.

WARD COMMITTEES

The establishment and functioning of ward committees are guided by section 79 of the local government Structures, 117 of 1998 act to enable community members who resides in a particular ward to have a direct influence on the governing of their wards and play a critical influence in decision making.

There are 32 wards within Mogalakwena Municipality, 320 ward committee members throughout the municipality which equates to 10 members per ward. Councillors chaired their respective ward committee meetings and reports were submitted to the Ward Committee coordinator in the Speaker's Office.

The role of the ward committees is primarily to facilitate, encourage and enhance participation of ward residents in the decision-making processes of Council processes. The ward committees are expected, in accordance with the functions and powers, amongst others, to:

- Act as an advisory capacity to the ward councillor;
- Communicate with and consult the community in the ward on all issues of development pertaining to the ward;
- Increase participation of local residents in municipal programmes or projects;
- Participate in the municipal programmes and awareness campaigns;
- Have a cooperative working relationship with a ward councillor to be able to influence council decisions. Ward committees do not have formal powers but can make submissions through the ward councillor to be submitted to council;
- Make recommendations on matters affecting their wards through the ward councillor;
- Identify and initiate projects with an intent to improve the lives of the people in the ward;
- Act as a resource through which Council and its departments, provincial and national governments must consult and obtain community opinion on any matter.

Ward committee's key performance areas include amongst others:

- Attendance of meetings: members of the ward committee are expected to attend monthly ward committee and public meetings as per the approved schedule;
- Community engagement: conduct door-to-door work within the ward, manage grievances and complaints, engage various stakeholder structures;
- Active participation in IDP: ward committee members are to prioritise and submit IDP needs in conjunction with their ward councillor;
- Establish sector sub-committees; and
- Active participation in outreach programmes.

The dominant community service delivery issues that are referred to the above-mentioned offices and council committees relates to:

- Provision of water and sanitation, particularly to informal settlements;
- Provision of housing;
- Provision of electricity;

- Job and economic development and opportunities;
- Improve access to health service;
- Provision/maintenance of community facilities; and
- Construction and rehabilitation of roads, potholes and speed humps.

T 2.4.2

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	T2.5.1

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

RISK MANAGEMENT

The Municipality recognizes risk management as one of the cornerstones of sound and responsible municipal governance. Apart from complying with the MFMA requirement that the municipality establishes and maintains a system of, among others, managing risks. Risk management is positioned as a strategic management function that enables and facilitates good governance practices.

Led by the Divisional Manager, the Risk Management Unit is responsible for overseeing, guiding, facilitating and monitoring various systems of governance, risk management and compliance in the municipality.

The Risk Management Committee, comprising of external members who are not officials of the Municipality, continued to provide oversight over the governance, risks and compliance in the municipality.

The municipality has the following 5 top risks which are being monitored on quarterly basis.

#	Risk Category	Risk description	Root Causes	Risk Mitigation Plan
1	Human resources	Poor Performance Management System	Lack of policies and procedure manuals to manage performance information	Policies and procedure manuals for performance management system.
2	Knowledge and Information management	Poor communication channels within the municipality and with sector departments	Lack of an approved communication policy and strategy	Communication policy
3	Information technology	Non - alignment of IT activities and strategic planning	Lack of an ICT strategy	ICT strategy
4	Loss \ theft of assets	Deteriorating and aging infrastructure (e.g. electrical infrastructure, roads infrastructure, testing ground)	Minimal maintenance of cemeteries, libraries, parks and recreations facilities infrastructure Inadequate testing grounds and aging infrastructure	Develop the maintenance plans for community infrastructures

5	Service delivery	Invasion of land by the community (Urban and Rural)	Mushrooming of Informal settlements on the core areas of mining development	"Urban Land Invasion To foster relationship between planning and technical services. (Develop communications channels between the Planning and Developmental services and CSS on all plans for land disposals) "
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2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The Anti-Corruption and Fraud Strategy was developed and approved by Council. The Municipality relied on the Premier and Presidential hotlines offices which are effectively managed.

The MLM is currently in the process of reviewing the current Fraud and corruption policy and strategy with the view to reducing the risk of fraud and corruption.

The Municipality is in a process of re-establishing its own Anti-Corruption and Fraud Hotline.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

In terms of Municipal Supply Chain Management Regulation 6, the Municipality is mandated to establish a Supply Chain Management Unit to implement its Supply Chain Management Policy. Furthermore, the Municipal Supply Chain Management Regulation 7(4) requires that the Supply Chain Management Unit must, where possible, operate under the direct supervision of the Chief Financial Officer or an official to whom this duty has been delegated in terms of Section 82 of the Act. In line with the legislative guidance, the municipality has its Supply Chain Management unit reporting directly to the Chief Financial Officer

The municipality annually reviews supply chain management policies and processes, approved annually with the budget. The municipality strives for compliance with Section 112 of the MFMA and takes action where there is evidence of contravention of supply chain policy and regulations.

The municipality in partnership with Ethics South Africa has embarked on the training for promoting ethics for officials and other role players involved in municipal supply chain management.

2.9 BY-LAWS

The following By-Laws were promulgated in the 2021/2022 FY:

- Land-use Management 26th June 2017

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 (2019/2020)	Yes
The annual report (2020/2021) published/to be published	Yes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2021/2022) and resulting scorecards	Yes
All service delivery agreements (2021/2022)	No
All long-term borrowing contracts (2021/2022)	N/A
All supply chain management contracts above 1 million and over a 3 years period	No
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2021/2022	N/A
Contracts agreed in 2021/2022 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No
Public-private partnership agreements referred to in section 120 made in 2021/2022	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2021/2022	Yes

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The Mogalakwena Municipality's website is functional and as hosted by SITA. The above stated list reflects the level of compliance of the Municipality in terms of Section 75 of the MFMA. Communication is regularly made with different departments within the municipality to provide information as required by legislation.

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

COMPONENT A: BASIC SERVICES

Free basic municipal services are provided at no charge by the Government to poor households. The services currently include water and electricity. These services are provided by municipalities and include a minimum amount of electricity, water and sanitation that is sufficient to cater for the basic needs of a poor household. However, policies regulating the provision of basic sanitation and refuse removal are yet to be finalized by the relevant sector departments.

Technical services Department's core mandate is the provision of basic services to the community through infrastructure development of water and sanitation, roads and storm water and community services (high mast lights); operation and maintenance of infrastructure; as well as building services.

The Project Management Unit is responsible for the implementation of water, roads and storm water, high mast lights and household sanitation projects. The team works closely with the other sections in the technical department as well as with the design office who is responsible for the RBIG component on the projects.

According to Census 2011, Mogalakwena Municipality contains over 45% of the Waterberg district's population with a total population of 307 682 and 79 396 households. The increase in the number of households, particularly in the rural areas where there are minimal services has increased backlogs in electricity provision, housing needs, roads, access to water, sanitation needs, etc. There are arbitrary differences in figures with regard to racial groups' representations. Although racial integration is gradually being achieved through some blacks moving from the traditional black towns and rural areas to settle in Mokopane, there is a widening gap between the rich and the poor. Racial segregation is replaced by socio-economic segregation. There is therefore a need to speed up integrated human settlement in order to proactively address resultant social ills (such as crime, and skewed unsustainable development).

To meet these challenges Mogalakwena Municipality adopted a new strategy for provision of basic services. The new strategy adopted a clustering approach for all projects implemented for water and sanitation as well as roads and storm water. All projects for registration purposes had to be aligned to sector plans. Projects were clustered resulting in larger projects, which are multi-year projects, being registered for MIG funding. Many small projects had resulted in cumbersome procurement processes, increased demand on project managers and often impacted negatively on the availability of funds.

3.1. WATER PROVISION

Water is the most important resource to encourage both social and economic development within the municipality. Water supplies to the main urban areas of Mogalakwena Municipality form part of the Doorndraai Water Resources System. The system is not a complex one. This bulk supply is pre-treated prior leaving Doorndraai water resource system or package plant.

The following main water supply schemes supplies both urban & rural areas with water:

Source	Capacity
Doorndraai Water Resources System (State-owned) Anticipate to receive an additional 3Ml from Doorndraai early February 2018 due to an Intervention by DWS/Minister.	10 – 12Ml/p/d (3Ml)
Uitloop farm (Private owned)	1Ml/p/d/
Weenen/Planknek (Municipal owned) Of the 21 Boreholes that yielded 14.8Ml/d. this quantity is reduced to 7.8Ml due to the decline of water table.	7.8Ml/p/d
Various Rural Bore-holes	4 – 12Ml/p/d

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year -1	50	40	35	150	10
Year 0	50	44	46	9	11
					T 3.1.2

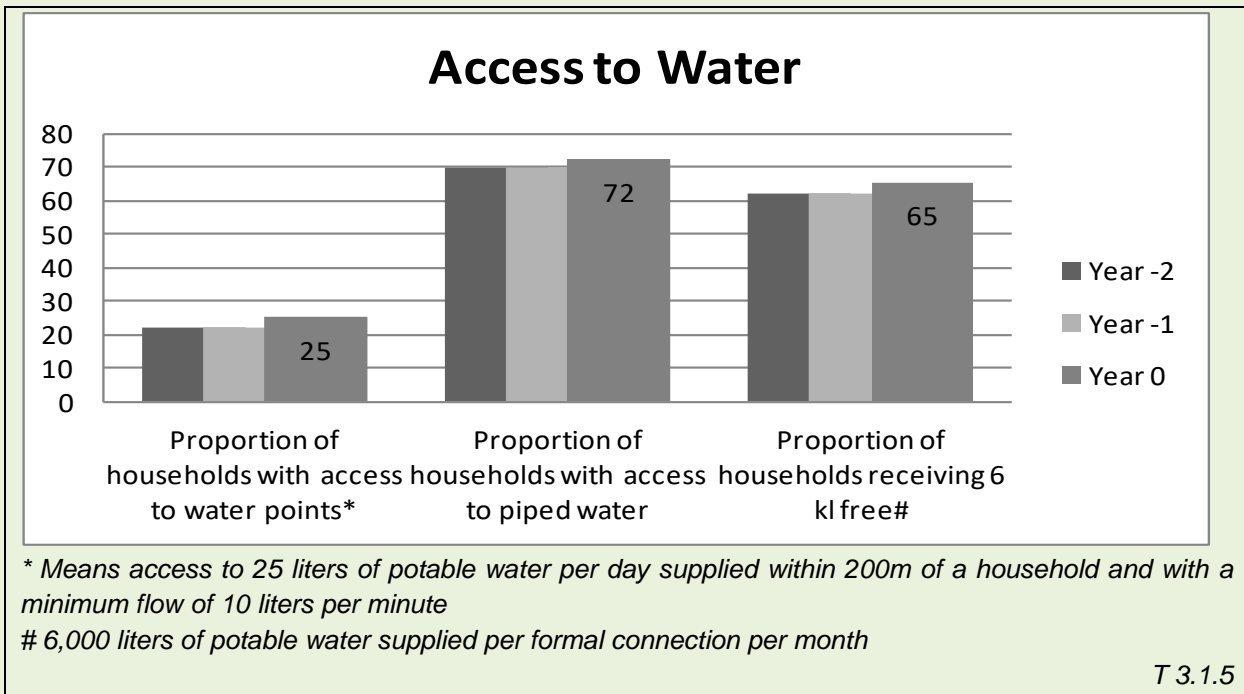
Water Service Delivery Levels				
Description	2018/2019	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<u>Water: (above min level)</u>				
Piped water inside dwelling	18 824	18 824	19 389	19 389
Piped water inside yard (but not in dwelling)	25 625	25 625	26 394	26 394
Using public tap (stand pipes)	31 097	31 097	32 030	32 030
Other water supply (within 200m)	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	75 546	75 546	77 812	77 812
<i>Minimum Service Level and Above Percentage</i>				
<u>Water: (below min level)</u>				
Using public tap (more than 200m from dwelling)	-	-	-	-
Other water supply (more than 200m from dwelling)	-	-	-	-
No water supply	9 707	9 707	9 998	9 998
<i>Below Minimum Service Level sub-total</i>	9 707	9 707	9 998	9 998
<i>Below Minimum Service Level Percentage</i>				
Total number of households*	85 253	85 253	87 811	87 811
* - To include informal settlements				T3.1.3

LP Settlements Form G13 Waterberg Form F11

Households - Water Service Delivery Levels below the minimum

Households						
Description	2016/17	2017/18	2018/2019	2019/2020	2020/2021	2021/2022
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
Formal Settlements						
Total households	27 766	27 766	29 766	29 766	29 766	29 766
Households below minimum service level	10 961	10 961	12 961	12 961	12 961	12 961
Proportion of households below minimum service level	39%	39%	34%	34%	34%	34%
Informal Settlements						
Total households	52 127	52 127	62 127	62 127	62 127	62 127
Households below minimum service level		50 979	50 979	55 979	55 979	55 979
Proportion of households below minimum service level		98%	98%	98%	98%	98%

T3.1.4



Water Objectives and Targets as Taken From IDP and SDBIP

IDP Objective	Performance Indicator	2019/2020		2020/2021		2021/2022	
		Target	Actual	Target	Actual	Target	Actual
		TO IMPROVE THE QUANTITY AND QUALITY OF MUNICIPAL INFRASTRUCTURE AND SERVICES	Number of formal households with access to basic level of water and sanitation by 30 June 2020	16488	19786	19766	29 145
	Percentage water losses	25%	16%	25%	19%	20%	47%
	Number of water meter audit conducted	500	133	500	250	500	52

**Capital Expenditure 2021/2022
Water Services**

R' 000

Capital Projects	2021/2022			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Mini water scheme 25: Seema/Mapela	R11 375 541	R11 375 541	R9 278 093,00	
Industrial well field (Sefakaola) WTW, Industrial well field Pipeline to Sefakaola	R14 000 000	R19 000 000	R25 018 000,00	
Kromkloof water treatment works	R34 739 000	R34 739 000	R19 462 684,00	
Industrial Well Field Development	R19 000 000	R19 000 000	R7 472 106,00	
Danisani wellfield Bulk Water and Phase 1 functional Olifant	R12 000 000	R12 000 000	R3 058 915,00	
Jakkalskuil Contract 6	R13 593 476	R13 593 476	R 3 665 868.17	
Jakkalskuil contract 5	R3 000 000	R3 000 000	R2 647 521.94	
Rebone Mog 19	R2 323 804	R2 323 804	R 2 200 972,20	
Package plant at Rantlakane	R2 263 962	R2 263 962	R1 755 239,87	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

as per MIG DORA report June 2022

3.2 WASTE WATER (SANITATION) PROVISION

Sanitation is about dignity. The availability of sanitation facilities does not only improve the dignity of people, but also promotes their health. Areas without proper sanitation systems give rise to water borne diseases like cholera, diarrhea, typhoid, etc. It is therefore important that as a municipality, prioritization should be given to this service, particularly taking into account the backlog (rural sanitation) and the national target.

Sanitation is more than building toilets. The most important requirement for safe sanitation is, of course, getting rid of human excreta, dirty water and household refuse. Also crucial are the way people think and behave, and whether they have hygienic and healthy habits. Sanitation improvement is a bigger process, aimed at the individual, the home and the community, which must include health and hygiene education as well as sustainable improved toilet facilities, water supply and methods of removal of dirty water and household refuse. Providing, improving and maintaining satisfactory sanitation affects all members of society. Improved sanitation facilities will reduce the incidence of disease, but only if there is improved hygiene practice and behaviour as well. (National Sanitation Policy.

Of the 85472 households in the Mogalakwena Local Municipality 19786 have adequate waterborne sewage, 2791 adequate septic tank/chemical toilets, 63344 households have sewage facilities which are not adequate.

