

GOVAN MBEKI MUNICIPALITY



ANNUAL REPORT 2021/2022

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VISION, MISSION AND VALUES

Vision Statement

A Model City of Excellence

Mission Statement

To serve our community by:

- ☐ Providing sustainable, quality services
- ☐ Provide a safe and secured environment
- ☐ Enabling diversified local economic development and job creation
- ☐ Ensuring the financial sustainability of the Municipality
- ☐ Working together with our stakeholders
- ☐ Empowering our workforce
- ☐ Ensuring sound corporate governance

Values

Teamwork	Collectivism, Synergies, Integration, Support
Integrity	Honesty, Professionalism, Trustworthy, Ubuntu
Accessibility	Decentralisation, Closer to Customer, Contactable, Reachable
Responsiveness	Reduced Turnaround Times, Acknowledgement, Feedback, Redress
Accountability	Taking Responsibility, Scrutiny, Compliance, Public Confidence
Transparency	Openness, Communication
Creativity	Innovation, Resourcefulness

The Vision, Mission and Values are informed by the following **Six (6) Key Strategic objectives and Six (6) Key Performance Areas (KPA's)**. The strategic direction of the newly elected Council are also informed by the following Six (6) Key Strategic objectives, through which the municipality intend to achieve over the course of the 5-year term and potentially continued beyond:

Strategic Objective 1: To enhance revenue & secure financial sustainability

Strategic Objective 2: To provide sustainable services, optimise operations and improve customer care

Strategic Objective 3: To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation

Strategic Objective 4: To enhance the capacity of human capital and deliver institutional transformation

Strategic Objective 5: To develop spatially integrated, safe communities and a protected environment

Strategic Objective 6: To promote good corporate governance and effective stakeholder engagement

MUNICIPAL KEY PERFORMANCE AREAS

KPA 1: Financial Viability	KPA 4: Institutional Transformation
KPA 2: Sustainable Physical Infrastructure and Improve Customer Care Services	KPA 5: Spatial Integration and Safe Protected Environment
KPA 3: Economic Growth and Development	KPA 6 : Governance and Stakeholder Participation

COMPONENT A: MAYOR'S FOREWORD

Govan Mbeki Municipality is part of the 226 local municipalities that are constituted through chapter 3 of our constitution to perform specific services to the people of that specific geographic area of location. With an estimated population of over 370 000 people, the municipality has found it very difficult to perform all the duties allocated to it, as set standards cannot be met.

This unfortunately means that people's lives continue to be affected negatively on daily basis as infrastructure continue to delapidate.

An acknowledgement by the Executive leadership which includes Council, Administration and Members of the said community must have it in their minds that no external interventions will come to change the situation for the better for them but that it is them that need to hold hands with each other and work very hard in turning the municipality's direction to face a prosperous future.

The municipality has since managed to improve its audit outcomes from the disastrous disclaimers of the 3 financial years of 2017/18 - 2018/19 & 2019/20. In the 2020/21 financial year, the municipality got a qualified audit opinion which is an indication of an improving municipality that has a purpose of being amongst the best ran municipalities in the country.

We have since managed to sustain the qualified audit opinion in the 2021/22 financial year as we continue to rectify our systems of governance.

Our aspirations are now that of having an unqualified audit opinion either in the next financial year or the one that follows.

It is also very important for us to put it categorically clear that we are not only determined to get clean audit opinions but also to deliver qualitative services to our people in line with the National if not the International standards.

This will happen in the near future as we have already mapped our way towards "A model city of excellence", a goal set for vision 2030.

I councillor Nhlakanipho Zuma the Executive Mayor of Govan Mbeki hereby commit myself, the entire team to serving people with diligence and integrity. We are committed in delivering "A model city of excellence" by 2030 working together with you.



CLLR NG ZUMA
EXECUTIVE MAYOR

COMPONENT B: MUNICIPAL MANAGER'S OVERVIEW

It is with great humility that I as the Accounting Officer of the fifth administration since the dawn of the democratic government present to you a transitional Annual Report for the financial period 2021/2022. This report covers two Council terms in the sense that the term of the fourth administration ended in November 2021 with the current (fifth administration) commencing on the same period.

The fundamental and sole purpose of existence for local government is enshrined in section 152 of the constitution of the Republic of South Africa 1996 and section 121 of the Municipal Finance Management Act of No 53 of 2003 requires that a municipality must prepare an annual report and present it to Council for adoption.

In the financial period 2021/2022 we were able to seamlessly transit between two administrations with the new Council sworn into office in December 2021 and the two Councils considered a total of 167 reports combined while it ensured that the section 79 and 80 Committees are established as guided by the Local Government Municipal Structures Act of 117 of 1998 to provide oversight on the policy implementation, Council resolutions and service delivery targets.

Over and above these Committees, Council also established the Audit Committee, Risk Committee, Disciplinary Board, Local Labour Forum and Ward Committees to assist Council in policy monitoring and good governance.

We must applaud the swift approach implemented by the new Council in filling the positions of senior management wherein the position of the Municipal Manager was filled in the last quarter of the financial period while the process of recruitment for other critical senior management positions was initiated and will be concluded in the first quarter of the ensuing financial period.

At the beginning of the financial period 2021/2022, the projected budget income was R 2 753 003 000.00 inclusive of grants with the expenditure projected at R 2 513 646 599.00. As at the 30th of June 2022, the actual income realized was R 2 335 114 952.00 with actual expenditure of R 3 032 460 424.00 resulting in a deficit of R697 345 477.00 as per the audited annual financial statements by the Auditor General South Africa.

This deficit is attributed to the bulk purchases namely: Electricity and Water wherein the municipality did not receive every rand spent on these essential commodities as well as debt impairment.

Closely related to the above and the major source of loss of income are the bulk losses that were recorded at 34% for water and 63% for electricity.

As at the 30th of June 2022, our debtors book increased from R 2 175 999 577.00 to R2 400 877 681.00 as a result of none payment of services by our community while our creditors stand at R 3 726 344 365.00. Measures are being out in place and implemented to improve the payment/collection rate.