ACCESS TO SANITATION		
*Households		
Description	2001	2011
<i>TOTAL NUMBER OF HOUSEHOLDS</i>	70132	79396
Flush toilets (connected to sewerage system)	14369	20486

Flush toilets (with septic tank)	1348	1473
Chemical Toilets	428	807
Pit toilet with ventilation (VIP)	5322	8729
Pit toilets without ventilation	40424	44270
<i>Bucket toilet</i>	7482	687
<i>Other</i>	755	470
None	3388	2475

Source: StatsSA Census 2001 and 2011

Sanitation Service Delivery Levels				
*Households				
Description	2018/19	2019/2020	2020/2021	2021/2022
	Outcome No.	Actual No.	Actual No.	Actual No.
<u>Sanitation/sewerage: (above minimum level)</u>				
Flush toilet (connected to sewerage)	20 640	20 640	1899.	19701
Flush toilet (with septic tank)	2451	2451	1865	1865
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	18 317	18 317	7195	7 835
Other toilet provisions (above min.service level)			43 033	43 033
<i>Minimum Service Level and Above sub-total</i>	31 791	31 791	70423	70423
<i>Minimum Service Level and Above Percentage</i>	32%	32%	26	26%
<u>Sanitation/sewerage: (below minimum level)</u>				

Bucket toilet				
Other toilet provisions (below min.service level)	73 344	73 344	9 662	3 662
No toilet provisions				3 490
<i>Below Minimum Service Level sub-total</i>	73 344	73 344		7 151
<i>Below Minimum Service Level Percentage</i>	84%	84%		74%
Total households	85 253	85 253		85135
*Total number of households including informal settlements	T3.2.3			

Water Objectives and Targets as Taken From IDP and SDBIP							
IDP Objective	Performance Indicator	2019/2020		2020/2021		2021/2022	
		Target	Actual	Target	Actual	Target	Actual
TO IMPROVE THE QUANTITY AND QUALITY OF MUNICIPAL INFRASTRUCTURE AND SERVICES	Total number of household with access to basic level of sanitation	-	-	-	-	-	-

Employees: Water and Sanitation Services					
Job Level	2020/2021	2021/2022			
	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	10	14	10	4	28%
7 - 9	2	2	2	0	0%
10 - 12	12	15	12	3	20%
13 - 15	0	0	0	0	0%
16 - 18	51	66	51	15	23%
19 - 20					
Total	76	98	76	22	22%

Financial Performance 2021/2022: Water and Sanitation Services						R'000
Details	2020/2021	2021/2022				Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Original Budget	
Total Operational Revenue (excluding tariffs)	-32 537 112	-21 243 631	-21 243 631	-37 989 241	78,83%	78,83%
Expenditure:						
Employees	32 748 773	63 921 750	56 348 963	58 905 754	-7,85%	4,54%
Repairs and Maintenance	31 845 454,36	18 724 881,00	21 579 016,00	4 750 872,95	-74,63%	-77,98%
Other	152 471 201	80 301 781	74 514 130	74 233 992	-7,56%	-0,38%
Total Operational Expenditure	217 065 428	162 948 412	152 442 109	137 890 619	-15,38%	-9,55%
Net Operational (Service) Expenditure	184 528 316	141 704 781	131 198 478	99 901 378	-29,50%	-23,85%

3.3 ELECTRICITY

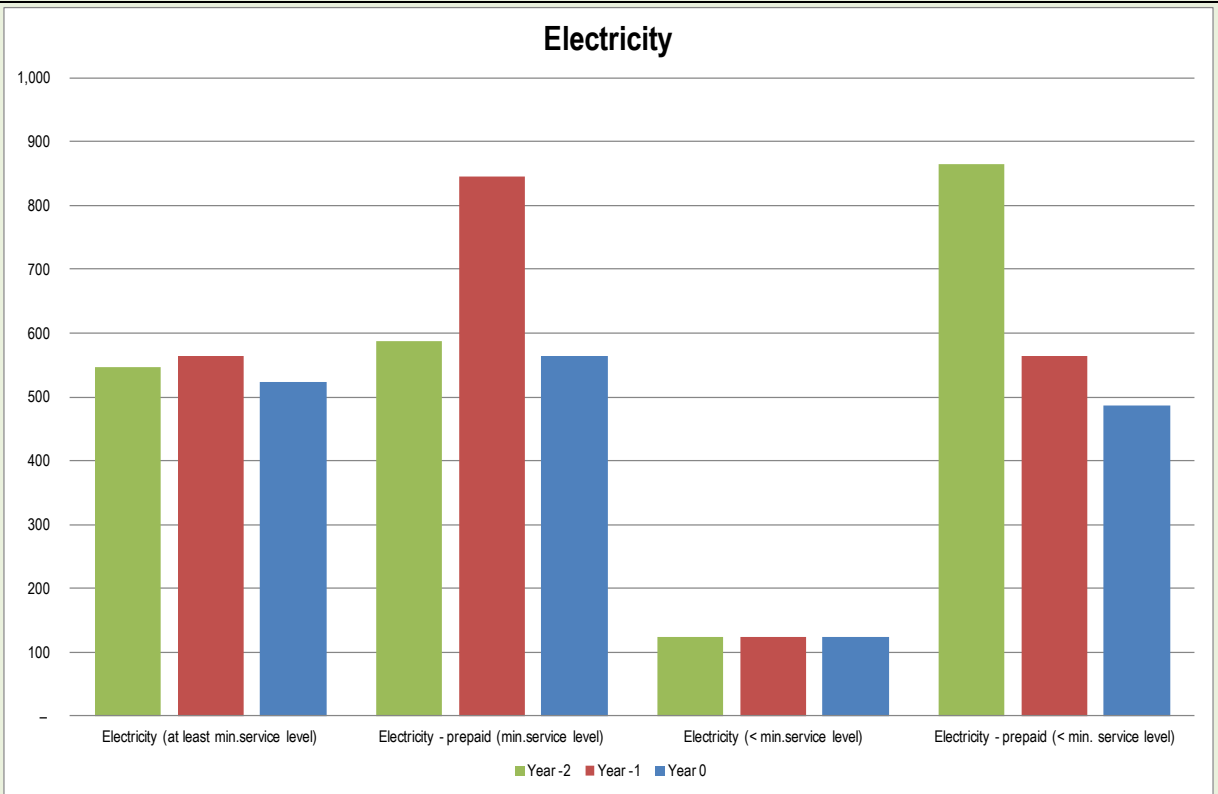
Electrical: The mission of the electrical department is to provide an effective electrical service to all the consumers of the municipality by ensuring that all networks are well maintained and that new projects are being completed to acceptable standards and within set time frames. The municipality must further ensure that all communities have access to this service.

Consumers in Mogalakwena Municipal area of jurisdiction are being supplied by two entities i.e. Mogalakwena Municipality electrical services department and Eskom. Services delivered by the electrical department in the municipal supply area are easily controllable whereas in the Eskom area of supply the municipality has little control or influence due to Eskom being a separate entity.

The majority of the rural areas are serviced by Eskom while the municipality has the license to serve Mokopane town and farming communities surrounding town. The municipality is serving a total area of approximately 2400km² and provides electricity to almost 11000 consumers including industrial, commercial, agricultural and residential consumers.

The municipality has got an intake capacity of 40MVA from Eskom and makes use of 8 major 33kV/11kV substations of which 4 are in Mokopane town and 4 are the farming areas surrounding town, to provide the electricity service to its consumers. The Eskom connection is in the process of being upgraded to 50MVA to ensure that enough capacity is available to provide electricity to the ever increasing demand.

Funding of electricity projects is a big challenge to the municipality as MIG and other grants are not catering for electrification projects. The demand for electrification of houses, specifically in the rural areas, are so big throughout the country that the funding provided through the INEP Grant is not sufficient to really make a difference on bringing down the ever increasing backlog.



T 3.3.2

Electricity Service Delivery Levels				
Description	Households			
	2018/2019	2019/2020	2020/2021	2021/2022
	Actual No.	Actual No.	Actual No.	
<u>Energy: (above minimum level)</u>				
Electricity (at least min.service level)	69004	72884	71 074	72 303
Electricity - prepaid (min.service level)	Included above	Included above	-	
<i>Minimum Service Level and Above sub-total</i>	69004	72884	71 074	72 303
<i>Minimum Service Level and Above Percentage</i>				
<u>Energy: (below minimum level)</u>				
Electricity (< min.service level)			-	
Electricity - prepaid (< min. service level)	500	515	515	515
Other energy sources	6309	6511	6 498	6 498
<i>Below Minimum Service Level sub-total</i>	9809	6511	7 013	7 013
<i>Below Minimum Service Level Percentage</i>				
Total number of households	75813	79395	78 087	

T3.3.3

Electricity Service Delivery levels below minimum

Households				
Description	2020/2021	2021/2022		
	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements				
Total households	79395	79395	N/A	79395
Households below minimum service level	6511	6511	N/A	6511
Proportion of households below minimum service level	8.2%	8.2%	N/A	8.2%
Informal Settlements				
Total households	N/A	N/A	N/A	N/A
Households ts below minimum service level	N/A	N/A	N/A	N/A
Proportion of households ts below minimum service level	N/A	N/A	N/A	N/A
T3.3.4				

Capital Expenditure 2021/2022 Electrical Services

R' 000				
Capital Projects	2020/2021			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Electrification of villages	R25 000 000	R25 000 000	R8 644 619,00	15 355 381

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

as per MIG DORA report June 2022

Electricity Objectives and Targets as Taken From IDP and SDBIP

IDP Objective	Performance Indicator	2019/2020		2020/2021		2021/2022	
		Target	Actual	Target	Actual	Target	Actual
		TO IMPROVE THE QUANTITY AND QUALITY OF MUNICIPAL INFRASTRUCTURE AND SERVICES	Total number of households provided with access to basic level of electricity by the municipality (Excluding Eskom) y.t.d.	684	684	666	0
	Percentage electricity loss	20%	20%	20%	25%	20%	24%
	Number of meter audit conducted	500	963	500	606	500	1591

Employees: Electricity Services					
Job Level	2020/21	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	4	2	2	33%
4 - 6	15	22	15	7	32%
7 - 9	3	3	3	0	0%
10 - 12	33	40	33	7	17%
13 - 15	7	8	7	1	12%
16 - 18	28	30	28	2	0.6%
19 - 20	0	0	0	0	0
Total	88	107	88	19	18%

Financial Performance 2021/2022: Electricity Services							
						R'000	
Details	2020/2021	2021/2022				Variance to Original Budget	Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue (excluding tariffs)	0	-7 081	-7 081	0	-100,00%	-100,00%	
Expenditure:							
Employees	44 078 841	38 750 032	34 647 347	35 913 305	-7,32%	3,65%	
Repairs and Maintenance	14 522 158	9 036 064	15 038 207	653 837	-92,76%	-95,65%	
Other	223 940 020	287 831 212	246 731 325	250 382 854	-13,01%	1,48%	
Total Operational Expenditure	282 541 019	335 617 308	296 416 879	286 949 995	-14,50%	-3,19%	
Net Operational (Service) Expenditure	282 541 019	335 610 227	296 409 798	286 949 995	-14,50%	-3,19%	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.3.7		

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

Waste is managed through pieces of legislation dealing with pollution and waste. The concept “pollution” incorporates the concept of waste. Section 24 of the constitution grants all South Africans “**the right to an environment that is not harmful to health and wellbeing**” and gives the state and municipalities the responsibility to prevent pollution and ecological degradation.

Section 28 of the Environmental Management Act imposes further responsibility on individuals to remedy environmental damage or take reasonable measures to prevent such pollution or degradation from occurring, continuing or recurring. Environmental Management: Waste Management Act, 2008 [Act No 59 of 2008] gives municipality the executive authority to deliver waste management services, including waste removal, waste storage and waste disposal services.

The Municipality owns two general landfill sites and are both licensed in terms of Environmental Conservation Act, 1989 (Act No. 73 of 1989). The Rebone Landfill site was classified as G: S: B- and receives only waste from Rebone Township which consists of 1500 households and local businesses. Mokopane Landfill site is located approximately 4 km south east of Mokopane CBD and was classified as G:M:B-. According to a study conducted by Worley Parsons the site operated until up the end of 2013 and has remaining airspace of 122 056 m³. The site receives 10 500 m of waste on a monthly basis from various sources such as domestic, commercial and industrial premises. The operation for both sites are done in-house with the available resources.

The number of households whose refuse is removed by local authority weekly has increased from 16.9% in Census 2001 to 26.8% in Census 2011, while those households whose refuse was removed less frequently than once a week declined from 0.8% to 0.4% during the reference period. The percentage of households depending on a communal refuse dump increased slightly from 1.1% to 1.3% between 2001 and 2011. There was a slight increase in the percentage of households that owned their own refuse dumps. Finally, there was a decrease in the proportion of households without any refuse disposal from 9.7% in Census 2001 to 7.7% in 2011. The table below shows the various waste disposal methods per households.

The Municipality has developed its own waste collection standards which are in line with the national norms and standards, and this has assisted in improving the refuse collection from both commercial and residential points.

Waste collection is done on a weekly basis from the township, RDP settlements, town and all the business and industrial premises. Residences of Mahwelereng, Extension 14 ,19 and Rebone have been given the 240l trolley bins for temporary storage of waste prior disposal, while the residences of Extension 20 use the 1750m³ bulk containers.

Waste collection services are also rendered in the peri-urban areas through the Expanded Public Works Programme wherein 100 beneficiaries have been employed for a period of 12 months.

The municipality has two permitted disposal sites and management is done in-house, namely: Potgietersrus and Rebone. Recycling is done by the private companies and community members while street cleaning services in the Central Business District (CBD) is done throughout the week by the municipal employees.

Solid Waste Service Delivery Levels				
Description	Households			
	2018/2019	2019/2020	2020/2021	2021/2022
	Actual No.	Actual No.	Actual No.	Actual No.
<i>Solid Waste Removal: (Minimum level)</i>				
Removed at least once a week	52 450	55463	16977	17486
<i>Minimum Service Level and Above sub-total</i>	52 450	55463	16977	17486
<i>Solid Waste Removal: (Below minimum level)</i>				
Removed less frequently than once a week	0	0	441	454
Using communal refuse dump	0	0	529	545
Using own refuse dump	0	0	43513	44818
Other rubbish disposal	0	0	61	63
No rubbish disposal	26 596		13 793	14207
<i>Below Minimum Service Level sub-total</i>	26 596		58 337	60 087
Proportion of households to below minimum service level	78 313	75 331	75 314	77 573

Waste Management Objectives and Targets as Taken From IDP and SDBIP

IDP Objective	Performance Indicator	2019/20		2020/21		2021/2022	
		Target	Actual	Target	Actual	Target	Actual
		TO IMPROVE THE QUANTITY AND QUALITY OF MUNICIPAL INFRASTRUCTURE AND SERVICES	Total number of households with access to basic level of solid waste removal	16488	16828	16488	17548

Employees : Solid Waste Management Services					
Job Level	2020/2021		2021/2022		
	Employees No	Posts No	Employees No	Vacancies(fulltime equivalents no)	Vacancies(as a % of total posts)%
0-3	1	1	1	0	
4-6	1	1	1	0	
7-9	5	7	5	2	
10-12	5	6	5	1	
13-15	1	1	1	0	
16-18	71	75	71	4	
Total	82	86	82	7	

Financial Performance 2021/2022: Solid Waste Management Services					
					R'000
Details	2020/2021	2021/2022			Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue (excluding tariffs)	0	-1	0	0	-
Expenditure:					
Employees	27 226	29 182 423	42 239 033	45 742 011	8,29%
Repairs and Maintenance	5 076	3 611 792	1 311 792	357 650	-72,74%
Other	8 791	13 128 410	8 729 327	2 685 011	-69,24%
Total Operational Expenditure	41 094	45 922 625	52 280 152	48 784 672	-6,69%
Net Operational (Service) Expenditure	41 094	45 922 624	52 280 152	48 784 672	-6,69%

3.5 HOUSING

The right to adequate housing is enshrined in the Constitution (Act 108 of 1996) and it states that everyone has the right to have access to adequate housing and that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realization of this right. Housing is the competency of National government. All housing challenges and programmes are governed by the Housing Act 1997 (Act No.107 of 1997). The Housing Act is the supreme housing law in the country, repealing all other housing legislation that came before it. The National Housing Code was developed in line with the Housing Act. According to the code, for the municipality to take part in the national housing programme it must firstly be accredited.

In accelerating service delivery of housing as a key strategy of poverty alleviation, CoGHTA allocated the MLM with 148 RDP units for the 2021/2022 financial year.

Employees: Housing Services					
Job Level	2020/21	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	2	1	1	50%
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	1	2	1	1	50%

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.

T3.5.4

Financial Performance 2021/2022: Housing Services						R'000
Details	2020/2021	2021/2022				Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Original Budget	
Total Operational Revenue (excluding tariffs)	0	-	-	-	0,00%	-
Expenditure:						
Employees	45 742 011	4 310 264	1 101 661	851 707	-80,24%	-22,69%
Repairs and Maintenance	357 650	-	-	-	0,00%	0,00%
Other	2 685 011	65 815	28 815	18 212	-72,33%	-36,80%
Total Operational Expenditure	48 784 672	4 376 079	1 130 476	869 919	-80,12%	-23,05%
Net Operational (Service) Expenditure	48 784 672	4 376 079	1 130 476	869 919	-80,12%	-23,05%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.5.5	

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic municipal services are services provided at no charge by the Government to poor households. The services are provided by municipalities and include a minimum amount of electricity, water, refuse and sanitation that is sufficient to cater for the basic needs of a poor household.

Free basic Electricity, Water, Refuse and Sewerage is allocated in accordance with provision of the MLM indigent's policy which clearly defines the qualifying categories. The municipality grants free 6kl of Water, 50kwh of electricity, 500m² of refuse and 500m² of sewerage.

The municipality has conducted an awareness campaign to identify and update the indigents register.

The municipality has spent the amount of R27 116 911, 92 in respect of assistance to and providing basic service levels to the indigents in 2021/2022 financial year.

The other results included the assistance in burying of the poorest of the poor. The price of the grave is R 818.32 and R584 .06 in Mokopane and Mahwelereng respectively and for the registered indigents is free of charge.

Free Objectives and Targets as Taken From IDP and SDBIP

IDP Objective	Performance Indicator	2019/2020		2020/2021		2021/2022	
		Target	Actual	Target	Actual	Target	Actual
		TO IMPROVE THE QUANTITY AND QUALITY OF MUNICIPAL INFRASTRUCTURE AND SERVICES	Number of formal households with access to waste collection	16488	16488	16488	17 548

COMPONENT B: ROAD TRANSPORT

3.7 ROADS

INTRODUCTION TO ROADS

MLM reviewed the implementation strategy for the roads and Stormwater projects. A PSP was appointed who developed the technical reports for all the villages outside the urban and peri-urban area. This will result in projects being registered for MIG funding prior to the implementation date. There is also a road master plan being developed.

The objective and main purpose of the road and storm water master plan is to first categorize and classify the roads, ensure that roads and storm water infrastructure development is aligned to the Mogalakwena municipal Spatial Development Framework to benefit the area economically in terms of absorbing the potential town growth due to mining companies that are about to settle within our borders to mine different mineral resources found in our area. To attract tourism, grow the economy and create opportunities for business initiatives for local people.

Mogalakwena has a total road distance of 6 357km of which only 12% or 787km are surfaced. However, most of the roads in the proclaimed towns are surfaced but are not necessarily in a good condition.

Funding for the upgrading of these roads is also important as maintaining a gravel road to an acceptable standard is very costly and of short duration.

Total Network: 1205 km.

- Gravel roads 470 km
- Internal Street Streets 135 km
- Tarred roads 600 km

Gravel Road Infrastructure				
	Kilometers			
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt	Gravel roads graded /maintained
2019/2020	640	124	645	640km
2020/2021	1 683,70	0	4.4	1054km
2021/2022	1 683,70	0	0	2 024km

Asphalted Road Infrastructure					
	Kilometers				
	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2019/2020	670	7	Resealing	0	Potholes
2020/2021	700	4.4	Resealing	0	Potholes
2021/2022	700	0		0	11894m2

Objectives and Targets as Taken From IDP and SDBIP

IDP Objective	Performance Indicator	2019/2020		2020/2021		2021/2022	
		Target	Actual	Target	Actual	Target	Actual
		TO IMPROVE THE QUANTITY AND QUALITY OF MUNICIPAL INFRASTRUCTURE AND SERVICES	Number of km's of gravel roads gravelled and bladed	300km	913km	450km	0km
Number of km's of gravel roads upgraded to tar	6.6km		0km	13km	2.9km	9.83km	0km
Number of road square meters patch	4000m2		1983m3	4000m3	3381.61km	4000m2	0m3

Financial Performance 2021/2022: Road Services						R'ooo
Details	2020/2021	2021/2022			Variance to Original Budget	Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue (excluding tariffs)	0	-	-	- 805,22	-	-
Expenditure:						
Employees	16 170 327	18 604 390	16 139 746	16 230 595	-12,76%	0,56%
Repairs and Maintenance	16 384 386	3 117 502	20 118 178	54 076 612	1634,61%	168,79%
Other	805 554	27 236 509	20 291 113	33 693 686	23,71%	66,05%
Total Operational Expenditure	33 360 268	48 958 401	56 549 037	104 000 892	112,43%	83,91%
Net Operational (Service) Expenditure	33 360 268	48 958 401	56 549 037	104 000 087	112,43%	83,91%
					T3.7.8	

Capital Expenditure: Road Services**R' 000**

Capital Projects	*2021/2022				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Mahwelereng Roads and Storm water	16 000 000	27 050 786	R23 347 785,81		
Mabuela roads and storm water	930 296	930 296	R801 936,38		
Molekane Roads and Storm Water	10 585 257	9 000 000	R2 082 024,00		

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The majority of the infrastructure development projects were not completed for both roads and Storm water.

T 3.7.10

3.8 LICENCING SERVICES

Licensing Services is responsible for the provision of driver learner testing centres, motor vehicle registration authority and vehicle testing services. The municipality currently manages and operates 1 licensing centres, which are responsible for the provision of registration and licensing of motor vehicles, testing of learner and driver licensing and renewal and testing of roadworthiness of vehicles.

The offering of licences is an essential service that enables our citizens to be employable. The Licensing Department is also ranking amongst the revenue generating centres. Efforts have also been primarily to protect this revenue against fraud and corruption.

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

The municipality has built a hawkers shelter within the town of Mokopane through MIG funds, which accommodates 44 hawkers. Tourists also visit the Arend Diepenar Museum and the Makapan Valley World Heritage site and schools within and outside Mogalakwena regularly visits these sites.

Physical Planning opportunities

- The municipality offers planning opportunities in terms of making land available for development and prides itself for implementing an integrated sustainable human settlement development.

3.8 PLANNING

<p>CORE FUNCTION</p>	<ol style="list-style-type: none"> 1. Proper control of Spatial Planning and Land Use Management in all areas within the Municipality Area.
<p>STRATEGIC OBJECTIVES</p>	<ol style="list-style-type: none"> 1. To develop a Spatial Development Framework in relation to the Provincial Spatial Rationale which will identify and earmark land for future development 2. To plan within the framework of the Spatial Development Framework proactively to ensure that proclaimed stands will be available in advance 3. To develop land use management strategy that will ensure orderly development to review the CBD and the Land Use Management Scheme boundaries (Urban Edge) and extend them in order to include the other developmental nodes within the Urban Edge (scheme area). 4. Facilitate the issues of upgrading the existing tenure rights in collaboration with the Communal Land Rights Act (CLARA). 5. To develop the Central Business Development (CBD) Plan and the review thereof. 6. Facilitate and encourage the formalization of rural areas, more specially the rural villages that are strategically positioned e.g. rural settlements in close proximity to the growth (nodal) points like ReboneTown, Bakenburg and MokopaneTown.

<p>SERVICES/FUNCTIONS OF THE SECTION</p>	<ol style="list-style-type: none"> 1. Facilitate the compilation of Spatial Planning (SDF) and Land Use Management Scheme (LUMS) and other Policies (Environmental Management Plan, CBD Development Plan, Densification Policy) 2. Integrate land activities within the Municipality with land issues of relevant parastatals/sector departments e.g. Land Affairs, etc. 3. Facilitate GIS Functions within the Municipality 4. Evaluation of all land use planning applications (i.e. Rezoning, Special Consent, subdivision/consolidation, Township establishment) within the area of jurisdiction of the Municipality. 5. Land use control (law enforcement) 6. Assisting with the approval of building plans 7. Attend to any other businesses in relation to spatial planning and land use management. 8. Reviewing the Town Planning Scheme and land Use Management Policies 9. Conducting sites investigation and inspection in loco in areas of the local Municipality, tribal areas (rural areas) included. 10. Providing advises to the community on a daily basis 11. Advise developers on development opportunities within the municipality
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Planning Objectives and Targets as Taken From IDP and SDBIP

IDP Objective	Performance Indicator	2019/2020		2020/2021		2021/2022	
		Target	Actual	Target	Actual	Target	Actual
		<i>Determine Planning Application Within A Reasonable Timescale</i>	Development and adoption of the credible IDP	Final and approved IDP	Final and approved IDP on the 30 th June 2020	Final and approved IDP	Final IDP adopted by council on the 30th of May 2021
Review of the Spatial Development Framework	Reviewed Spatial development framework		Spatial Development plan not reviewed	Reviewed Spatial development framework	Spatial Development plan not reviewed	Reviewed Spatial development framework	Spatial Development plan not reviewed

Employees: Planning Services					
Job Level	2020/2021	2021/2022			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1		0%
4 - 6	6	11	6	5	38%
7 - 9	1	1	1	0	0%
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	8	13	8	5	38%

Financial Performance 2021/2022: Planning Services						R'ooo	
Details	2020/2021	2021/2022				Variance to Original Budget	Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue (excluding tariffs)	0	-	-	-	-	-	
Expenditure:							
Employees	4 991 320	7 935 058	7 114 914	5 264 097	-33,66%	-26,01%	
Repairs and Maintenance	0	-	-	-	0,00%	0,00%	
Other	63624,51	1 678 435	1 013 662	60 420	-96,40%	-94,04%	
Total Operational Expenditure	5 054 944	9 613 493	8 128 576	5 324 517	-44,61%	-34,50%	
Net Operational (Service) Expenditure	5 054 944	9 613 493	8 128 576	5 324 517	-44,61%	-34,50%	
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.10.5		

3.9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Mogalakwena LED focuses on the identification of LED initiatives and regular monitoring of poverty alleviation projects and cooperatives initiated by the communities and other sector departments. The section also focuses on the development and implementation of the LED and Tourism Strategy as well as the implementation of the Community Works Programme in various municipal wards. The LED section also participates in the Makapan Valley World Heritage Site Management Committee, and the management of the Arend Diepenar Museum and the Municipal Information Office.

Economic Dev. Opportunities

Agriculture, mining, Tourism and manufacturing are prominent sectors in Mogalakwena municipality and can contribute significantly to the local economy as a source of livelihood and a profitable businesses for farmers, SMME's and cooperatives, ranging from emerging to commercial businesses. Tourists also visit the Game Breeding centre, Arend Diepenar Museum, the Makapan Valley World Heritage site and schools within and outside Mogalakwena regularly visits these sites.

Local Economic Development Objectives and Targets as Taken From IDP and SDBIP

IDP Objective	Performance Indicator	2019/20		2020/21		2021/2022	
		Target	Actual	Target	Actual	Target	Actual
TO IMPROVE THE QUANTITY AND QUALITY OF MUNICIPAL INFRASTRUCTURE AND SERVICES	Number of jobs created through LED initiatives	1300	445	500	63	200	103

Employees: Local Economic Development Services

Job Level	2020/2021	2021/2022			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	6	10	6	4	40%
7 - 9	2	3	2	1	33%
10 - 12	0	0	0	0	0%
13 - 15	3	4	3	1	33.3%
16 - 17	0	0	0	0	0%
Total	12	18	12	6	33%

Financial Performance 2021/2022: Local Economic Development						
Details	2020/2021	2021/2022			Variance to Original Budget	Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue (excluding tariffs)	0	-	-	-	-	-
Expenditure:						
Employees	4 614 979	4 464 291	4 618 532	4 559 458	2,13%	-1,28%
Repairs and Maintenance	0	-	-	-	0,00%	0,00%
Other	35057,54	170 727,00	160 727,00	57 227,96	-66,48%	-64,39%
Total Operational Expenditure	4 650 036	4 635 018	4 779 259	4 616 686	-0,40%	-3,40%
Net Operational (Service) Expenditure	4 650 036	4 635 018	4 779 259	4 616 686	-0,40%	-3,40%

COMPONENT D: COMMUNITY & SOCIAL SERVICES

3.10 LIBRARIES

INTRODUCTION TO LIBRARIES

The Municipality has one main library and four branch libraries which are; Mogalakwena, Mahwelereng, Bakenberg, Babirwa and Bakgoma. One branch library is based in a township and the other three branches are based in rural areas and were established to bridge the information rich against the information poor. Community members in rural areas do not have to travel long distances to access information in town but information is now within their reach.

Services provided in these libraries includes amongst others, reference service, current awareness service through daily newspapers and magazines, photocopy service, access to computers, learner support service, community information, etc.

There is however still a challenge in terms of providing access to information and communication technologies as some of these libraries are still using the manual system. As people become sophisticated in this information age, they expect the same level of sophistication from information service providers and libraries will be at risk of losing clients.

Employees : Libraries					
Job Level	2020/2021	2021/2022			
	Employees No	Posts No	Employees No	Vacancies(fulltime equivalents no)	Vacancies(as a % of total posts)%
0-3	1	1	1	0	0%
4-6	5	5	5	0	0%
7-9	3	14	3	11	78%
10-12	18	22	18	4	18%
13-15	0	0	0	0	0%
16-18	9	13	9	4	30%
Total	36	55	36	19	34%

Financial Performance 2021/2022: Libraries						R'000
Details	2020/2021	2021/2022				Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Original Budget	
Total Operational Revenue (excluding tariffs)	0	-			0,00%	0,00%
Expenditure:						
Employees	9 024 368	10 382 491	10 150 007	10 121 598	-2,51%	-0,28%
Repairs and Maintenance	852,86	418 434,00	273 434,00	23 719,00	-94,33%	-91,33%
Other	108 119	2 708 935	2 838 935	233 768	-91,37%	-91,77%
Total Operational Expenditure	9 133 340	13 509 860	13 262 376	10 379 086	-23,17%	-21,74%
Net Operational (Service) Expenditure	9 133 340	13 509 860	13 262 376	10 379 086	-23,17%	-21,74%

3.11 CEMETORIES AND CREMATORIIUMS

INTRODUCTION TO CEMETORIES & CREMATORIIUMS
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The municipality is rendering this service in proclaimed town and townships namely, Rebone, Acacia, Mokopane and Mahwelereng. The activities are:

- a] measuring and laying out of graves;
- b] Digging graves and opening graves by jackhammer;
- c] Filling of graves;
- d] Maintaining terrains;
- e] Developing new sites.

A wall of remembrance for the internment of ashes of cremated persons is rendered at Mokopane cemetery. Our priority is that graves should be available within 48 hours if not immediately. Some graves are prepared in advance to ensure that graves are readily available during disaster or industrial actions.

Poor and indigent people are catered for from an allocation on the budget meant for indigent and pauper burials. A new cemetery has been developed for the Mahwelereng community in Extension 17.

Employees : Cemeteries					
Job Level	2020/2021		2021/2022		
	Employees No	Posts No	Employees No	Vacancies(fulltime equivalents no)	Vacancies(as a % of total posts)%
0-3	1	1	1	0	0%
4-6	0	1	0	0	100%
7-9	6	8	6	2	20%
10-12	0	0	0	0	0%
13-15	6	43	6	37	86%
16-18	55	105	55	50	45%
Total	68	158	68	89	56%

Financial Performance 2021/2022: Cemeteries and Crematoriums						R'ooo
Details	2020/2021	2021/2022				Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Original Budget	
Total Operational Revenue (excluding tariffs)	0	-	-	-	-	-
Expenditure:						
Employees	6 088 593	9 282 841	5 820 186	5 820 143	-37,30%	0,00%
Repairs and Maintenance	0	300 000	50 000	50 000	-83,33%	0,00%
Other	7821390,68	919 614,00	669 614,00	49 391,08	-94,63%	-92,62%
Total Operational Expenditure	13 909 984	10 502 455	6 539 800	5 919 534	-43,64%	-9,48%
Net Operational (Service) Expenditure	13 909 984	10 502 455	6 539 800	5 919 534	-43,64%	-9,48%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.55.5

COMPONENT E: SECURITY AND SAFETY

INTRODUCTION TO SECURITY & SAFETY

The role and function of security division is to provide protection services to council properties, its personnel as well as members of the public visiting all municipal buildings.

- 3 x Private Security Companies were awarded tenders for a 2 year fixed period for an armed and un-armed physical security services to ensure the safety of all council employees and members of public visiting all municipal premises.

3.12 FIRE

INTRODUCTION TO FIRE SERVICES

The provision of fire services in MLM is funded by the Waterberg District Municipality and regulated through the Fire Brigade Services Act; 99 of 1987. The MLM renders services in 178 villages and 3 townships with 1 fire station. The main objectives of Fire Services are to:

- Prevent the outbreak or spread of fire.
- Fight and/or extinguish fire.
- Protect life or property against a fire or other threatening dangers.
- Rescue life or property from fire or other threatening dangers.
- Perform any other function connected with any of the matters referred to above.

To ensure that the municipality provides effective emergency services; the following services performed in accordance with the Fire Services Act:

- Fire rescue services
- Firefighting services
- Fire prevention duties
- Flammable liquid inspections
- Issuing of flammable liquid transport permits
- Humanitarian services
- 24 hours call centre duties

- Raising of fire awareness at schools
- Training of business staff members in fire fighting
- The handling and coordinating of disasters and disaster management.
- To save people's lives and property
- To prevent fires
- To minimize the effects of disasters

Fire Service Data					
	Details	2020/21	2021/2022		2022/23
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	214	250	230	250
2	Total of other incidents attended in the year	368	300	1268	500
3	Average turnout time - urban areas	10min	10min	10min	10min
4	Average turnout time - rural areas	20min	20min	20min	20min
5	Fire officers in post at year end	9	9	9	9
6	Total fire appliances at year end	6	6	6	6
7	Average number of appliance off the road during the year	2	2	2	2
					T3.66.2

Objectives and Targets as Taken From IDP and SDBIP

IDP Objective	Performance Indicator	2019/2020		2020/2021		2022/2023	
		Target	Actual	Target	Actual	Target	Actual
		<i>To reduce loss and damage to life and property</i>	Number of speed checks conducted year phased in by each quarter	120	141	80	73
	Number of fire inspections conducted	140	48	120	30	120	122

Employees: Fire brigade					
Job Level	2020/2021	2021/2022			
Police	Employee s	Post s	Employee s	Vacancies (fulltime equivalent s)	Vacancie s (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy					
Other Fire personnel					
0 - 3	1	1	1	0	0%
4 - 6	2	2	2	0	0%
7 - 9	7	7	7	0	0%
10 - 12	4	4	4	0	0%
13 - 15					
16 - 18					
19 - 20					
Total	14	14	14	0	0%

Financial Performance 2021/2022: Fire						R'ooo	
Details	2020/2021	2021/2022				Variance to Original Budget	Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual			
Total Operational Revenue (excluding tarrifs)	-145 085	-5 284	-5 284	-63 362	1099,12%	1099,12%	
Expenditure:							
Fire personnel	10 218 444	8 476 877	9 504 104	9 534 336	12,47%	0,32%	
Repairs and Maintenance	9204,68	155 288,00	104 317,00	4 533,62	-97,08%	-95,65%	
Other	749109,31	815 292	845 733	517 732	-36,50%	-38,78%	
Total Operational Expenditure	10 976 758	9 447 457	10 454 154	10 056 602	6,45%	-3,80%	
Net Operational (Service) Expenditure	10 831 673	9 442 173	10 448 870	9 993 240	5,84%	-4,36%	

COMPONENT H: SPORT AND RECREATION

3.13 SPORT AND RECREATION

The municipality maintains twelve community parks and one public swimming pool as well as a squash court.