Because of our industrial geographical location, host of Sasol and other mining houses and our strategic location between the province of Gauteng, Free state and Kwa-Zulu Natal, our population growth is eminent and has proven so over the last decade at an average of 3,3% growth per annum. The Stats SA – Census 2011 & Community Survey 2016 & Mid-year Population Estimates 2021 CSIR – Green Book, 2019 estimate the population of Govan Mbeki Municipality at 386 639.

The rapid increase in population places burden into the existing infrastructure thus the persistent challenge in sewer spillages that the municipality continued to attend and through the Municipal Grant Funding (MIG), Regional Bulk Infrastructure Grant (RBIG) and Water Services Infrastructure Grant (WSIG) through the implementation of multi-year projects. This report gives in detail figures of access to services which exceed 90% for services of Sanitation and Electricity while waste removal is provided to above 70% of our households. The state of our Roads remains a concern and most of them have surpassed their life span. Another issue of concern is the failure to spend on conditional capital grants which leads to allocations being withdrawn (taken-back) by National Treasury (INT), in the coming period we will not tolerate any poor slopy and poor performance by appointed contractors; any project that fails to meet the expected performance will be terminated.

In the area of institutional transformation, senior management positions namely: Municipal Manager, Chief Financial Officer, Director Planning & Economic Development were filled by means of acting appointments. Applaud must be given to Council as elected in 2021 for having started with the processes of filling all senior management position soon after they assume office with the appointment of the Municipal Manager before end of the transit financial period as evidence of Council seriousness about institutional transformation and stability.

The municipality remain under the mandatory intervention as provided for in terms section 139(5)(a) of the constitution of the Republic of South Africa and section 139(1)(a) of the Local Government: Municipal Financial Management Act, No 56 of 2003 through a Financial Recovery Plan (FRP). 68% of the activities set out in the FRP has been achieved and a process of review in line with the new approach pillars of the FRP will be implemented in the 2022/2023 financial period.

The Eskom and Rand Water debts remains the biggest problem, however; in the financial period ended 30 June 2022 significant progress had been achieved in the negotiations with Rand Water with a view of concluding a fair and realistic repayment agreement with the hope that it will be concluded by the third quarter of the 2022/2023 financial period. However; negotiations of a repayment plan with Eskom is handicapped by the poor payment rate by consumers, we are, however; in constant engagements with the power utility to find a solution on the payment of the legacy debt.

In submitting the 2021/2022 Annual Report to the community of Govan Mbeki Municipality and all its stakeholders, I want to take this opportunity to express my sincerest gratitude to the 2016 Council whose term ended in 2021, the current Council, the administration headed by the former Acting Municipal Manager together with section 56 managers whose contracts ended in September 2022 and the entire administration for the sterling work under the challenging environment. This I say in acknowledging that the task ahead is enormous and so is the will and drive to fulfil our constitutional responsibility towards our community as both council and administration.

We remain committed to working hard in pursuit of service delivery, good governance, prudent financial management, institutional stability and many other key and critical pillars that would deliver us in achieving the vision of “A Model City of Excellence”.

I thank you



MR. EN MASEKO
MUNICIPAL MANAGER

1.1 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The following section provides for a broad geographical, economical and statistical profile of Govan Mbeki and the existing trends and conditions that impact on the Govan Mbeki Municipal Area.

1.2.1 GEOGRAPHIC LOCATION

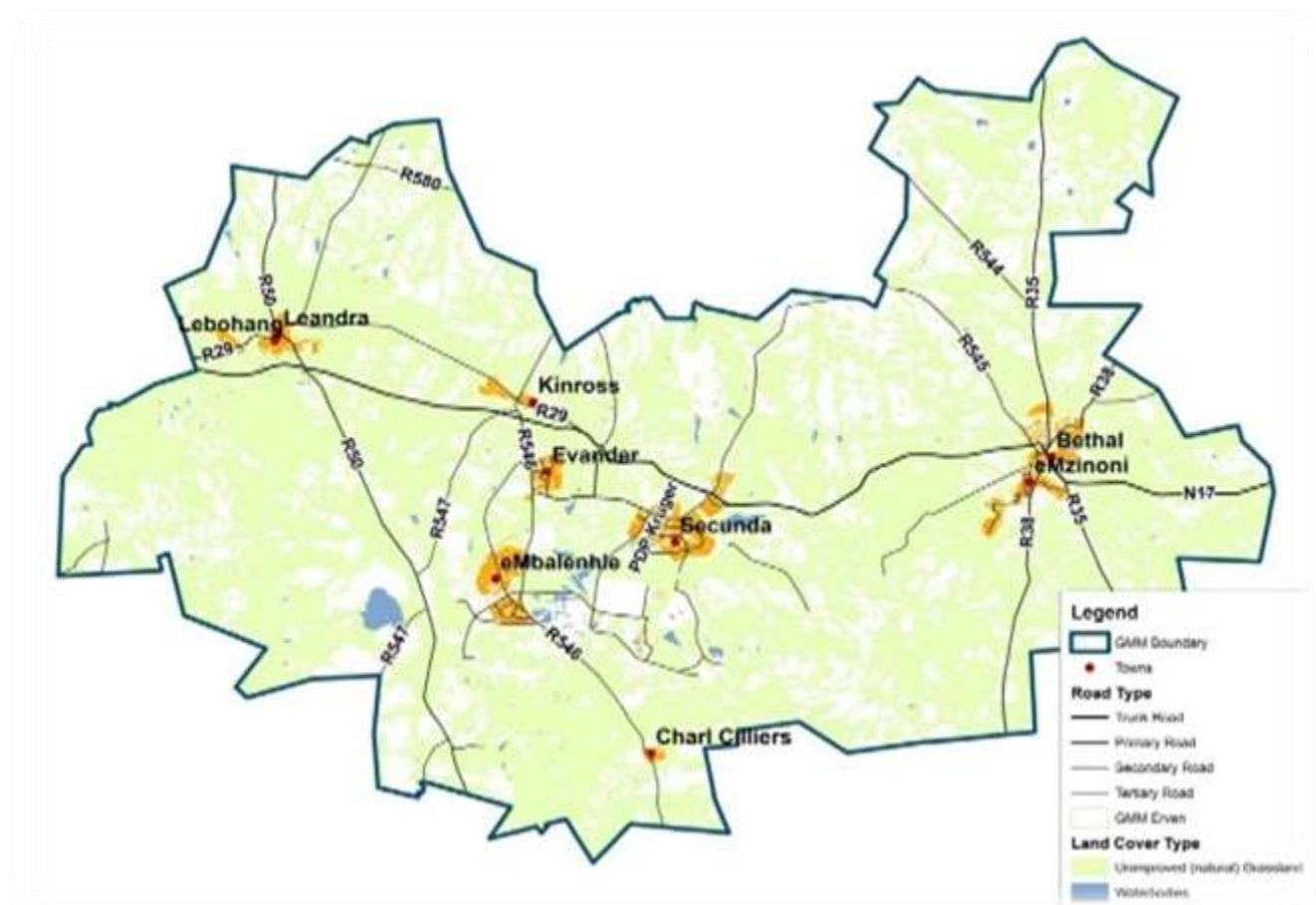
Govan Mbeki Local Municipality is situated in the south-eastern part of Mpumalanga Province, abutting Gauteng Province in the south-west; approximately 150km east of Johannesburg and 300km south-west of Nelspruit (capital city of Mpumalanga).