There are five developed stadia: Mahwelereng, TT Cholo, Rebone, Bakenberg, Mokopane and the Mapela Sport facility.

The Sports node at Mahwelereng is also equipped with softball pitch, cross country Track, outdoor gymnasium and a licensed tartan athletics track.

The support to the less privileged community is structured around free public use of most facilities. The municipality has developed and approved the Sports Facility Utilisation Policy.

Employees: Sports				
Job Level	2020/2021	2021/2022		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.	No.
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	1	0
10 - 12	0	0	0	0
13 - 15	1	2	1	1
16 - 17	5	15	15	0
Total	11	18	17	1

Financial Performance 2021/2022: Sports						R'000
Details	2020/2021	2021/2022				Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Original Budget	
Total Operational Revenue (excluding tariffs)	-	-	-	-	-	-
Expenditure:						
Employees	5 024 564	9 734 637	4 991 136	5 076 100	-47,86%	1,70%
Repairs and Maintenance	28450	177 164,00	177 164,00	9 300,00	-94,75%	-94,75%
Other	69 178	4 530 469	4 470 469	12 472 677	175,31%	179,00%
Total Operational Expenditure	5 122 192	14 442 270	9 638 769	17 558 076	21,57%	82,16%
Net Operational (Service) Expenditure	5 122 192	14 442 270	9 638 769	17 558 076	21,57%	82,16%

Capital Expenditure: Sports					R' 000
Capital Projects	2021/2022				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Mapela Sports Stadium	R3 136 412	R3 136 412	R805 319,00	2 331 093	
Rebone Sports Stadium Outdoor Facility	R2 000 000	R2 000 000	R1 785 375,00	214 625	

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICE

3.14 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

ICT Division under Corporate Support Services provides Information and Communications Technology services to all departments of Mogalakwena Local Municipality.

Our services include hosting, maintenance and end-user support and for the following:

- Municipal Financial and Point-of-sale (PoS) system
- HR & Payroll
- Meter reading
- Fleet Management
- Internet and Email with Firewall, Anti-Virus and Intrusion Prevention
- Records Management
- Telecoms - Voice over Internet protocol (VoIP) PBX.
- Traffic Management System
- Town Planning: Geographic Information Systems (GIS)
- Prepaid Electricity and Water systems
- Library systems
- Council Secretariat ICT support
- Local and Wide Area Network Wireless and Fibre-optic support
- Backup systems
- ICT support for Service Delivery Areas (SDA's)

Mogalakwena Local Municipality has a dedicated team of 3 ICT officials.

We are challenged with having to maintain a user base over 200 users and are under constant pressure to keep all services running for maximum service delivery to our citizens. We can boast of having one of lowest down-times and contributively towards the Municipality having an unqualified audit.

Until now each of the above services have been as legacy technology on different hardware using extensive resources for maintenance.

Our way forward is towards Virtualised Hosting and using Open Source where feasible, which will lead to a massive reduction in hardware, operating systems costs and energy consumption, contributing to our commitment towards being Greenest Municipality in Limpopo and Nationally.

Employees: Information Technology				
Job Level	2020/2021	2021/2022		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.	No.
0 - 3	1	1	1	0
4 - 6	2	2	2	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 17	0	0	0	0
Total	3	3	3	0

Financial Performance 2021/2022: ICT Services						
						R'ooo
Details	2020/2021	2021/2022				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Original Budget	Variance to Adjusted Budget
Total Operational Revenue (excluding tariffs)	-	-	-	-	-	-
Expenditure:						
Employees	3 084 787	3 347 313	3 371 738	3 133 503	-6,39%	-7,07%
Repairs and Maintenance	6419,5	-	-	-	0,00%	0,00%
Other	133 213	2 147 535	3 380 083	411 883	-80,82%	-87,81%
Total Operational Expenditure	3 224 420	5 494 848	6 751 821	3 545 385	-35,48%	-47,49%
Net Operational (Service) Expenditure	3 224 420	5 494 848	6 751 821	3 545 385	-35,48%	-47,49%

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The main activity of the legal division is to provide appropriate legal services to the Institution, Mogalakwena Local Municipality, debt collection and manage the general overall compliance in the Municipality so as to meet the following objectives:

- Minimize unwarranted litigations
- Compliance with required legislations governing Municipalities
- Provide legal advice to different departments of the Municipality so as to enhance the fulfillment of the municipality's objectives.

One of the sources of the municipality's revenue is payment of basic services by consumers. In order for the Municipality to provide services to communities in an efficient and sustainable manner to consumers, customers should pay for the services they receive from the Municipality. There is a debt collection policy in place that regulates collection of debt from non-paying consumers.

In ensuring compliance, the legal division must ensure that appropriate legislations are adhered to. The division ensures that appropriate by-laws are developed in order to enable proper regulation of the area of Mogalakwena.

Employees: Legal Services				
Job Level	2020/2021	2021/2022		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)
	No.	No.	No.	No.
0 - 3	1	1	1	0%
4 - 6	2	2	2	0%
7 - 9	3	3	3	0%
10 - 12	0	0	0	0%
13 - 15	0	0	0	0%
16 - 17	0	0	0	0%
Total	6	6	6	0%

Financial Performance 2021/2022: Legal Services and Corporate Support						R'000
Details	2020/2021	2021/2022			Variance to Original Budget	Variance to Adjusted Budget
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue (excluding tariffs)	-570,09	- 4 559,00	- 4 559,00	- 2 013,10	-55,84%	-55,84%
Expenditure:						
Employees	14 112 899	7 014 137	13 724 192	13 060 052	86,20%	-4,84%
Repairs and Maintenance	-	2 491,00	2 491,00	-	-100,00%	-100,00%
Other	8 083 863	9 076 739	12 391 931	11 710 625	29,02%	-5,50%
Total Operational Expenditure	22 196 762	16 093 367	26 118 614	24 770 676	53,92%	-5,16%
Net Operational (Service) Expenditure	22 196 192	16 088 808	26 114 055	24 768 663	53,95%	-5,15%

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

There are no Capital Projects for the Legal Services Division, and the Budget for the Division is incorporated within the Corporate Services Budget.

COMPONENT G: ORGANISATIONAL PERFORMANCE SCORECARD

Please refer to Annexure E as the business scorecard of the Municipality that is based in the SDBIP for the financial year under review.

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

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Description	2020/2021	2021/2022		
	Employees no	Approved posts No	Employees no	Variances
Office of the Municipal Manager	21	35	21	13
Corporate Support Services	70	82	70	11
Finance	86	97	86	10
Electrical Services	86	113	86	26
Community Services	300	356	300	55
Traffic & Emergency Services	84	165	84	80
Developmental Services	24	59	24	34
Technical Services	220	532	220	310
	981	1333	981	539

Vacancy Rate 2021/2022			
Designations	Total Approved Posts	Vacancies	Variances
Municipal Manager	1	0	0%
CFO	1	1	100%
Other Section 56 managers	5	4	80%
Level 2 Managers	6	1	16%
Divisional Heads	32	6	18%
Total	40	12	30%

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

HR Policies and Plans			
	Name of Policy	Approved %	Not Approved
1	Affirmative Action		Yes
2	Scarce Skill and Retention Policy	Yes	
3	Code of Conduct for employees	Yes	
4	Disciplinary Code and Procedures	Yes	
5	Emergency plan		Yes
6	Employee Assistant Programme policy		Yes
7	Employment Equity policy	Yes	
8	Cellphone Policy	Yes	
9	Grievance Procedures	Yes	
10	HIV/Aids		Yes
11	Training policy		Yes
12	Information Technology	Yes	
13	Job Evaluation		No
14	Leave	Yes	
15	Occupational Health and Safety	Yes	
16	Personal and Protective Clothing Policy	Yes	
17	Substance Abuse Policy		Yes
18	Official transport to attend Funerals		Yes
19	Official Working Hours and Overtime	Yes	
20	Security of Council Vehicles		No
21	Sports and Recreation Policy		No
22	Performance Management and Development	Yes	
23	Recruitment, Selection and Appointments	Yes	
24	Remuneration Scales and Allowances	Yes	
25	Bursary Policy	Yes	
26	Sexual Harassment	Yes	
27	Training policy	Yes	
28	Smoking Policy	Yes	
29	Special Skills	Yes	

30	Travel and Car Allowance policy	Yes	
31	Compensation of Occupational Injury Disease	Yes	
32	Policy in respect of officials in Political Office	Yes	

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty July 2020–June 2022						
Type of injury	Number of injuries	Injury Leave Taken Days	Employees using injury leave No.	Average injury leave taken per employee %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	88	18	8	12%	10	R10200.00
Temporary total disablement	16	93	16	60%	8	R36000.81
Permanent disablement	0	0	0	0	0	0
Fatal	0	0	0	0	0	0
Total	114	111	14	72%	18	R46200.81

T4.3.1

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
Senior Management (Levels 1-2)	10	0	2	6	1,7	
Highly skilled supervision (Levels 3-5)	118	46	36	104	1,3	
Highly skilled production (levels 6-8)	1078	124	81	156	7	
Skilled (levels 9-12)	1752	849	247	351	5	
Lower Skilled (Levels 13-17)	2475	157	286	481	5	
MM	5	0	1	1	5	
Total	5438	1176	653	1099		

Cases of Misconduct and Period of Suspensions				
Name of Employee	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
RC Nkwana	Insubordinate	9 November 2021	The disciplinary hearing was scheduled as follows: First appearance: 20 May 2022, the plea agreement has been entered into by two parties.	
A Sibanda	Insubordinate, Dereliction of duty, gross insubordination	15 October 2021	He has been issued with extension of pre- cautionary suspension from 14 th January 2022 until 14 th April 2022. The matter was postponed, awaiting new date of hearing	
MD Molewa	<p>Contravention of section 217(1) of Act 108 of 1996</p> <p>Contravention of schedule 2 paragraph 2 of code conduct of the municipal employees in terms of Act 32 of 2000</p> <p>Contravention of paragraph 20(7) of the Supply Chain Management Policy 2017/18</p> <p>Contravention of Regulation 29 (1) (a) of Supply Chain</p>	13 April 2022	<p>The disciplinary hearing was scheduled as follows: 24 June 2022. The matter postponed signed by both parties.</p> <p>IMATU referred the matter to Bargaining council and the date for Arbitration is scheduled as follows: 17 October 2022</p> <p>Settlement agreement was signed between the parties (the</p>	

Cases of Misconduct and Period of Suspensions				
Name of Employee	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
	Management of 2017		suspension of the employees be uplifted with effect from 1 November 2022. Matter postponed to 1 and 2 February 2023	
TJ Masibe	<p>Contravention of section 217(1) of Act 108 of 1996</p> <p>Contravention of schedule 2 paragraph 2 of code conduct of the municipal employees in terms of Act 32 of 2000</p> <p>Contravention of paragraph 20(7) of the Supply Chain Management Policy 2017/18</p> <p>Contravention of Regulation 29 (1) (a) of Supply Chain Management of 2017</p>	13 April 2022	<p>The disciplinary hearing was scheduled as follows: 24 June 2022. The matter postponed signed by both parties.</p> <p>IMATU referred the matter to Bargaining council and the date for Arbitration is scheduled as follows:17 October 2022</p> <p>Settlement agreement was signed between the parties (the suspension of the employees be uplifted with effect from 1 November 2022. Matter postponed to 1 and 2 February 2023</p>	

Cases of Misconduct and Period of Suspensions				
Name of Employee	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
M Nkwana	<p>Contravention of section 217(1) of Act 108 of 1996</p> <p>Contravention of schedule 2 paragraph 2 of code conduct of the municipal employees in terms of Act 32 of 2000</p> <p>Contravention of paragraph 20(7) of the Supply Chain Management Policy 2017/18</p> <p>Contravention of Regulation 29 (1) (a) of Supply Chain Management of 2017</p>	13 April 2022	<p>The disciplinary hearing was scheduled as follows: 24 June 2022. The matter postponed signed by both parties.</p> <p>IMATU referred the matter to Bargaining council and the date for Arbitration is scheduled as follows:17 October 2022</p> <p>Settlement agreement was signed between the parties (the suspension of the employees be uplifted with effect from 1 November 2022. Matter postponed to 1 and 2 February 2023</p>	
A Hurn	<p>Contravention of section 217(1) of Act 108 of 1996</p> <p>Contravention of schedule 2 paragraph 2 of code conduct of the municipal employees in terms of Act 32 of 2000</p>	12 April 2022	<p>The disciplinary hearing was scheduled as follows: 24 June 2022. The matter postponed signed by both parties.</p> <p>IMATU referred the matter to Bargaining council</p>	

Cases of Misconduct and Period of Suspensions				
Name of Employee	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
	<p>Contravention of paragraph 20(7) of the Supply Chain Management Policy 2017/18</p> <p>Contravention of Regulation 29 (1) (a) of Supply Chain Management of 2017</p>		<p>and the date for Arbitration is scheduled as follows:17 October 2022</p> <p>Settlement agreement was signed between the parties (the suspension of the employees be uplifted with effect from 1 November 2022. Matter postponed to 1 and 2 February 2023</p>	
MJ Mashapo	<p>Contravention of section 217(1) of Act 108 of 1996</p> <p>Contravention of schedule 2 paragraph 2 of code conduct of the municipal employees in terms of Act 32 of 2000</p> <p>Contravention of paragraph 20(7) of the Supply Chain Management Policy 2017/18</p> <p>Contravention of Regulation 29 (1) (a) of Supply Chain Management of</p>	13 April 2022	<p>The disciplinary hearing was scheduled as follows: First appearance 24 June 2022.The matter was postponed signed by both parties.</p> <p>The next hearing date is 21 October 2022.Matter adjourned to the 23&24 November 2022.</p> <p>Matter postponed to 1 and 2 February 2023</p>	

Cases of Misconduct and Period of Suspensions				
Name of Employee	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
	2017			
MC Ngobeni	<p>Contravention of section 217(1) of Act 108 of 1996</p> <p>Contravention of schedule 2 paragraph 2 of code conduct of the municipal employees in terms of Act 32 of 2000</p> <p>Contravention of paragraph 20(7) of the Supply Chain Management Policy 2017/18</p> <p>Contravention of Regulation 29 (1) (a) of Supply Chain Management of 2017</p>	13 April 2022	<p>The disciplinary hearing was scheduled as follows: Firs appearance 24 June 2022.The matter was postponed signed by both parties.</p> <p>The next hearing date is 21 October 2022.Matter adjourned to the 23&24 November 2022.</p> <p>Matter postponed to 1 and 2 February 2023</p>	
KC Tsebe	<p>Contravention of section 217(1) of Act 108 of 1996</p> <p>Contravention of schedule 2 paragraph 2 of code conduct of the municipal employees in terms of Act 32 of 2000</p> <p>Contravention of paragraph 20(7) of the Supply Chain</p>	13 April 2022	<p>The disciplinary hearing was scheduled as follows: Firs appearance 24 June 2022.The matter was postponed signed by both parties.</p> <p>The next hearing date is 21 October 2022.Matter adjourned to the 23&24 November</p>	

Cases of Misconduct and Period of Suspensions				
Name of Employee	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
	<p>Management Policy 2017/18</p> <p>Contravention of Regulation 29 (1) (a) of Supply Chain Management of 2017</p>		<p>2022.</p> <p>Matter postponed to 1 and 2 February 2023</p>	
E Maseroke	<p>Contravention of schedule 2 paragraph 2 of the code conduct for the Municipal Staff Members</p> <p>Contravention of Municipal Supply Chain Management regulation section 13(1)(a)(b),29 (9)(d) and 34(7)</p> <p>Contravention of supply Chain Management Regulation section 11(1)(a)(b),38 (1)(9)(b) and 16(a)</p> <p>Contravention of the Constitution of the Republic of South Afrika,1996 section 217(1)</p>	13 June 2022	<p>The disciplinary hearing is schedule as follows: 15 August 2022. The matter was postponed to the 17 & 18 October 2022.</p> <p>The matter is postponed to 7 and 8 November 2022.The next hearing date is 26 and 27 January 2023</p>	
Mathibe B	<p>Contravention of schedule 2 paragraph 2 of the code conduct for the Municipal Staff Members</p>	8 September 2022	<p>The disciplinary hearing is scheduled as follows: 18 November 2022. Matter was</p>	

Cases of Misconduct and Period of Suspensions				
Name of Employee	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
	<p>Contravention of supply Chain Management Regulation</p> <p>Contravention of the Constitution of the Republic of South Afrika,1996 section 217(1)</p>		<p>postponed to 20 December 2022</p> <p>The next hearing is 9 and 10 February 2023</p>	
Phoko Elias	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Moloi Thabang	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Madiba Ally	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Nyamane Tukishi	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Moremi Mission	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Lefawane Mamathara	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30	

Cases of Misconduct and Period of Suspensions				
Name of Employee	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
			November 2022	
Ramaano Lethabo	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Mashamaite Mapula	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Setsepu Mojalefa	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Pheele Moses	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Kutumela lerato	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Thabo Mabotja	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Chipana Levycent	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Kekana General	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	

Cases of Misconduct and Period of Suspensions				
Name of Employee	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
			November 2022	
Kekana Sontaga	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Mokonyane Aggrineth	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Legodi John	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Mashamaite Samuel	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Molaba Solomon	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Teffo John	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Moeta MA	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Ramotshela Louw	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30	

Cases of Misconduct and Period of Suspensions				
Name of Employee	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
			November 2022	
Mohubedu AK	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Masalesa Johanna	Embarked on an illegal and unprotected strike	30 September 2022	The disciplinary hearing is scheduled as follows: 30 November 2022	
Sibanda KG	Dereliction of duty Gross insubordination	30 September 2022	Awaiting for the date of hearing	
JP Mashamaite	Absenteeism Abscondment	3 October 2022	Awaiting for the date of hearing	

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.4 SKILLS DEVELOPMENT AND TRAINING

The MLM has committed itself in enhancing skills development and overcoming skills gap. The municipality has approved the skills development framework and Workplace skills plan that provides continuous capacity building and stability. In this regard, the Workplace Skills Plan (WSP) as required by LGSETA, was used as a strategic blue print to guide and direct training activities within the departments with a view to addressing the core and critical skills.