Govan Mbeki Municipality is one of the 7 local municipalities under the jurisdiction of Gert Sibande District (the other districts being Ehlanzeni and Nkangala) and one of the 18 local municipalities within Mpumalanga.

The Govan Mbeki area is mainly agricultural / rural with 3 urban conglomerates, namely; Leandra (Leslie, Lebohang and Eendracht) in the western edge, The Greater Secunda (Trichardt, Evander, Kinross and Secunda / Embalenhle) conurbation in the central part and Bethal / Emzinoni in the east.

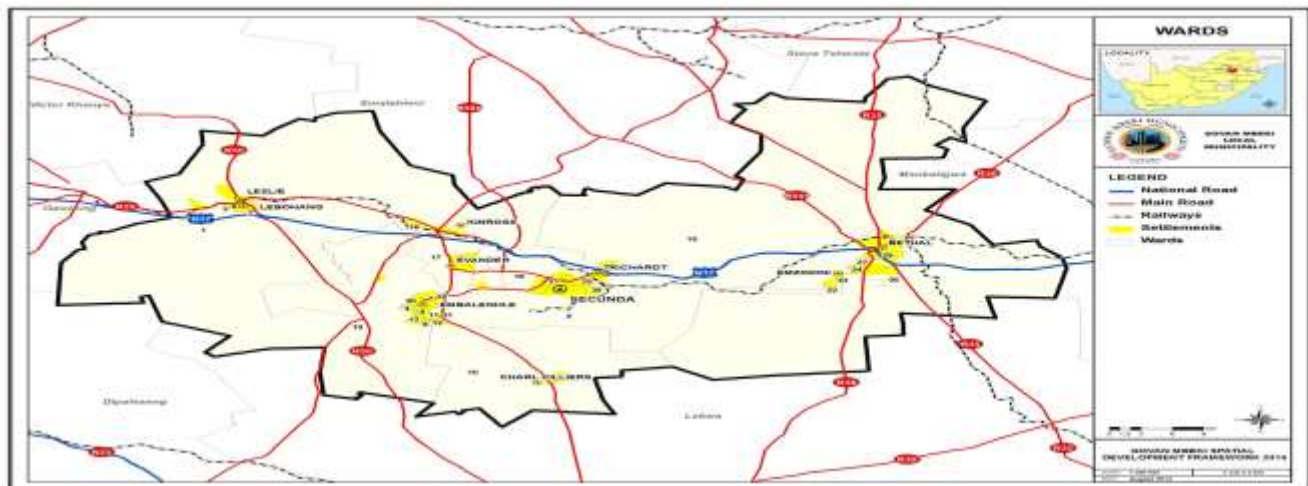
Before 1995 all the above mentioned towns were separate local authorities. As far as its regional context is concerned, Govan Mbeki is situated on the Gauteng/Richards Bay Corridor formed by the National Road N17 and the Richards Bay rail line running through the area in an east-west direction.

Govan Mbeki has the most diversified economy within the Gert Sibande District, dominated by the petrochemical industry (the SASOL II and III complexes) and coal and gold mining. Govan Mbeki has the largest underground coal mining complex in the world which makes it an important strategic area within the national context



1.2.2 MUNICIPAL WARDS

The municipality comprises of 8 towns and structured into 32 electoral wards which cover an area of 2 958m2.



The breakdown of wards details are as follows:

WARD INFORMATION	
WARD NAME/ AREA	WARD NAME/ AREA
1 Leandra and part of Kinross	17 Evander and farms
2 Lebohang	18 Evander and Secunda
3 Lebohang	19 Embalenhle and farms
4 Embalenhle	20 Embalenhle
5 Secunda	21 Secunda
6 Lebohang	22 Emzinoni
7 Embalenhle	23 Emzinoni
8 Embalenhle	24 Emzinoni
9 Embalenhle	25 Secunda and Trichardt
10 Embalenhle and Charl Cilliers	26 Emzinoni
11 Embalenhle	27 Emzinoni
12 Embalenhle	28 Bethal and Emzinoni
13 Embalenhle	29 Embalenhle
14 Embalenhle	30 Secunda
15 Bethal	31 Embalenhle
16 Kinross	32 Embalenhle

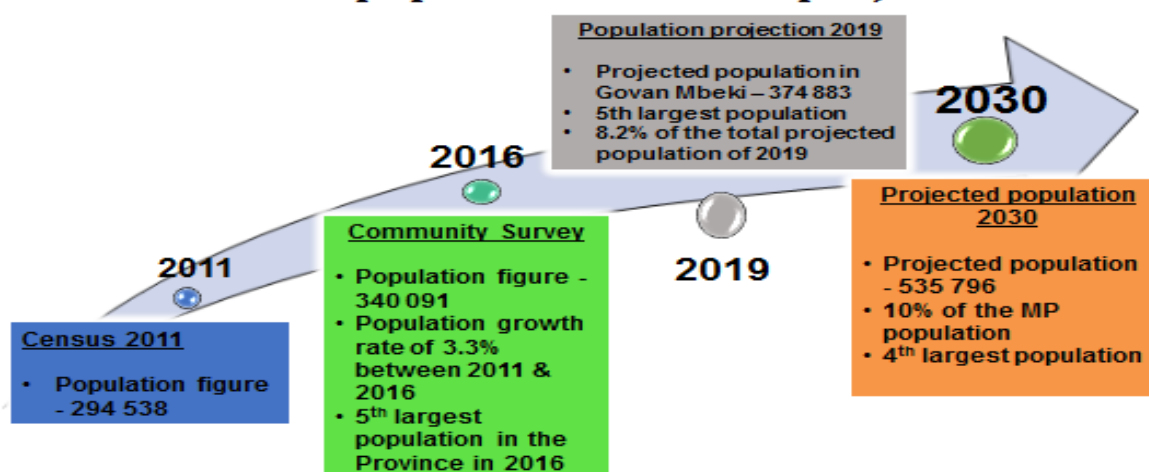
1.2.3 POPULATION PROFILE AND SIZE

According to Stats SA (2016 Community Survey - CS), Govan Mbeki's population increased from 294 538 in 2011 to 340 091 people in 2016 – 5th largest population in the province and 30% of total population of Gert Sibande in 2016 making it the 1st largest population in the Gert Sibande District.

This could be the result of people migrating to the municipality seeking job opportunities as Govan Mbeki is considered to be one of the economical hub of Mpumalanga for job seekers .

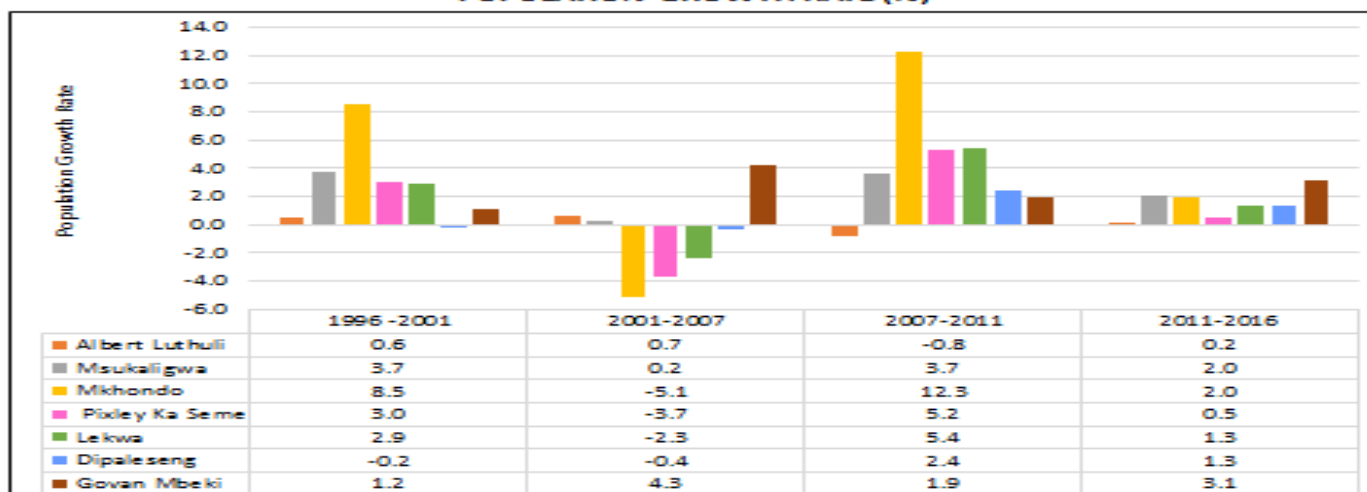
The number of households in Govan Mbeki increased from 83 874 in 2011 to 108 894 households (25 020 households increase) in 2016 - represents 32.6% of the Gert Sibande household figure – household size declining from 3.5 to 3.1 in the same period.

Govan Mbeki population data and projections



Govan Mbeki is the most prominently 2nd fastest growing population with an annual population growth rate of 3.10% in the whole of the Mpumalanga Province after Steve Tshwete with a population growth of 4.29%

POPULATION GROWTH RATE (%)

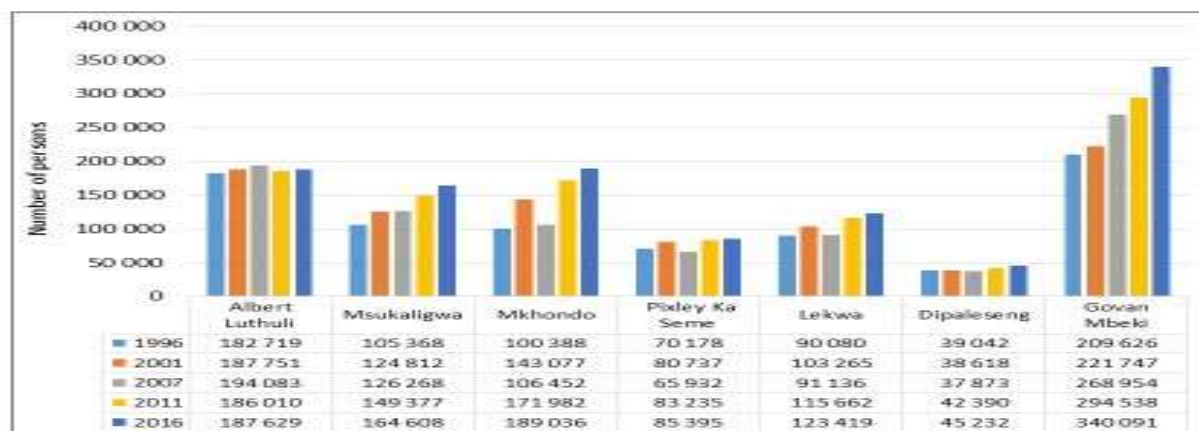


Source: Stats SA Community Profile (1996, 2001, 2007, 2011 & 2016)

The population number for 2019 is estimated at 374 883 people (4th highest and 8.2% of the MP Population in 2019) and in 2030 estimated at 535 796 (10.2%) given the historic population growth per annum – will put pressure on the infrastructure, service delivery and economic/employment opportunities.