The Workplace skills plan has provided the municipality with a critical quantitative and qualitative information that enable the MLM to:

- To determine skills requirements and priorities across the departments.
- To understand the skills profile and competencies of the municipality.
- To develop a picture of areas where there is a high demand for skills development.

The municipality has 41 employees ranging from Top Management, Middle Management and other staff member that attended a municipal finance management programme recommended by the National Treasury and SALGA. The programme forms part of the minimum competency requirement for Accounting officers, chief financial officers, senior managers, other financial officials and supply chain management officials of the municipalities.

Skills Development Expenditure

R'000

Management level	Gender	Employees as at the beginning of the financial year No.	Original Budget and Actual Expenditure on skills development 2021/22																	
			Training		Skills programmes & other short courses															
			Original Budget	Actual	Target No	Actual No														
Level 0-1	Female	1			2	0														
	Male	3				0														
Level 2-3	Female	8					10	1												
	Male	25						1												
Level 4-6	Female	29							15	1										
	Male	70								1										
Level 7-12	Female	89									13	1								
	Male	150										0								
Level 13-16	Female	30											11	0						
	Male	76												0						
Level 17	Female	71													15	0				
	Male	153														0				
Sub total	Female	228													11126.48	110 561	66	0		
	Male	477																0		
Total		900																	66	5

Implementation report: Municipal Regulations On Minimum Competency Level						
Description	A total number of officials employed by municipality(regulation 14(4)(a) and ©)	A total number of officials employed by municipal entity(regulation 14(4)(a) and ©)	Consolidated: Total of A and B	Consolidated Competency assessments completed for A and B (Regulation 14 (4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with regulation 16(Regulation 14(4)(f)).	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e)).
Financial officials						
Accounting officer	1	1	1	1	1	1
Chief Financial Officer	0	0	0	0	0	0
Senior Managers	0	0				0
Any other financial officials	1	1	1	1	1	1
Supply chain officials						
Head of supply chain management unit	0	0	0	0	0	0
Supply chain management managers	0	0	0	0	0	0

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

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

INTRODUCTION TO FINANCIAL STATEMENTS

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

The municipality compiled a cash-backed budget with the aim of providing water and sanitation, roads and storm water, refuse removal and electricity to 82 675 households. The IDP and budget identified projects that should be funded for implementation in the 2021/2022 MTREF. However, this budget, though cash-backed, posed a number of challenges because the revenue base has grown minimally in real terms.

As important as revenue and expenditure management is, it is just as important to collect revenue. Responsible spending is also important and is enforced to ensure that Mogalakwena continues providing services and paying its creditors and employees without relying on loans and interventions.

T 5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
R' 000						
Description	2020/21	Current year 2021/22			2021/22 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	81 765	87 309	87 309	88 001	1%	1%
Service charges	396 215	488 267	488 267	401 107	-18%	-18%
Investment revenue	4 196	8 359	3 034	2 827	-66%	-7%
Transfers recognised - operational	578 408	499 305	499 305	477 965	-4%	-4%
Other own revenue	71 362	68 838	68 838	89 188	30%	30%
Total Revenue (excluding Capital transfers & contributions)	1 131 946	1 152 078	1 146 753	1 059 088	-8%	-8%
Employee costs	378 688	390 861	356 567	342 593	-12%	-4%
Remuneration of councillors	23 976	25 103	19 951	14 851	-41%	-26%
Depreciation & asset impairment	135 047	94 906	78 906	-	-100%	-100%
Finance charges	-	686	686	-	-100%	-100%

Chapter 5

Materials and bulk purchases	259 546	325 943	292 637	218 040	-33%	-25%
Transfers and grants	110	1 201	508	135	-89%	-73%
Other expenditure	878 856	311 682	388 813	240 876	-23%	-38%
Total Expenditure	1 676 222	1 150 381	1 138 067	816 493	-29%	-28%
Surplus/(Deficit)	(544 277)	1 697	8 686	242 595		
Transfers recognised - capital	188 670	290 164	354 043	-	-100%	-100%
Contributions recognised - capital & contributed assets	-	-	-	-	-%	-%
Surplus/(Deficit) after capital transfers & contributions	(355 607)	291 860	362 729	242 595	-17%	-33%
Share of surplus/ (deficit) of associate						
Surplus/(Deficit) for the year	(355 607)	291 860	362 729	242 595	-17%	-33%
<u>Capital expenditure & funds sources</u>						
Capital expenditure						
Transfers recognised - capital	169 866	290 164	354 043	184 306	-36%	-48%
Public contributions and donations	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-

Chapter 5

Internally generated funds	44	626	9 952	1 162	-86%	-88%
Total sources of capital funds	169 910	290 790	363 995	185 468	-36%	-49%
<u>Financial position</u>						
Total current assets	521 660	885 489	885 489	522 558	-41%	-41%
Total non current assets	5 547 817	5 511 712	5 584 917	5 733 285	4%	3%
Total current liabilities	866 531	344 482	344 482	676 722	96%	96%
Total non current liabilities	128 248	103 139	103 139	128 248	24%	24%
Community wealth/Equity	5 208 385	5 657 720	5 660 057	5 426 839	-4%	-4%
<u>Cash flows</u>						
Net cash from (used) operating	416 938	781 436	684 251	351 278	-55%	-49%
Net cash from (used) investing	(151 843)	(268 228)	(290 790)	(191 892)	-28%	-34%
Net cash from (used) financing	-	-	-	-	-	-
Cash/cash equivalents at year end	301 008	528 551	408 804	232 411	-56%	-43%
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available				68 224		
Application of cash and investments						
Balance - surplus (shortfall)						

Chapter 5

Asset management					
Asset register summary (WDV)		6 442 990	6 471 781	4 726 376	
Depreciation and asset impairment	135 047	94 906	78 906	109 167 533	
Renewal of Existing Assets	-	-	-	-	
Repairs and Maintenance	50 619	44 789	55 458	46 012	
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1					T5.1.1

Chapter 5

Financial Performance of Operational Services						
R '000						
Description	2019/20	2020/21		2020/21 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	276 079	168 925	163 067	86 739	- 82 186	-76 327
Waste Water (Sanitation)	12 445	15 731	15 224	10 881	-4 850	-4 344
Electricity	296 061	347 551	315 807	261 378	-86 174	-54 429
Waste Management	75 380	49 659	49 435	41 728	-7 931	-7 707
Housing	1 327	4 583	1 317	848	-3 735	-469
Component A: sub-total	661 292	586 450	544 850	401 574	-184 876	-143 276
Waste Water (Stormwater Drainage)						
Roads	65 049	81 430	83 849	70 172	-11 258	-13 678
Transport						
Component B: sub-total	65 049	81 430	83 849	70 172	-11 258	-13 678
Planning						
Local Economic Development	31 195	42 247	38 453	31 337	-10 911	-7 117
Component B: sub-total	31 195	42 247	38 453	31 337	-10 911	-7 117
Planning (Strategic & Regulatory)						
Local Economic Development						
Component C: sub-total	-	-	-	-	-	-
Community & Social Services	36 284	37 316	30 486	22 371	-14 945	-8 114
Environmental Protection	-	-	-	-	-	-
-	-	-	-	-	-	-
Security and Safety	54 485	41 437	72 009	69 537	28 099	-2 472
Sport and Recreation	22 948	24 419	28 400	22 450	-1 970	-5 951
Corporate Policy Offices and Other	1 150	1 233	1 215	1 197	-36	-18
Component D: sub-total	78 584	67 090	101 624	93 184	26 094	-8 441

Total Expenditure	836 120	777 217	768 777	596 266	-180 951	-172 511
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In this table operational income (but not levies or tariffs) 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.

T5.1.2

5.2 GRANTS

Grant Performance						
R' 000						
Description	2020/21	2021/22			2021/22 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
-						
<u>Operating Transfers and Grants</u>						
National Government:	443 562	478 449	564 944	487 838	2%	-14%
Equitable share	554 269	483 337	483 337	478 637	-1%	-1%
Municipal Systems Improvement	-	-	-	-	-	-
Department of Water Affairs	-	-	-	-	-	-
Levy replacement	-	-	-	-	-	-
Other transfers/grants	8 574	11 528	11 528	-	-100%	-100%
Provincial Government:	-	-	-	-	-	-
Health subsidy	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Ambulance subsidy	-	-	-	-	-	-
-	-	-	-	-	-	-
Other transfers/grants [insert description]	-	-	-	-	-	-
District Municipality:	15 565	4 441	4 441	(672)	-115%	-115%
<i>WDM</i>	15 565	4 441	4 441	(672)	-115%	-115%

Other grant providers:	-	-	-	-	-	-
<i>[insert description]</i>	-	-	-	-	-	-
Total Operating Transfers and Grants	578 408	499 305	499 305	477 965	-4%	-4%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. T5.2.1

Grants Received From Sources Other Than Division of Revenue Act (DORA)						
Details of Donor	Actual Grant '07/08	Actual Grant '08/09	16/17 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
Private Sector / Organisations						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<i>Provide a comprehensive response to this schedule</i>						T5.2.3

5.3 ASSET MANAGEMENT

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2021/2022				
Asset 1				
Name	Mini Water Scheme 22			
Description	Phase 3 Boreholes			
Asset Type	Water Distribution			
Key Staff Involved	PMU (Technical Services)			
Staff Responsibilities	Project management, Administration and Reporting			
	2018/19	2019/20	2020/21	2021/22
Asset Value	0	0	3 67 571	50 328 187
Capital Implications	MIG			
Future Purpose of Asset	Water Resource Development			
Describe Key Issues	Water scheme - Boreholes			
Policies in Place to Manage Asset	Asset Management Policy			

Asset 2				
Name	Jakkalskuil Section A			
Description	Construction of Water Supply Infrastructure			
Asset Type	Water Distribution			
Key Staff Involved	PMU (Technical Services)			
Staff Responsibilities	Project management, Administration and Reporting			
	2018/19	2019/20	2020/21	2021/22
Asset Value	1 847 778	0	0	25 469 415
Capital Implications	MIG			

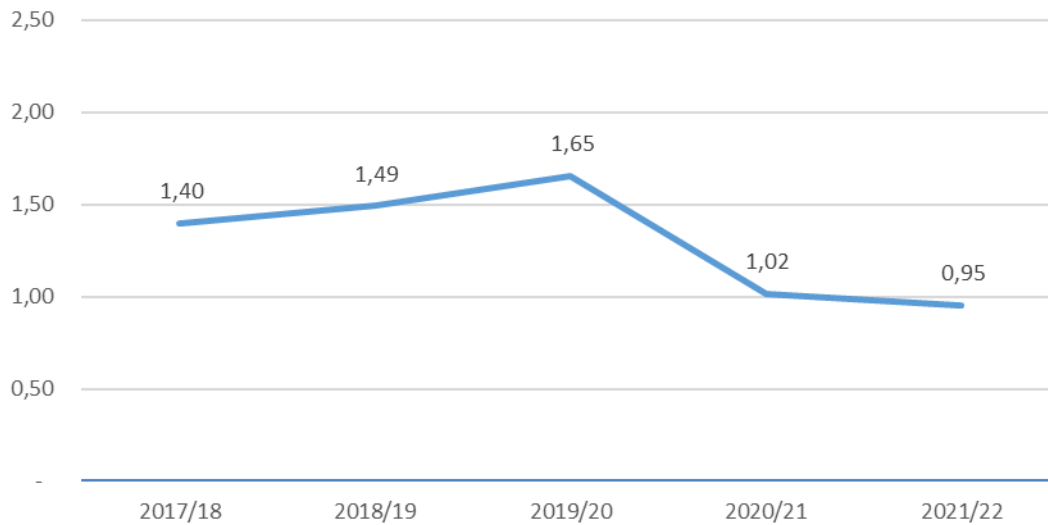
Future Purpose of Asset	Water Resource
Describe Key Issues	Construction of Water Resource
Policies in Place to Manage Asset	Asset Management Policy

Asset 3				
Name	Mahwelereng Roads & Stormwater			
Description	Construction of roads			
Asset Type	Road			
Key Staff Involved	PMU (Technical Services)			
Staff Responsibilities				
	2018/19	2019/20	2020/21	2021/22
Asset Value	0	2 878 902	12 098 571	23 027 439
Capital Implications	MIG			
Future Purpose of Asset	Roads & Stormwater			
Describe Key Issues	Building & Tarring roads			
Policies in Place to Manage Asset	Asset Management Policy			
T5.3.2				

Repair and Maintenance Expenditure 2021/22				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	44 879	55 458	46 012	(9 446)
T5.3.4				

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Liquidity Current Ratio



Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

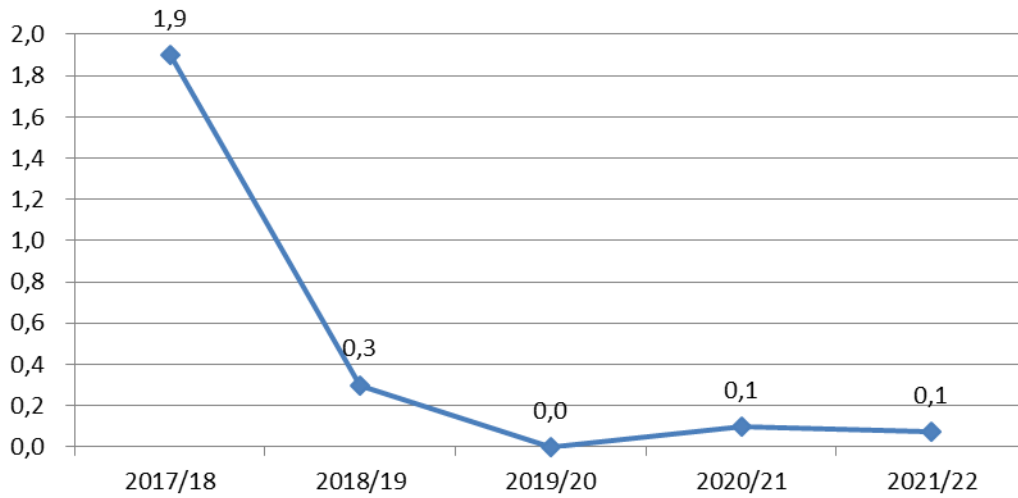
T5.4.1

Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

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

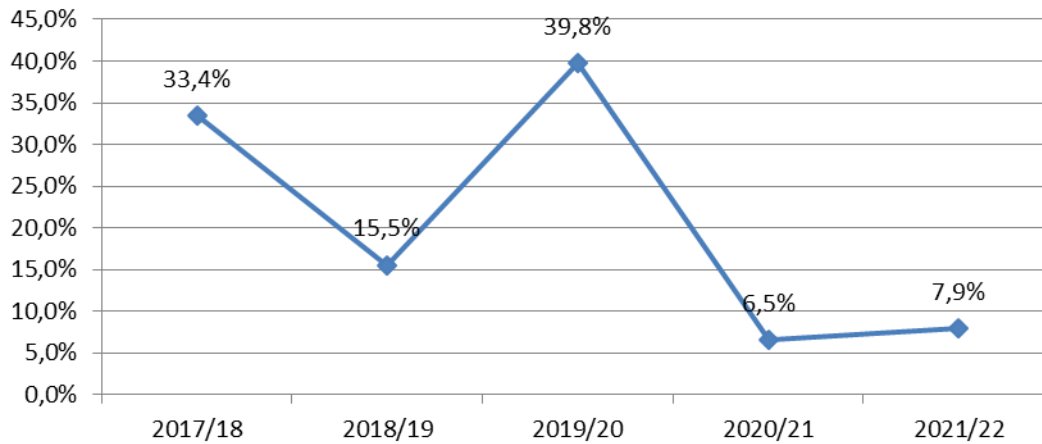
T5.4.2

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

Data used from MBRR SA8

T 5.4.2

Total Outstanding Debtors

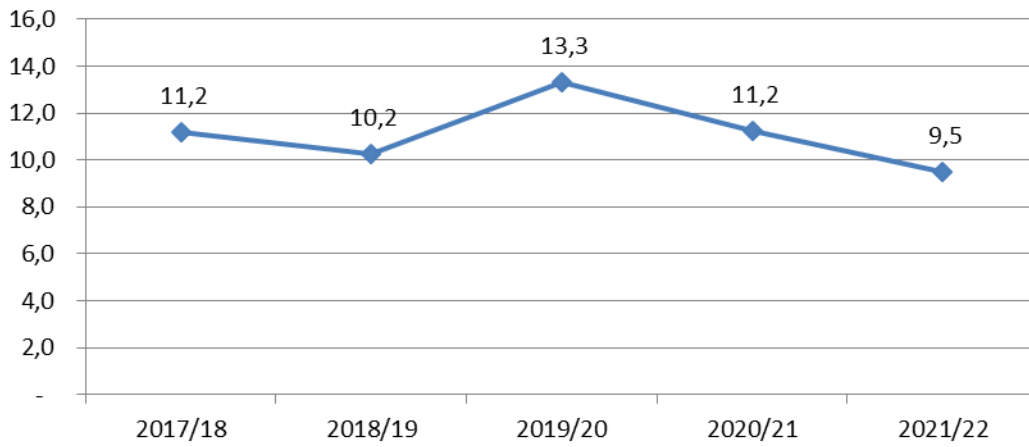


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better. Data used from MBRR SA8 T5.4.3