The figure below indicate the population distribution of Govan Mbeki in comparison to the Gert Sibande district and it is clearly that Govan Mbeki is under increasingly pressure due to increase in population growth.

POPULATION DISTRIBUTION



Source: Stats SA Community Profile (1996, 2001, 2007, 2011 & 2016)



THE SOUTH AFRICAN: THE HOME, UNDERSTOOD.

1.2.4 Population figures per municipal area.

Local Municipal Area	Population		Average annual population growth 2011-2016	Estimated number 2021	Projected number by 2030 CSIR Green Book
	2011 Census	2016 CS			
Steve Tshwete	229 831	278 749	4.4%	323 544	434 967
Govan Mbeki	294 538	340 091	3.3%	377 446	437 067
Emalahleni	395 466	455 228	3.2%	553 562	648 163
Victor Khanye	75 452	84 151	2.5%	95 698	109 556
Msukaligwa	149 377	164 608	2.2%	186 494	196 342
Mkhondo	171 982	189 036	2.1%	241 510	236 304
Thembisile Hani	310 458	333 331	1.6%	378 481	394 697
Lekwa	115 662	123 419	1.5%	136 763	135 959
Dipaleseng	42 390	45 232	1.5%	42 530	47 083
City of Mbombela	655 950	693 369	1.3%	771 797	814 098
Nkomazi	393 030	410 907	1.0%	470 830	470 381
Thaba Chweu	98 387	101 895	0.8%	120 438	118 249
Dr Pixley Ka Isaka Seme	83 235	85 395	0.6%	94 360	86 053
Emakhazeni	47 216	48 149	0.4%	56 965	52 178
Bushbuckridge	541 248	548 760	0.3%	476 788	529 300
Chief Albert Luthuli	186 010	187 630	0.2%	184 682	173 189
Dr JS Moroka	249 705	246 016	-0.3%	231 695	227 585
Mpumalanga	4 039 939	4 335 964	1.6%	4 743 584	5 111 171

1.2.5 Population growth pressure per municipal area

Local Municipal Area	CSIR Green Book Settlements with extreme & high growth pressure up to 2050
Chief Albert Luthuli	All settlements decrease except <u>Dibaba & Vygeboomdam</u> (no change)
Mskaligwa	Ermelo, <u>Lothair & Breyten</u>
Mkhondo	eMkhondo, Iswepe, Amsterdam, Saul Mkizeville & <u>Dirkiesdorp</u>
Dr Pixley Ka Isaka Seme	All settlements to decrease except <u>Wakkerstroom & Perdekop</u>
Lekwa	Only medium pressure in Standerton & <u>Morgenzon</u>
Dipaleseng	Only medium pressure in Balfour & Greylingstad
Govan Mbeki	<u>Embalenhle, Secunda, Emzinoni, Evander, Bethal, Lebohang & Kinross</u>
Victor Khanye	Delmas & <u>Botleng</u>
Emalahleni	eMalahleni, <u>KwaGuqa</u> , Paxton 1, <u>Clewer</u> , <u>Jackaroo Park</u> , <u>Klarinet</u> , <u>Ga-Nala</u> , <u>Reedstream</u>
Steve Tshwete	Middelburg, Piet <u>Tlou</u> , <u>Hendrina</u> , <u>Rietkuil</u> , <u>Pullenshope</u>
Emakhazeni	No change in all settlements
Thembisile Hani	Only medium pressure in all settlements except <u>eNgwemgameni</u> (no change)
Dr JS Moroka	All settlements decrease
Thaba Chweu	<u>Mashishing</u>
Bushbuckridge	All settlements decrease
Nkomazi	Only medium pressure in all settlements except <u>Kaapmuiden</u> , <u>M'hati</u> and <u>Lebombo</u>
City of Mbombela	Mbombela & <u>Daantjie</u>

A population growth of this proportion is likely to place strain on existing backlogs and the municipality's ability to effectively service the community. Because of the increase in households which directly demand services.

1.2.6 AGE AND GENDER DISTRIBUTION

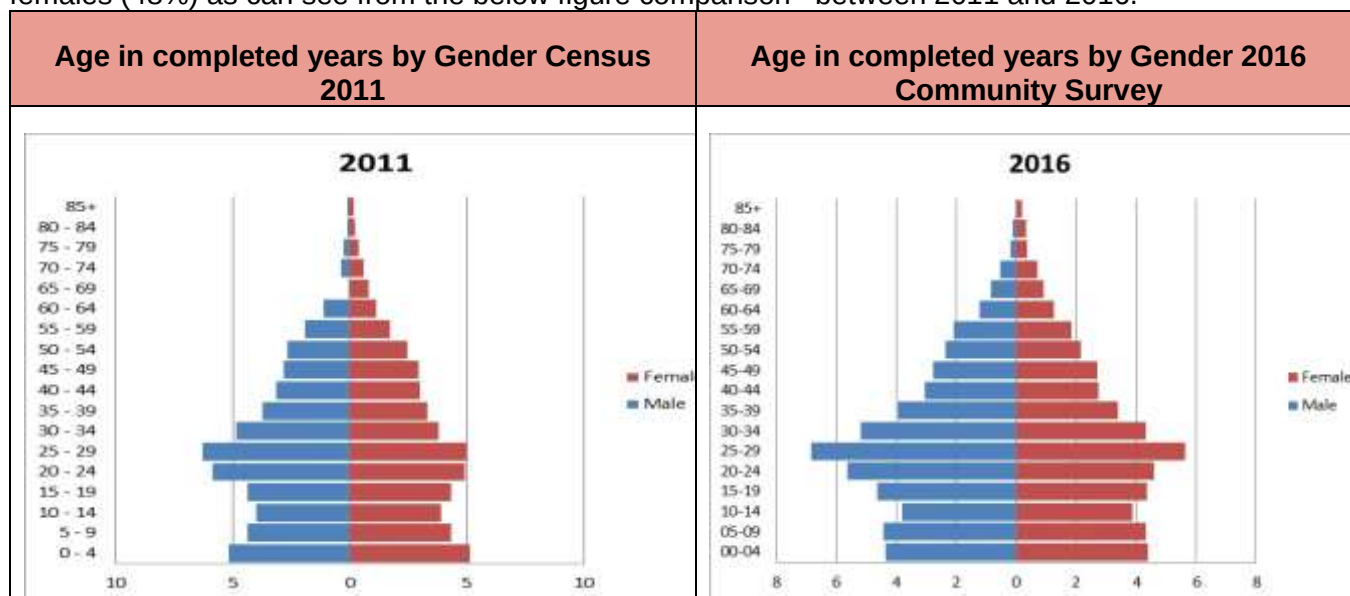
The existing population within the developed areas of Govan Mbeki (urban and rural) totals 340 091 representing 108 894 households, at an average of 3.3 people per household and a population growth rate of 3.1. Youth population (15-34 years) forms 41.1% of the total population.

Age and gender of the population are the key determinant of population dynamic and can influence the current and future needs and spending of the municipality.

Age in completed years by Gender for Person weighted, MP307: Govan Mbeki							
Census 2011				2016 Community Survey			
Age	% Male	% Female	Grand Total	Age	% Male	% Female	Grand Total
0 - 4	-5.1	5.2	10.3	00-04	-4.37	4.39	8.76
5 - 9	-4.4	4.3	8.7	05-09	-4.42	4.33	8.75
10 - 14	-4.0	3.9	7.9	10-14	-3.82	3.87	7.69
15 - 19	-4.4	4.4	8.7	15-19	-4.62	4.34	8.96
20 - 24	-5.9	4.9	10.8	20-24	-5.62	4.61	10.23
25 - 29	-6.3	5.0	11.3	25-29	-6.85	5.61	12.46
30 - 34	-4.9	3.8	8.6	30-34	-5.17	4.32	9.49
35 - 39	-3.7	3.3	7.1	35-39	-3.94	3.4	7.34
40 - 44	-3.1	3.0	6.2	40-44	-3.05	2.73	5.78
45 - 49	-2.8	3.0	5.8	45-49	-2.76	2.69	5.45
50 - 54	-2.6	2.5	5.1	50-54	-2.36	2.14	4.5
55 - 59	-1.9	1.7	3.6	55-59	-2.1	1.84	3.94
60 - 64	-1.1	1.1	2.2	60-64	-1.21	1.24	2.45
65 - 69	0.7	0.8	1.5	65-69	-0.86	0.91	1.77
70 - 74	-0.4	0.6	1.0	70-74	-0.54	0.69	1.23
75 - 79	-0.2	0.4	0.6	75-79	-0.18	0.36	0.54
80 - 84	-0.1	0.2	0.4	80-84	-0.13	0.32	0.44
85+	-0.1	0.2	0.3	85+	-0.03	0.18	0.21
Grand Total	52	48	100	Grand Total	52.03	47.97	100

(Source for the illustration is based on the Stats SA census 2011 and Stats SA, Community Survey 2016)

The share of the female population in 2016 according to the CS was 48.0% and males 52.0%. The age and gender distribution for Govan Mbeki is predominantly evenly spread out with males (52%) dominating females (48%) as can be seen from the below figure comparison between 2011 and 2016.



2011 Census Population Size				2016 Community Survey Population Size			
Age	Male	Female	Grand Total	Age	Male	Female	Grand Total
0 - 4	15129	15176	30305	00-04	14866	14931	29796
5 - 9	12843	12761	25604	05-09	15040	14725	29766
10 - 14	11778	11517	23295	10-14	12999	13165	26164
15 - 19	12898	12842	25740	15-19	15709	14773	30481
20 - 24	17261	14449	31710	20-24	19121	15683	34805
25 - 29	18512	14829	33341	25-29	23295	19082	42377
30 - 34	14306	11136	25441	30-34	17572	14691	32264
35 - 39	11027	9795	20822	35-39	13397	11550	24947
40 - 44	9202	8910	18112	40-44	10364	9294	19658
45 - 49	8330	8689	17019	45-49	9383	9153	18536
50 - 54	7741	7338	15079	50-54	8017	7277	15294
55 - 59	5608	5021	10629	55-59	7127	6259	13386
60 - 64	3272	3308	6580	60-64	4121	4214	8334
65 - 69	1962	2321	4283	65-69	2931	3089	6020
70 - 74	1020	1834	2854	70-74	1832	2359	4191
75 - 79	703	1123	1826	75-79	614	1237	1851
80 - 84	328	717	1045	80-84	435	1073	1508
85+	291	560	851	85+	116	595	711
Grand Total	152211	142326	294538	Grand Total	176939	163152	340091

The 0 to 14 age group provides an indication of those persons still dependent on their parents and that are thus not economically active, whilst the 15 to 64 year age group shows persons potentially economically active within the population.

COMMENT ON BACKGROUND DATA

The situational analysis and statistics presented indicated the developmental challenges, existing trends and conditions that impact on the Govan Mbeki Municipal Area, as such, poverty, unemployment, and service delivery backlogs. This is crucial as it provides the Municipality and its social partners with deep insight into local socio-economic trends and how they impact on development. A population growth of this proportion is likely to place strain on existing backlogs and the municipality's ability to effectively service the community. Because of the increase in households which directly demand services.