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

Debt Coverage



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

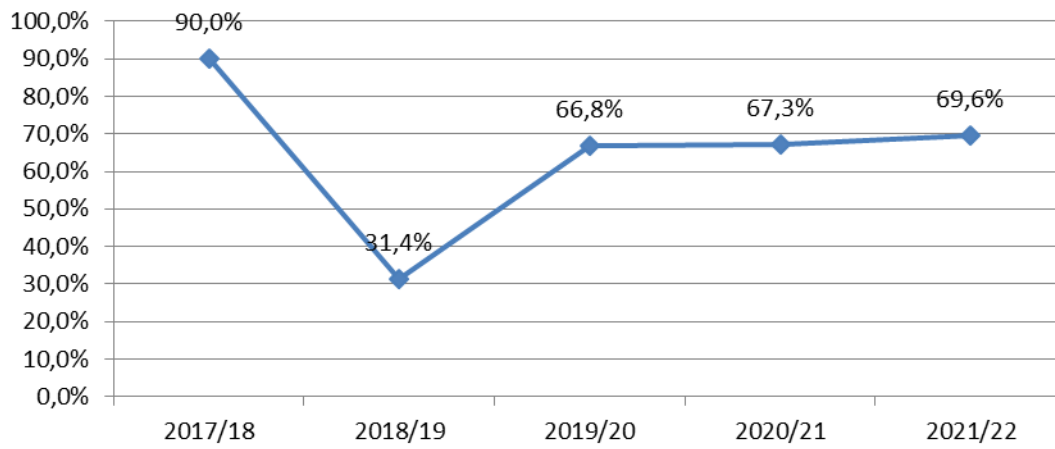
T5.4.4

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



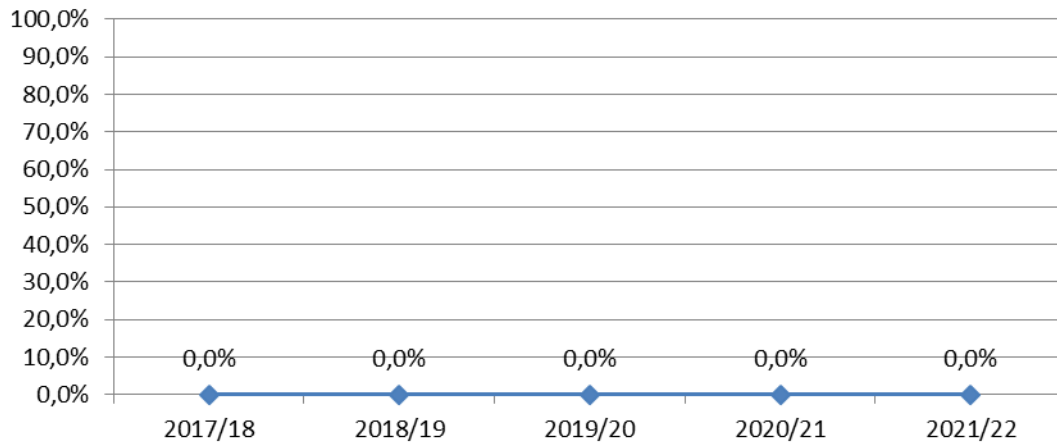
Creditor System Efficiency - The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T5.4.5

T 5.4.5

Capital Charges to Operating Expenditure



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

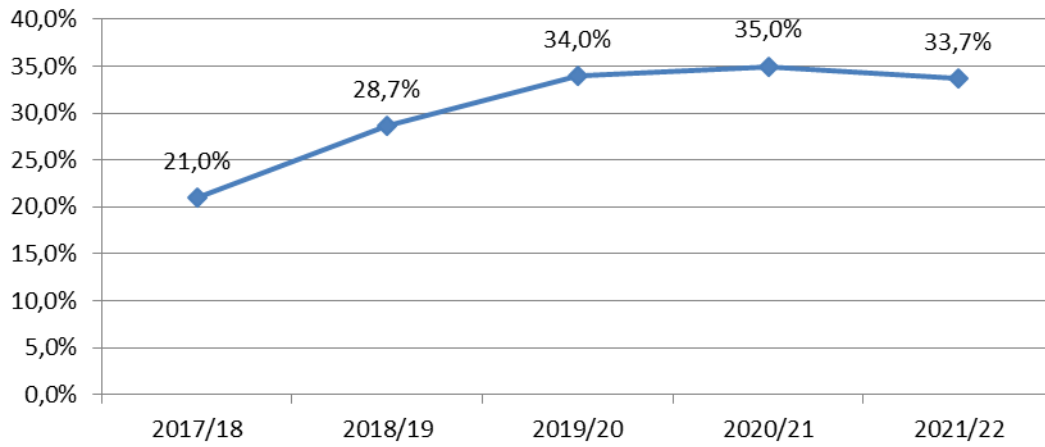
T5.4.7

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



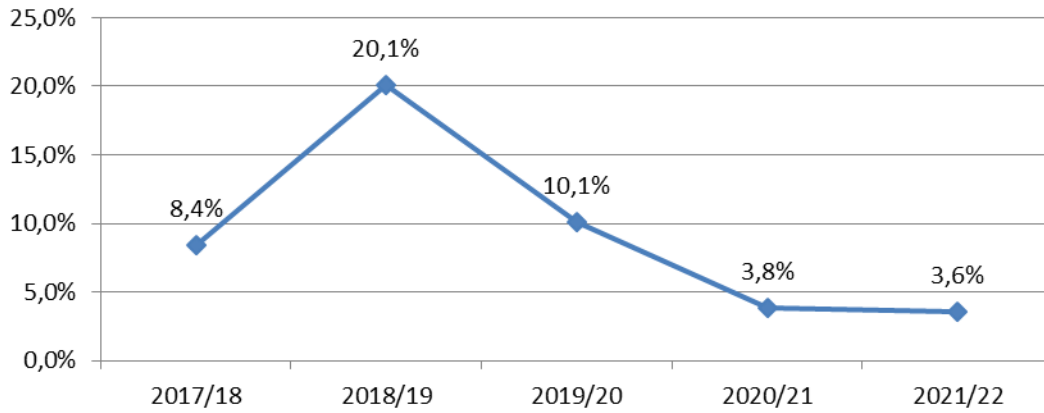
Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

T5.4.7

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



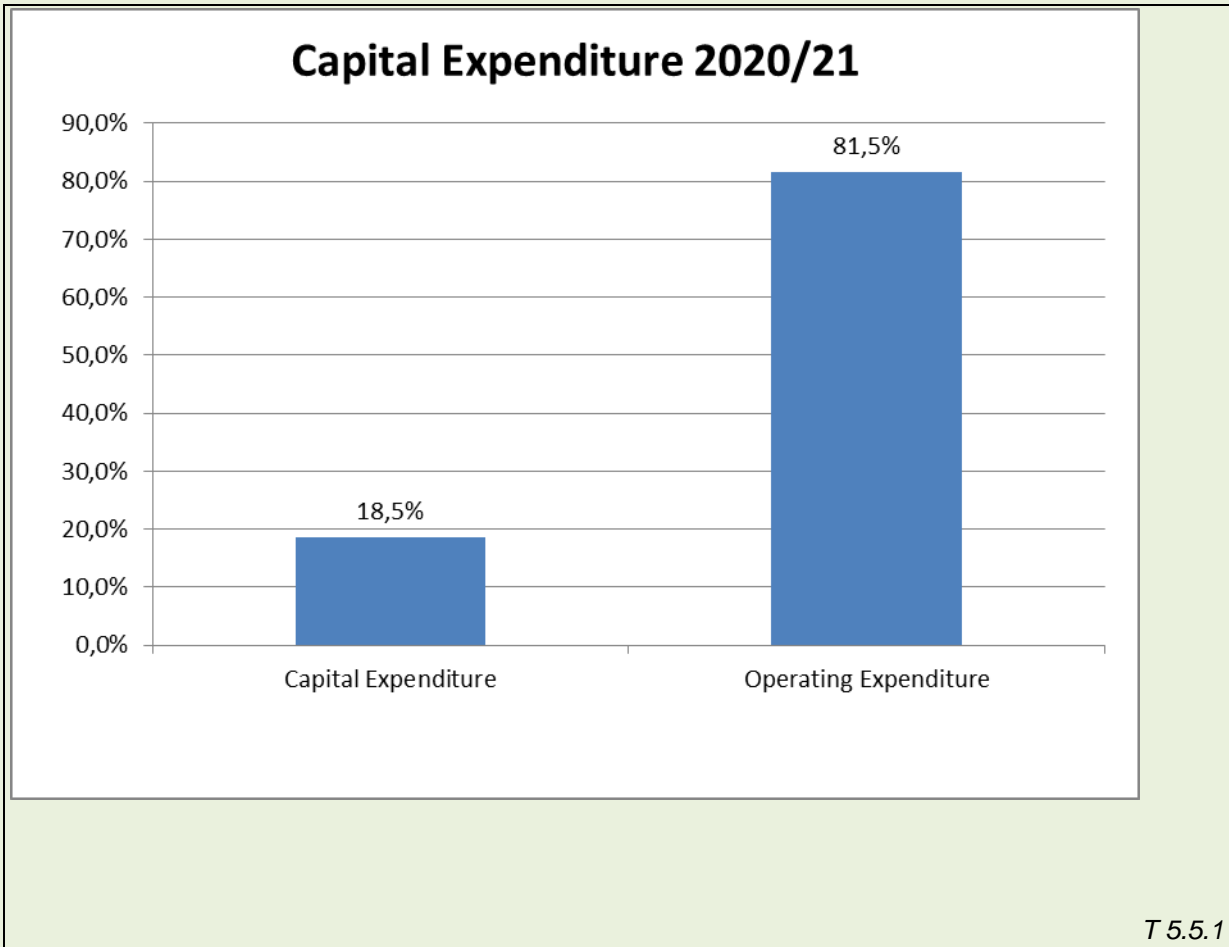
Repairs and Maintenance - This represents the portion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FINANCE

Capital expenditure - Funding Sources 2020/21 - 2021/22							
R '000							
Details		2020/21	2021/22				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External Loans	-	-	-	-	-	-
	Public contributions and donations	-	-	-	-	-	-
	Grants & subsidies	169 866	290 164	354 043	184 306	22%	-36%
	Other	44	626	9 952	1 162	1490%	86%
Total		169 910	290 790	363 995	185 468	25%	-36%
Percentage of finance							
	External Loans	0%	0%	0%	0%		
	Public contributions and donations	0%	0%	0%	0%		
	Grants & subsidies	100%	100%	97%	99%		
	Other	0%	0%	3%	1%		
Capital expenditure							
	Water and Sanitation	131 334	210 947	268 225	150 226	27%	-29%
	Electricity	15 735	31 653	38 579	9 764	22%	-69%
	Housing	-	-	-	-	-	-
	Roads and Stormwater	20 439	39 554	51 013	23 263	29%	-41%
	Other	2 402	8 636	6 179	2 215	-28%	-74%
Total		169 910	290 790	363 995	185 468	25%	-36%
Percentage of exepnditure							
	Water and Sanitation	77%	73%	74%	81%		
	Electricity	9%	11%	11%	5%		
	Housing	12%	14%	14%	13%		
	Roads and Stormwater	12%	14%	14%	13%		
	Other	1%	3%	2%	1%		
							T5.6.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital expenditure of 5 Largest Projects					
R'000					
Name of Project	Current Year			Variance Current year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment Variance (%)
A - MINI WATER SCHEME 22 PHASE 3A BOREHOLES	41 000 000.00	57 161 474.00	50 328 186.50	-23%	12%
B - JAKKALSKUIL SECTION A WATER DISTRIBUTION	40 284 635.00	40 443 995.00	25 469 415.36	37%	37%
C - MAHWELERENG ROADS & STORM WATER	16 000 000.00	27 050 786.00	23 027 438.81	-44%	15%
D - JAKKALSKUIL SECTION B WATER DISTRIBUTION	15 769 950.00	15 769 950.00	14 003 816.71	11%	11%
E - CONSTRUCTION OF MINI WATER SCHEME 25	-	11 357 541.00	9 705 104.51	0%	15%

The 5 biggest projects by approved budget in the municipality are Mini water scheme 22, Jakkalskuil Section A Water Distribution, Mahwelereng Roads and Stormwater, Jakkalskuil Section B Water Distribution and Construction of Mini Water Scheme 25. The Construction of Mini Water Scheme 25 was completed during the 2021/22 financial year and Mahwelereng Roads and Stormwater was near completion at June 2022.

The other projects are between 75% and 98% completion and are on course to be completed within the 2022/23 financial year.

T 5.7.1.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

There is a need to balance economic development needs with social investments needs. It is therefore important for the municipality to identify changes in basic services needs through natural population growth as well as through growth (or contraction) from migration. The service delivery patterns within the municipal area is influenced mainly by the maintenance requirements, indigent support as well as future infrastructure development.

T 5.8.1

Service Backlogs as at 30 June 2022				
Households (HHs)				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	70344	85%	12331	15%
Sanitation	42911	52%	39764	48%
Electricity	72691	88%	9984	12%
Waste management	32305	39%	50370	61%
Housing		%		%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				T5.8.2

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash management includes all activities that the municipality operates for maximum availability of funds and the optimal rate in investment in securities, within the framework of laws and procedures. Financial planning is an important part of program management. The municipality receives money for services and functions exactly here starts the concept of management of money. It ends when the money distributed to creditors. The objective of cash management is to ensure the availability of sufficient funds to meet the needs of the municipality with a minimum cost. Financial planning should be an integral part of the overall process of the municipal budgeting process. Without a plan the municipality cannot create a long-term vision for the timely realization of receipts and payments and in this way cannot effectively provide money or investment optimally.

T 5.9

5.9 CASH FLOW

Cash Flow Outcomes				
Description	2020/21	Budget Year 2021/22		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
R'000				
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	54 167	65 482	65 482	76 968
Service charges	344 393	427 936	427 936	441 414
Other revenue	364 233	27 880	27 880	558 018
Transfers and Subsidies - Operational	944	486 579	486 579	3 242
Transfers and Subsidies - Capital	171 183	298 449	298 449	233 074
Interest	735	16 719	16 719	2 120
Dividends	-	-	-	-
Payments				
Suppliers and employees	(518 717)	(540 922)	(638 108)	(963 558)
Finance charges	-	(686)	(686)	-
Transfers and Grants	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	416 938	781 436	684 251	351 278
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	-
Decrease (increase) in non-current receivables	4 509	22 561	-	(6 424)
Decrease (increase) in non-current investments	-	-	-	-
Payments				
Capital assets	(156 351)	(290 790)	(290 790)	(185 468)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(151 843)	(268 228)	(290 790)	(191 892)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-
Payments				
Repayment of borrowing	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	265 095	513 208	393 461	159 385
Cash/cash equivalents at beginning:	35 913	15 343	15 343	73 025
Cash/cash equivalents at month/year end:	301 008	528 551	408 804	232 411
				T5.9.1

COMMENT ON CASH FLOW OUTCOMES:

The Statement of *Cash Flows* (or *Cash Flow Statement*) shows the movement in the cash account of the municipality. It presents cash inflows (receipts) and outflows (payments) in the three activities of the municipality: operating, investing, and financing. The municipality follows the accrual basis in measuring income and expenses.