1.2.7 SEX RATIO MALE PER 100 FEMALES

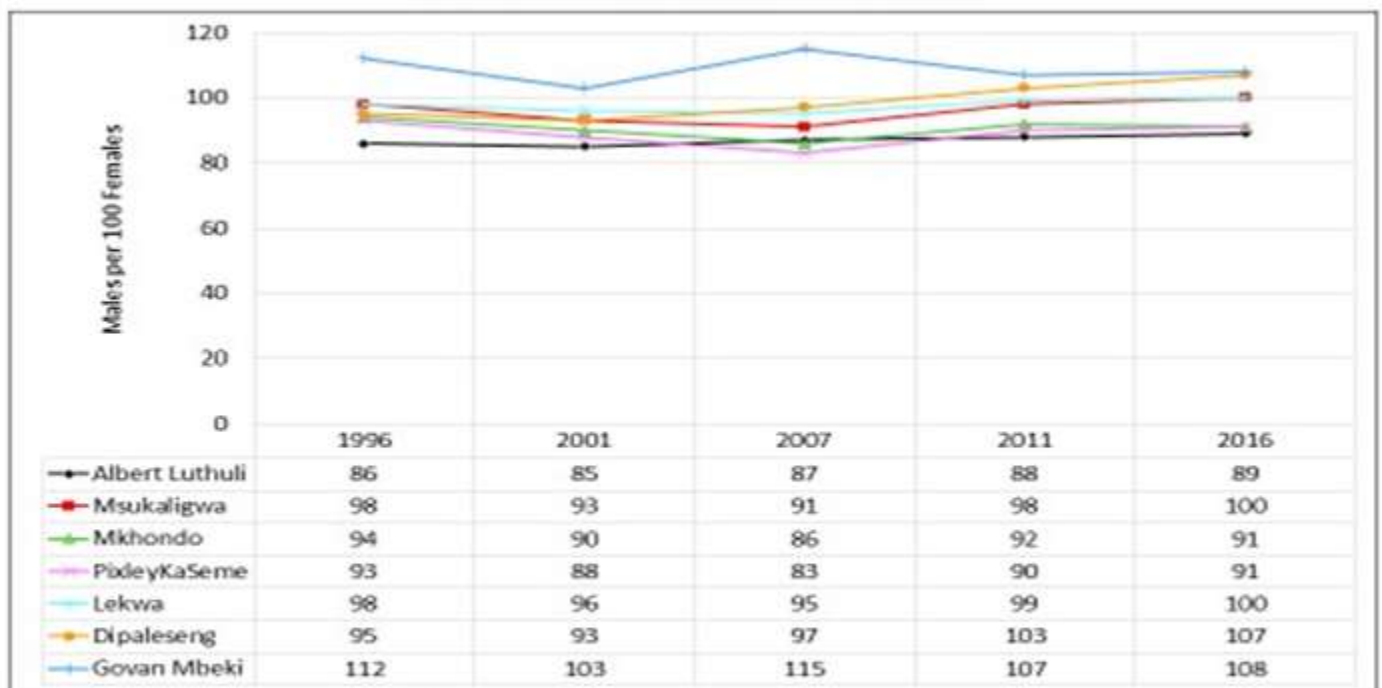
The male population in Govan Mbeki is higher than female population in Govan Mbeki. The gender ratio in 2011 was 106.95 males per 100 females, which had changed to 108.45 males per 100 females in 2016.

Such high sex ratio towards man are mainly due to a due to beneficial employment opportunities as more men living in Govan Mbeki seeking for job opportunities in the various industries across the district which are manufacturing, industrial and mining companies.

Although the sex ratio is most favourable to reap a demographic dividend. If people are not able to work other potential threats will developed such as an increase in poverty, high unemployment rates, pressure on the infrastructure and basic service delivery.

It is also worth mentioning that the older population is increase and this will result into older people dependent on specialized housing and care.

SEX RATIO (MALES PER 100 FEMALES)



Source: Stats SA Community Profile (1996, 2001, 2007, 2011 & 2016)

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 HOUSEHOLD PROFILE AND SERVICES

This section provides information on the household profile and services for residents living within the Govan Mbeki municipal area. Between 2011 and 2016, the number of households in Govan Mbeki increased from 83 874 to 108 894 (25 020 increase).

Household size declined from 3.5 to 3.1 over the same period. CSIR Green Book projection of 178 900 households in 2030. According to the CS (Community Survey) of Stats SA, and with the exception of access to piped water, there was an overall improvement with household services in Govan Mbeki between 2011 and 2016. Some challenges, however, remain especially with the informal dwelling backlog.

Number of informal dwellings improved slightly from 23 365 in 2011 to 22 212 in 2016 – decrease of only 1 153 households, but 20.4% of the households still lived in informal dwellings. 3rd highest/worst share in the province. In 2016, the number of households with access to piped water was 107 191 households or 98.4% of households – highest/best access to piped water in province.

Number of households with access to flush/chemical toilets improved between 2011 and 2016. 103 086 households or 94.7% of households had access (best in the province) and only 726 households without any toilet facilities remained. Households with connection to electricity improved to 102 752 in 2016 or 95.0% of households. 5 487 households not connected to electricity at all.