Through analysis of the municipality's cash flow statement, it can be noted that the municipality is not generating sufficient actual cash in order to meet its expenditure obligations. Cash and cash equivalents at the end of the period increased from 30 June 2019 to 30 June 2020.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Municipal investments are management in accordance with the Municipal Finance Management Act (Act 56 of 2003), the Municipal Investment Regulations as well as council's Cash Management and Investment Policy. Great care is taken to ensure that invested funds are safeguarded at all times. The municipality invests its own surplus funds not readily needed for service delivery as well as grant funds not yet utilised.

The municipality has no borrowings and there are no plans to secure borrowings in the near future.

T 5.10.1

Actual Borrowings 2020/21- 2021/22			
	R' 000		
Instrument	2019/20	2020/21	2021/22
Municipality			
Long-Term Loans (annuity/reducing balance)	0	0	0
Long-Term Loans (non-annuity)	0	0	0
Local registered stock	0	0	0
Instalment Credit	0	0	0
Financial Leases	0	0	0
PPP liabilities	0	0	0
Finance Granted By Cap Equipment Supplier	0	0	0
Marketable Bonds	0	0	0

Non-Marketable Bonds	0	0	0
Bankers Acceptances	0	0	0
Financial derivatives	0	0	0
Other Securities	0	0	0
Municipality Total	0	0	0
Municipal Entities			
Long-Term Loans (annuity/reducing balance)	0	0	0
Long-Term Loans (non-annuity)	0	0	0
Local registered stock	0	0	0
Instalment Credit	0	0	0
Financial Leases	0	0	0
PPP liabilities	0	0	0
Finance Granted By Cap Equipment Supplier	0	0	0
Marketable Bonds	0	0	0
Non-Marketable Bonds	0	0	0
Bankers Acceptances	0	0	0
Financial derivatives	0	0	0
Other Securities	0	0	0
Entities Total	0	0	0
			T5.10.2

Municipal and Entity Investments			
			R' 000
Investment* type	2019/20	2020/21	2021/22
	Actual	Actual	Actual
Municipality			
Securities - National Government	–	–	–
Listed Corporate Bonds	–	–	–

Deposits - Bank	26 513	56 212	66 455
Deposits - Public Investment Commissioners	–	–	–
Deposits - Corporation for Public Deposits	–	–	–
Bankers Acceptance Certificates	–	–	–
Negotiable Certificates of Deposit - Banks	–	–	–
Guaranteed Endowment Policies (sinking)	–	–	–
Repurchase Agreements - Banks	–	–	–
Municipal Bonds	–	–	–
Other	–	–	–
Municipality sub-total	26 513	56 212	66 455
<u>Municipal Entities</u>			
Securities - National Government	–	–	–
Listed Corporate Bonds	–	–	–
Deposits - Bank	–	–	–
Deposits - Public Investment Commissioners	–	–	–
Deposits - Corporation for Public Deposits	–	–	–
Bankers Acceptance Certificates	–	–	–
Negotiable Certificates of Deposit - Banks	–	–	–
Guaranteed Endowment Policies (sinking)	–	–	–
Repurchase Agreements - Banks	–	–	–
Other	–	–	–
Entities sub-total	–	–	–
Consolidated total:	26 513	56 212	66 455
			T5.10.4

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

Mogalakwena municipality has not entered into any Public Private Partnerships.

T 5.11.1

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Progress is made in the developing and implementing of policies and practices in compliance with the guidelines as set down by the SCM Regulations 2005.

No councilors are members of any committee handling Supply Chain processes. With regards to competency requirements per MFMA Competency Regulation Guidelines, all six supply Chain management officials attended competency courses. Issues around procurement and contract management were raised by Auditor General, which will be addressed by way of action plan in 2022/23 financial year.

T 5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

Municipality is fully GRAP compliant, with no deviations from applicable standards. New standards are applied as and when they become effective.

T 5.13.1

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Report of the auditor-general to Limpopo Provincial Legislature and the council of Mogalakwena Local Municipality

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

QUALIFIED OPINION

1. I have audited the financial statements of the Mogalakwena Local Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, **except for the effects** of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Mogalakwena Local Municipality as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa (Act No. 04 of 2020) (DoRA).

BASIS FOR QUALIFIED OPINION

PROPERTY, PLANT AND EQUIPMENT

3. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for property, plant and equipment for an amount of R 747 655 281 (2021: R 208 179 403) I was unable to confirm the restatement by alternative means. There is also a resultant impact on the surplus and accumulated surplus
4. I was unable to obtain sufficient appropriate audit evidence for journals processed against property, plant and equipment amounting to R 281 553 425 (2021: R 174 357 111) as the municipality did not provide the underlying supporting documents. I could not confirm these journals by alternative means. Consequently, I was unable to determine whether

any adjustment to property, plant and equipment stated at R4 014 325 335 (2021: R4 304 869 052) in the financial statements was necessary.

5. During 2021, I was unable to obtain sufficient appropriate audit evidence for the disposal of property, plant and equipment amounting to R 209 680 954 as the municipality did not provide the underlying supporting documents. I could not confirm these balance by alternative means. My audit opinion for the period ended 30 June 2021 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures. There is also a resultant impact on the accumulated surplus.
6. The municipality did not adequately assess impairment of property, plant and equipment in accordance with GRAP 21 and GRAP 26, Impairment of non-cash-generating assets and impairment of cash generating assets respectively. Consequently, property plant and equipment stated at R4 014 325 335 (2021: R4 304 869 052) in the financial statements is understated.
7. During 2021, Property, plant and equipment was materially misstated by R 30 676 987 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:
 - Movable asset stated at R 374 647 389 was overstated by R12 650 450.
 - Work in progress opening balance Oversaturated by R12 174 303
 - Movable asset understated by R5 852 234
8. The municipality did not assign unique identifying codes for infrastructure assets nor did it unbundle assets in the asset register. As a result, I was unable to obtain sufficient appropriate audit evidence relating to the existence and completeness of community, electrical, land and building and water assets. Consequently, I was unable to determine whether any further adjustments were necessary to completed assets stated at R 4 014 223 728 (2021: R 4 304 869 682) in note 4 to the financial statements. I was unable to verify these by alternative means.
9. During 2021, I identified water assets that were recorded in the asset register but could not be verified. I was unable to obtain sufficient appropriate evidence for water assets included property, plant and equipment. Consequently I was unable to determine whether any adjustment was necessary to Property, plant and equipment. My audit opinion on the financial statements for the period ended 30 June 2021 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the property, plant and equipment for the current period.

10. During 2021, The municipality did not have adequate systems in place to maintain records of property, plant and equipment in accordance with GRAP 17, Property, plant and equipment. I identified land and water assets amounting to R 336 616 029 belonging to the municipality that was not included in the underlying accounting records and financial statements. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures. There is also a resultant impact on the accumulated surplus.
11. I identified differences between the depreciation in the asset register and the depreciation according to my re-computations based on the variables in the asset records. Consequently property, plant and equipment stated at R4 057 487 496 is understated by R126 907 270. This has an impact on the deficit for the period.
12. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for depreciation and amortisation. As described in note 30 to the financial statements, the restatement was made to rectify a previous year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the accounts depreciation and amortisation corresponding figure stated at R104 240 157 in the financial statements.

INVESTMENT PROPERTIES

13. Investment properties was materially misstated by R15 335 878 due to the cumulative effect of individually immaterial uncorrected misstatements:
 - Investment properties stated at R140 751 656 was overstated by R11 918 731.
 - Investment properties limitation of scope of R1 932 367
 - Overstatement of investment property as a result of incorrect classification by R1 484 780

IMPAIRMENT PROVISION

14. During 2021, I have identified differences of R 19 500 133 between the provision of impairment as per the annual financial statement and provision of impairment as per my re-computations based on the variables in the current year impairment methodology. Consequently, My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures. This has a consequential impact on receivable.

INVENTORY

15. The municipality did not recognise land inventory in accordance with GRAP 12 Inventories, I identified land inventory in the accounting records that was valued at zero amounts. Consequently, land inventory is understated. I was not able to determine the full extent of the understatement as it was impracticable to do so. There is a resultant impact on the surplus and accumulated surplus.

PAYABLES

16. During 2021, I was unable to obtain sufficient appropriate audit evidence for the reconciling item amounting to R117 687 025 with debit balance reducing Payable for exchange transactions as the municipality did not provide the underlying supporting documents. In the year under I could confirm an amount of R 97 391 457 I could therefore not confirm the balance of R 20 295 477 by alternative means. My audit opinion for the period ended 30 June 2022 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

17. Payables are materially misstated by R14 770 698 due to the cumulative effect of individually immaterial uncorrected misstatements:

- Control and clearing account not sufficiently supported resulting in a limitation of R 11 303 039.
- Expenditure incorrectly classified as payable of R3 467 659

LEAVE ACCRUAL

18. The municipality's leave accrual from employee leave days was incorrectly calculated as it included the days forfeited by employees, which constitutes a departure from GRAP 19, Provisions, Contingent Liabilities and Contingent Assets. Consequently, leave accrual from customers was overstated by R19 609 477.

CONSUMER DEPOSIT

19. I was unable to obtain sufficient appropriate audit evidence that consumer deposits for the current and previous year had been properly accounted for, due to the status of the accounting records. I was unable to confirm the consumer deposits by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to consumer deposits stated at R28 084 279 (2021: R24 409 306) in the financial statements.

20. The municipality did not recognise consumer deposits, as required by GRAP 104, Financial instruments. Properties were identified for which service charges were billed and there are no consumer deposits. I was unable to determine the full extent of the

understatement of consumer deposits, stated at R28 084 279(2021: R24 409 306) in note 17. There was a resultant impact on the surplus for the period and on the accumulated surplus.

NON DISTRIBUTABLE RESERVES

21. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for non-distributable reserves. As disclosed in the statement of financial statements, the restatement was made to rectify a previous year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the non-distributable reserves corresponding figure stated at R352 528 353 in the financial statements.

REVENUE

22. The municipality did not recognise service charges revenue, as required by GRAP 9, Revenue from exchange transactions. Properties were identified for which service charges were not billed and recorded. I was unable to determine the full extent of the understatement of service charges, stated at R416 148 339 in note 19 to the financial statements, and related receivable from exchange transactions, stated at R103 899 788 in note 9 to the financial statements, as it was impracticable to do so. There was a resultant impact on the surplus for the period and on the accumulated surplus.

23. The municipality did not recognise all amounts that meets the definition of a revenue in accordance with GRAP 1, Presentation of financial statements. The municipality did not account for revenue relating to service charge amounting to R30 057 689 (2021: R34 835 495). Consequently, Revenue from exchange transaction is understated by the same amounts.

EXPENDITURE

24. During 2021, I was unable to obtain sufficient appropriate audit evidence for contracted services and to confirm the expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to contracted services stated at R107 981 062. My audit opinion on the financial statements for the period ended 30 June 2021 was modified accordingly. My opinion on the current year financial statements was also modified because of the possible effect of this matter on the comparability of the contracted services for the current period.

25. Included in repairs and maintenance stated at R60 151 831, is an amount of R20 887 124 relating to repairs and maintenance for prior year. Consequently, repairs and maintenance are overstated by R20 887 124, and comparative figures understated by R20 887 124.

26. Included in contracted services stated at R137 823 730, is an amount of R44 559 707 relating to contracted services for prior year. Consequently, contracted services are overstated by R44 559 707, and comparative figures understated by R44 559 707.

UNAUTHORISED EXPENDITURE

27. The municipality incorrectly calculated unauthorised expenditure in note 51 to the financial statements. I identified differences of R163 044 287 between unauthorised expenditure of R3 866 112 592 in note 51 and my re-computation of R156 264 326. Consequently, unauthorised expenditure is overstated by R163 044 287

PRIOR PERIOD ERROR

28. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figures in note 47, the restatement was made to rectify previous year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment were necessary as prior period adjustments to the corresponding figure stated in note 47 in the financial statements.

CONTEXT FOR THE OPINION

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

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

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

EMPHASIS OF MATTER PARAGRAPHS

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

RESTATEMENT OF COMPARATIVE FIGURES

33. As disclosed in note 47 to the financial statements, the corresponding figures for 30 June 2021 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2022.

MATERIAL LOSSES- ELECTRICITY

34. As disclosed in note 34 to the financial statements, material electricity losses of R43 659 086 (2020-2021: R46 737 398) was incurred, which represents 24% (2020-2021: 25%) of total electricity purchased. Distribution losses relating to electricity is due to illegal connection.

Other matter paragraphs

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

UNAUDITED SUPPLEMENTARY SCHEDULES

36. The supplementary schedule set out on pages xx to xx does not form part of the financial statement and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

UNAUDITED DISCLOSURE NOTES

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

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

40. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
41. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor’s report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

42. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
43. My procedures address the usefulness and reliability of the reported performance information, which must be based on the Municipality’s approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the Municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
44. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development priorities presented in the Municipality’s annual performance report for the year ended 30 June 2022:

Development priorities	Pages in the annual performance report
KPA 2 - Basic Service Delivery and Infrastructure Development	x – x

45. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

46. The material findings on the reliability of the performance information of the selected development priorities are as follows:

KEY PERFORMANCE AREA (KPA) 2 – BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Length of km of roads tarred

47. The achievement of 2,9 KM roads tarred was reported against target 9,83 km roads tarred in the annual performance report. However, the supporting evidence provided materially differed from the reported achievement. The supporting evidence provided did not agree to the reported achievement and indicated an achievement of 2,9 KM of roads paved which materially differed from the reported achievement.

Performance Indicator (APP&APR)	Planned Target 2021/22	Actual Achievement (APR 2021/22)	Actual achievement as per auditor's physical Verification
Length of km of roads tarred	9,83 km roads tarred	2,9km roads tarred	2,9 km roads paved

Number of cubic meter of storm water drainage maintained

48. I was unable to confirm that all actual performance achievements that should have been recorded were included in the reported performance information. This was due to the lack of accurate and complete records. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to these reported achievements.

Key Performance Indicator	Annual target	Actual Performance as per APR
Number of cubic meter of storm water drainage maintained	950m ³	0

OTHER MATTERS

49. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

50. Refer to the annual performance report on pages xxx to xx for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs xxx to xxx of this report.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

51. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 2: Basic service delivery and infrastructure development. As management subsequently corrected only some of the misstatements, I raised material findings on the reliability of the reported performance information. Those that were not corrected are reported above.

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

52. Included below are material findings on compliance with selected specific requirements of applicable legislation, as set out in the general notice issued in terms of the PAA.

ASSET MANAGEMENT

53. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

54. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.

55. Capital assets were sold, transferred and/or permanently disposed of that were needed to provide the minimum level of basic municipal service, in contravention of section 14(1) of the MFMA.

56. Capital assets were disposed of without the municipal council having, in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services and considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by section 14(2)(a) and 14(2)(b) of the MFMA.

REVENUE MANAGEMENT

57. An adequate management, accounting and information system which accounts for revenue debtors / receipt of revenue was not in place, as required by section 64(2)(e) of the MFMA.
58. An effective system of internal control for debtors / revenue was not in place, as required by section 64(2)(f) / of the MFMA.
59. Revenue due to the municipality /was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

EXPENDITURE MANAGEMENT

60. An adequate management, accounting and information system was not in place which recognised expenditure when it was incurred / Correctly classifying expenditure/Accuracy/accounted for creditors / accounted for payments made, as required by section 65(2)(b) of the MFMA.
61. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R319 308 613, as disclosed in note 51 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.
62. Reasonable steps were not taken to prevent irregular expenditure amounting to R234 757 662 as disclosed in note 53 to the annual financial statements, as required by section 62(1)(d) of the MFMA.
63. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R6 833 440, as disclosed in note 52 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

Annual Financial Statements, performance and annual report

64. 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. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and/or the supporting records could not be provided subsequently, which resulted in the financial statements receiving an qualified audit opinion.

CONSEQUENCE MANAGEMENT

65. Unauthorised expenditure incurred by the municipality was investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
66. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA and municipal budget and reporting regulations 75(1).

67. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA and municipal budget and reporting regulations 75(1).

PROCUREMENT AND CONTRACT MANAGEMENT

68. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM Regulation 13(c). Similar non-compliance was also reported in the prior year.
69. Some of the contracts were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, in contravention of SCM Regulation 43.
70. Some of the construction contracts were awarded to contractors that were not registered with the CIDB or did not qualify for the contract in accordance with section 18(1) of the CIDB Act and CIDB Regulations 17 and 25(7A).
71. Some of the invitation to tender for procurement of commodities designated for local content and production, did not stipulated the minimum threshold for local production and content as required by the 2017 Preferential Procurement Regulation 8(2). Similar non-compliance was also reported in the prior year.
72. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

OTHER INFORMATION

73. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in the auditor's report.
74. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on thereon.
75. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development priorities presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

76. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

77. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

SUMMARY

78. Management did not prepare regular accurate and complete financial and performance reports that are supported and evidenced by reliable supporting documents.

79. The municipality developed an action plan to address internal and external audit findings, however the action plan did not ensure that root causes that resulted in material findings are resolved

80. The municipality did not review and monitor compliance with legislation. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.

MATERIAL IRREGULARITIES

81. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.

MATERIAL IRREGULARITIES IDENTIFIED DURING THE AUDIT

82. The material irregularities identified are as follows:

MATERIAL IRREGULARITIES IN PROGRESS

83. I identified material irregularities during the audit and notified the accounting officer of these, as required by material irregularity regulation 3(2). By the date of this auditor's report, the responses of the accounting officer was not yet due. These material irregularities will be included in the next year's auditor's report.

PAYMENT FOR WORK NOT DONE

84. The accounting officer was notified of the material irregularity on 14 December 2019 and the following actions were taken to resolve the material irregularity:

- The accounting officer instituted a preliminary investigation into the matter on 12 February 2020. The preliminary investigation revealed that two officials were directly involved. The municipality issued letters of suspensions in May 2020 for the duration of the investigation.
- In light of the seriousness of the matter the accounting officer appointed a service provider to conduct a formal investigation. The investigation into the matter was conducted over a period of three months from June to August 2020. The investigation confirmed that a financial loss had indeed occurred and confirmed the identified officials as responsible. The investigation recommended that the officials be charged with act of misconduct.
- A disciplinary hearing was planned in March for the one official but there was a delay that was caused by the resignation of the accounting officer in March 2021. One official's disciplinary action was held on the 18th May 2021 whilst the other official took early retirement in January 2021. As the officials are no longer in the employment of the municipality the disciplinary proceedings were withdrawn. Attorneys were appointed on the 15 February 2021 for the recoveries of the money from the supplier. There is intention to recover the monies from the retired employee if unable to recoup it from the supplier.
- Court summons were issued the 08 November 2022 in the high court Polokwane where the municipality is lodging a claim of recovery. The summons were delivered to the defendants.
- As at the reporting date, the case is still with Polokwane high court awaiting trial date.

85. I will follow up on the implementation of the planned actions during my next audit.

OTHER REPORTS

86. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

87. The Special Investigations Unit is currently investigating irregular supplier appointments and non-compliance with supply chain management regulations within the Municipality in line with proclamation R180.

Polokwane

15 December 2022



GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	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.
Activities	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> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	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.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	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.
Basic municipal service	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.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	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.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.

Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	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.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	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".
Outputs	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.
Performance Indicator	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)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	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.

Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	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.
Vote:	<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 – DISCLOSURES OF FINANCIAL INTEREST

Disclosures of Financial Interests		
Period 1 July 2021 to 30 June 2022		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	None	None
Member of MayCo / Exco	None	None
Councillor	Langa MJ	Mothoshi Corporations 100%
Municipal Manager	None	None
Acting Chief Financial Officer	None	None
Deputy MM and (Executive) Directors	None	None
Other S57 Officials	None	None
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR		
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APPENDICES

APPENDIX B: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX B (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		558 706	492 716	487 391	71	482 084	487 391	(5 307)	-1,1%	487 391
Vote 02 - Corporate Support Services		1 933	5 308	5 317	493	4 366	5 317	(951)	-17,9%	5 317
Vote 03 - Budget And Treasury		102 728	109 015	109 006	10 196	109 761	109 006	754	0,7%	109 006
Vote 04 - Planning And Development		164	210	210	23	141	210	(69)	-32,9%	210
Vote 05 - Technical Services		323 604	451 383	515 262	13 884	151 286	515 262	(363 976)	-70,6%	515 262
Vote 06 - Community Services		23 492	25 586	25 586	2 071	30 041	25 586	4 456	17,4%	25 586
Vote 07 - Traffic And Security		26 951	19 145	19 145	2 134	11 639	19 145	(7 506)	-39,2%	19 145
Vote 08 - Electrical Services		283 038	338 879	338 879	28 509	269 771	338 879	(69 109)	-20,4%	338 879
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 320 615	1 442 241	1 500 796	57 381	1 059 088	1 500 796	(441 708)	-29,4%	1 500 796

APPENDIX B (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		81 765	87 309	87 309	7 366	88 001	87 309	692	1%	87 309
Service charges - electricity revenue		265 059	313 962	313 962	28 525	269 864	313 962	(44 098)	-14%	313 962
Service charges - water revenue		94 463	136 116	136 116	8 745	92 147	136 116	(43 968)	-32%	136 116
Service charges - sanitation revenue		18 787	19 572	19 572	1 577	20 275	19 572	703	4%	19 572
Service charges - refuse revenue		17 905	18 618	18 618	1 524	18 822	18 618	204	1%	18 618
Rental of facilities and equipment		1 569	1 837	1 837	144	1 455	1 837	(382)	-21%	1 837
Interest earned - external investments		4 196	8 359	3 034	68	2 827	3 034	(207)	-7%	3 034
Interest earned - outstanding debtors		55 248	44 659	44 659	6 080	63 712	44 659	19 054	43%	44 659
Dividends received		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		811	3 629	3 629	(16)	150	3 629	(3 479)	-96%	3 629
Licences and permits		10 685	1 777	1 777	3	226	1 777	(1 551)	-87%	1 777
Agency services		-	9 443	9 443	2 126	12 199	9 443	2 756	29%	9 443
Transfers and subsidies		578 408	499 305	499 305	-	477 965	499 305	(21 340)	-4%	499 305
Other revenue		2 671	4 005	4 005	216	7 471	4 005	3 465	87%	4 005
Gains		378	3 487	3 487	1 021	3 974	3 487	487	14%	3 487
Total Revenue (excluding capital transfers and contributions)		1 131 946	1 152 078	1 146 753	57 381	1 059 088	1 146 753	(87 665)	-8%	1 146 753

APPENDICES

APPENDIX C: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
-										
Operating Transfers and Grants										
National Government:		562 843	494 865	494 865	-	478 637	494 865	(16 228)	-3,3%	494 865
Equitable Share		554 269	483 337	483 337	-	478 637	483 337	(4 700)	-1,0%	483 337
Expanded Public Works Programme Integrated Grant		-	1 292	1 292	-	-	1 292	(1 292)	-100,0%	1 292
Local Government Financial Management Grant		1 700	1 950	1 950	-	-	1 950	(1 950)	-100,0%	1 950
Municipal Disaster Relief Grant		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]		-	-	-	-	-	-	-		-
District Municipality:		15 565	4 441	4 441	-	(672)	4 441	(5 113)	-115,1%	4 441
Public Safety		-	-	-	-	-	-	-		-
Specify (Add grant description)		15 565	4 441	4 441	-	(672)	4 441	(5 113)	-115,1%	4 441
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	578 408	499 305	499 305	-	477 965	499 305	(21 340)	-4,3%	499 305
Capital Transfers and Grants										
National Government:		188 670	290 164	354 043	-	-	354 043	(354 043)	-100,0%	354 043
Integrated National Electrification Programme Grant		18 042	25 000	25 000	-	-	25 000	(25 000)	-100,0%	25 000
Municipal Disaster Relief Grant		-	-	-	-	-	-	-		-

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Municipal Infrastructure Grant		89 233	157 425	214 370	-	-	214 370	(214 370)	-100,0%	214 370
Regional Bulk Infrastructure Grant		44 478	70 739	70 739	-	-	70 739	(70 739)	-100,0%	70 739
Water Services Infrastructure Grant		36 916	37 000	43 934	-	-	43 934	(43 934)	-100,0%	43 934
Provincial Government:		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
District Municipality:		-	-	-	-	-	-	-		-
<i>Public Safety</i>		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
<i>[insert description]</i>								-		
<i>Environmental Commissioner</i>		-	-	-	-	-	-	-		-
<i>Housing Development Agency</i>		-	-	-	-	-	-	-		-
<i>Mining Companies</i>		-	-	-	-	-	-	-		-
<i>Private Enterprises</i>		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	188 670	290 164	354 043	-	-	354 043	(354 043)	-100,0%	354 043
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	767 078	789 469	853 348	-	477 965	853 348	(375 383)	-44,0%	853 348

References

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APPENDIX D: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX D (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
-		167	281	356	41	182	356	173	48,8%	356
Infrastructure		508	528	264	436	368	264	896		264
Roads Infrastructure		18	38	50	1	23	50		54,0%	50
<i>Roads</i>		994	928	387	961	183	387	27 204		387
<i>Road Structures</i>		6	10	14		1	14		87,1%	14
<i>Road Furniture</i>		396	585	287		842	287	12 445		287
<i>Capital Spares</i>		12	28	36	1	21	36	14 759	40,9%	36
Storm water Infrastructure		1								
<i>Drainage Collection</i>		445								
<i>Storm water Conveyance</i>		1								
<i>Attenuation</i>		445								
Electrical Infrastructure		15	31	37		8	37		76,2%	37
<i>Power Plants</i>		735	653	653		959	653	28 694		653
<i>HV Substations</i>										
<i>HV Switching Station</i>										
<i>HV Transmission Conductors</i>										
<i>MV Substations</i>										
<i>MV Switching Stations</i>										
<i>MV Networks</i>										
<i>LV Networks</i>		15	31	37		8	37		76,2%	37
		735	653	653		959	653	28 694		653

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Capital Spares	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	130 044	210 947	245 604	34 929	138 225	245 604	107 378	43,7%	245 604	
Dams and Weirs										
Boreholes	35 579	79 923	70 784	18 696	55 422	70 784	15 361	21,7%	70 784	
Reservoirs	45 051	70 739	407	-	407	407	0	0,0%	407	
Pump Stations	996 1	-	-	-	-	-	-			
Water Treatment Works	596	-	003	479	638	003	24 365	65,8%	37 003	
Bulk Mains	857 45	-	-	-	-	-	-			
Distribution	782	60 285	137 411	12 755	69 759	137 411	67 652	49,2%	137 411	
Distribution Points	183	-	-	-	-	-	-			
PRV Stations	-	-	-	-	-	-	-			
Capital Spares	-	-	-	-	-	-	-			
Sanitation Infrastructure	1 290	-	22 621	4 546	12 001	22 621	10 620	46,9%	22 621	
Pump Station										
Reticulation										
Waste Water Treatment Works	1 290	-	22 621	4 546	12 001	22 621	10 620	46,9%	22 621	
Outfall Sewers										
Toilet Facilities	-	-	-	-	-	-	-			
Capital Spares	-	-	-	-	-	-	-			
Solid Waste Infrastructure	-	-	-	-	-	-	-			
Landfill Sites	-	-	-	-	-	-	-			
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points	-	-	-	-	-	-	-			
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure	-	-	-	-	-	-	-			
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										

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Storm water Conveyance							-		
Attenuation							-		
MV Substations							-		
LV Networks							-		
Capital Spares							-		
Coastal Infrastructure	-	-	-	-	-	-	-		-
Sand Pumps							-		
Piers							-		
Revetments							-		
Promenades							-		
Capital Spares							-		
Information and Communication Infrastructure	-	-	-	-	-	-	-		-
Data Centres							-		
Core Layers							-		
Distribution Layers	-	-	-	-	-	-	-		-
Capital Spares							-		
Community Assets	290	636	739	-	253	739	2 486	52,5%	739
Community Facilities	-	8	1	-	-	1	1 000	100,0%	1 000
Halls							-		
Centres	-	2	1	-	-	1	1 000	100,0%	1 000
Crèches							-		
Clinics/Care Centres							-		
Fire/Ambulance Stations							-		
Testing Stations							-		
Museums							-		
Galleries							-		
Theatres							-		
Libraries							-		
Cemeteries/Crematoria	-	6	-	-	-	-	-		-
Police							-		
Parks							-		
Public Open Space							-		
Nature Reserves							-		

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Public Ablution Facilities							-		
Markets							-		
Stalls							-		
Abattoirs							-		
Airports							-		
Taxi Ranks/Bus Terminals							-		
Capital Spares							-		
	2		3		2	3		39,7%	3
Sport and Recreation Facilities	290	-	739	-	253	739	1 486		739
Indoor Facilities									
	2		3		2	3		39,7%	3
Outdoor Facilities	290	-	739	-	253	739	1 486		739
Capital Spares							-		
Heritage assets	-	-	-	-	-	-	-		-
Monuments							-		
Historic Buildings							-		
Works of Art							-		
Conservation Areas							-		
Other Heritage							-		
							-		
Investment properties	-	-	-	-	-	-	-		-
Revenue Generating									
Improved Property							-		
Unimproved Property							-		
Non-revenue Generating									
Improved Property							-		
Unimproved Property							-		
Other assets	-	-	-	-	-	-	-		-
Operational Buildings									
Municipal Offices							-		
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Stores							-		
Laboratories							-		

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Training Centres										
Manufacturing Plant	-	-	-	-	-	-	-			-
Depots										
Capital Spares										
Housing	-	-	-	-	-	-	-			-
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets	-	-	-	-	-	-	-			-
Biological or Cultivated Assets										
Intangible Assets	-	-	-	-	-	-	-			-
Servitudes										
Licences and Rights	-	-	-	-	-	-	-			-
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	-	-	-	-	-	-	-			-
Load Settlement Software Applications										
Unspecified										
Computer Equipment	68	-	-	(37)	(37)	-	37		#DIV/0!	-
Computer Equipment	68	-	-	(37)	(37)	-	37		#DIV/0!	-
Furniture and Office Equipment	14	-	40	-	-	40	40		100,0%	40
Furniture and Office Equipment	14	-	40	-	-	40	40		100,0%	40
Machinery and Equipment	30	596	522	1	-	885	522	1	41,8%	1
Machinery and Equipment	30	596	522	1	-	885	522	1	41,8%	1
Transport Assets	-	30	430	1	-	-	430	1	100,0%	1
Transport Assets	-	30	430	1	-	-	430	1	100,0%	1

APPENDICES

Land		-	-	-	-	-	-	-		-
Land								-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
Total Capital Expenditure on new assets	1	169 910	290 790	363 995	41 399	185 468	363 995	178 526	49,0%	363 995

APPENDICES

APPENDIX D (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
-										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
<i>Roads</i>								-		
<i>Road Structures</i>								-		
<i>Road Furniture</i>								-		
<i>Capital Spares</i>								-		
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
<i>Drainage Collection</i>								-		
<i>Storm water Conveyance</i>								-		
<i>Attenuation</i>								-		
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
<i>Power Plants</i>								-		
<i>HV Substations</i>								-		
<i>HV Switching Station</i>								-		
<i>HV Transmission Conductors</i>								-		
<i>MV Substations</i>								-		
<i>MV Switching Stations</i>		-	-	-	-	-	-	-	-	-
<i>MV Networks</i>		-	-	-	-	-	-	-	-	-
<i>LV Networks</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>								-		
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
<i>Dams and Weirs</i>								-		

APPENDICES

Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Pump Station										
Reticulation	-	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-	-
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										

APPENDICES

<i>Capital Spares</i>								-	
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>								-	
<i>Piers</i>								-	
<i>Revetments</i>								-	
<i>Promenades</i>								-	
<i>Capital Spares</i>								-	
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>								-	
<i>Core Layers</i>								-	
<i>Distribution Layers</i>								-	
<i>Capital Spares</i>								-	
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
<i>Halls</i>	-	-	-	-	-	-	-	-	-
<i>Centres</i>								-	
<i>Crèches</i>								-	
<i>Clinics/Care Centres</i>								-	
<i>Fire/Ambulance Stations</i>								-	
<i>Testing Stations</i>	-	-	-	-	-	-	-	-	-
<i>Museums</i>								-	
<i>Galleries</i>								-	
<i>Theatres</i>								-	
<i>Libraries</i>								-	
<i>Cemeteries/Crematoria</i>								-	
<i>Police</i>								-	
<i>Purfs</i>								-	
<i>Public Open Space</i>								-	
<i>Nature Reserves</i>								-	
<i>Public Ablution Facilities</i>								-	
<i>Markets</i>								-	
<i>Stalls</i>								-	

APPENDICES

Abattoirs							-	
Airports							-	
Taxi Ranks/Bus Terminals							-	
Capital Spares							-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-
Indoor Facilities							-	
Outdoor Facilities							-	
Capital Spares							-	
Heritage assets	-	-	-	-	-	-	-	-
Monuments							-	
Historic Buildings							-	
Works of Art							-	
Conservation Areas							-	
Other Heritage							-	
Investment properties	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Improved Property							-	
Unimproved Property							-	
Non-revenue Generating	-	-	-	-	-	-	-	-
Improved Property							-	
Unimproved Property							-	
Other assets	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-
Municipal Offices							-	
Pay/Enquiry Points							-	
Building Plan Offices							-	
Workshops							-	
Yards							-	
Stores							-	
Laboratories							-	
Training Centres							-	

APPENDICES

Manufacturing Plant								-	
Depots								-	
Capital Spares								-	
Housing	-	-	-	-	-	-	-	-	-
Staff Housing								-	
Social Housing								-	
Capital Spares								-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets								-	
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes								-	
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights								-	
Effluent Licenses								-	
Solid Waste Licenses								-	
Computer Software and Applications								-	
Load Settlement Software Applications								-	
Unspecified								-	
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment								-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment								-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment								-	
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets								-	

APPENDICES

Land		-	-	-	-	-	-	-	-	-
Land								-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals								-		
Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	-	-	-	-	-

APPENDICES

APPENDIX E – 2021/2022 ANNUAL PERFORMANCE REPORT

APPENDICES

APPENDIX F – AUDIT COMMITTEES REPORT

APPENDICES

APPENDIX G – ACTION PLAN ON AG’S REPORT

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS