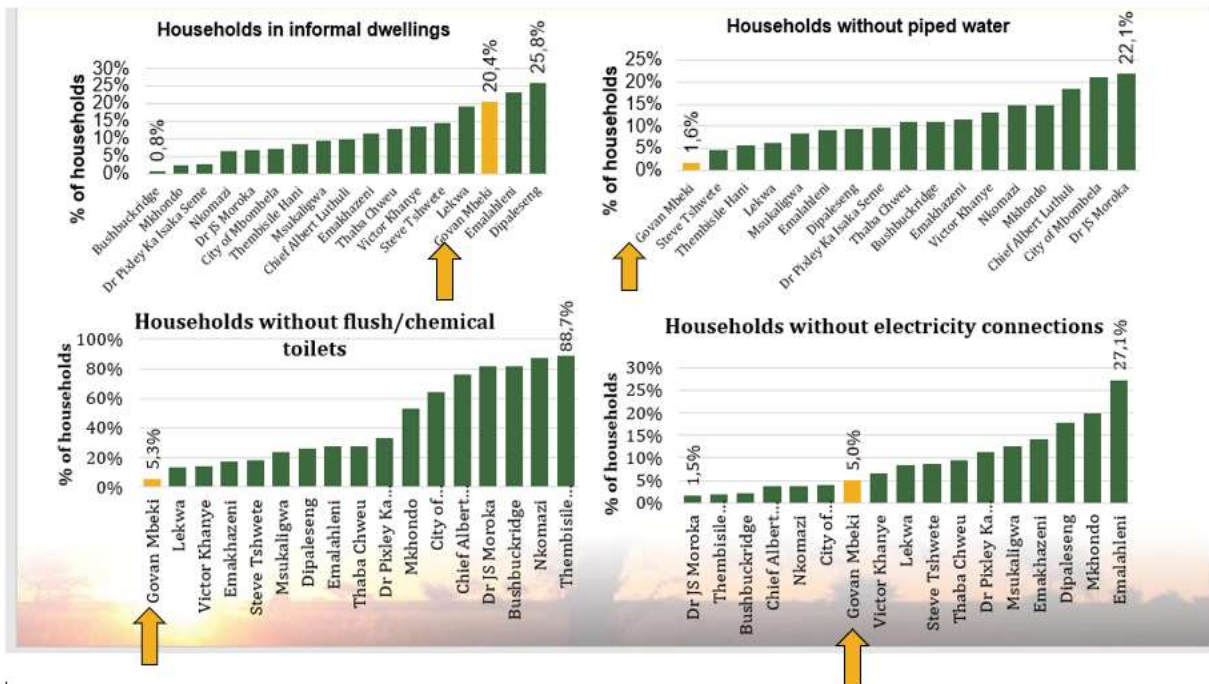
Second highest/best in the province with household services index (2019) and stagnant trend between 2016 and 2019. Govan Mbeki ranks 10th in Mpumalanga in the Out of Order municipal rankings by News24 - 47/100. Govan Mbeki is also 1 of 4 Municipalities in Mpumalanga on National COGTA's list (2018) of dysfunctional Municipalities.

1.3.1.1 Leading challenges facing Govan Mbeki

According to the 2016 CS (Community Survey) of Stats SA, the 5 leading challenges facing Govan Mbeki as perceived by households in the municipal area were the following:

- ☐ Cost of water.
- ☐ Lack of/inadequate employment opportunities.
- ☐ Cost of electricity.
- ☐ Inadequate sanitation/sewerage/toilet services.
- ☐ Inadequate roads.
- ☐ Important information for decision making purposes on especially municipal level and for especially IDP & LED, as well as DDM purposes.

1.3.1.2 Household services performance of Govan Mbeki



1.3.1.4 Informal dwelling number and share

Local Municipal Area	Number of households in informal dwellings		Share of total households	
	2011	2016	2011	2016
Chief Albert Luthuli	2 857	5 206	6.0%	9.7%
Msukaligwa	5 715	4 819	14.0%	9.4%
Mkhondo	1 150	1 086	3.1%	2.4%
Dr Pixley Ka Isaka Seme	1 448	578	7.3%	2.6%
Lekwa	7 414	7 129	23.9%	19.1%
Dipaleseng	3 985	3 832	31.5%	25.8%
Govan Mbeki	23 365	22 212	27.9%	20.4%
Victor Khanye	3 158	3 290	15.4%	13.6%
Emalahleni	23 138	34 845	19.3%	23.2%
Steve Tshwete	9 190	12 480	14.1%	14.4%
Emakhazeni	1 537	1 694	11.2%	11.6%
Thembisile Hani	7 678	6 915	10.2%	8.4%
Dr JS Moroka	4 813	4 093	7.7%	6.6%
Thaba Chweu	6 790	4 791	20.4%	12.9%
City of Mbombela	10 173	14 826	5.6%	7.0%
Nkomazi	2 797	6 684	2.9%	6.4%
Bushbuckridge	1 597	1 099	1.2%	0.8%

1.3.1.5 Piped water backlog number and share

Local Municipal Area	Number of households without access*		Share of total households	
	2011	2016	2011	2016
Chief Albert Luthuli	8 690	9 824	18.2%	18.4%
Msukaligwa	3 841	4 243	9.4%	8.3%
Mkhondo	8 039	6 805	21.5%	14.9%
Dr Pixley Ka Isaka Seme	1 410	2 212	7.1%	9.8%
Lekwa	731	2 347	2.4%	6.3%
Dipaleseng	688	1 397	5.4%	9.4%
Govan Mbeki	885	1 704	1.1%	1.6%
Victor Khanye	882	3 177	4.3%	13.1%
Emalahleni	6 273	13 792	5.2%	9.2%
Steve Tshwete	1 194	4 082	1.8%	4.7%
Emakhazeni	642	1 686	4.7%	11.5%
Thembisile Hani	3 459	4 768	4.6%	5.8%
Dr JS Moroka	13 750	13 769	22.1%	22.1%
Thaba Chweu	1 730	4 082	5.2%	11.0%
City of Mbombela	36 819	43 573	20.3%	21.2%
Nkomazi	18 042	15 290	18.8%	14.7%
Bushbuckridge	28 124	15 217	21.0%	11.1%

1.3.1.6 Water supply per municipal area, 2019

Area	Water supply share			Number of	
	Inside the yard	<200m from yard	>200m from yard	Domestic units	Non-domestic units
<i>Gert Sibande</i>	86.5%	8.9%	3.9%	310 898	8 403
- Chief Albert Luthuli	73.7%	8.0%	18.7%	48 333	500
- Msukaligwa	91.3%	8.7%	0.0%	41 893	832
- Mkhondo	73.4%	24.0%	2.6%	43 263	3 118
- Dr Pixley Ka Isaka Seme	83.8%	14.2%	2.0%	21 503	867
- Lekwa	87.0%	5.2%	1.4%	34 987	1 530
- Dipaleseng	100.0%	0.0%	0.0%	12 490	1 556
- Govan Mbeki	94.5%	4.4%	1.1%	108 429	0
<i>Nkangala</i>	89.7%	5.4%	5.0%	366 100	7 923
- Victor Khanye	88.0%	6.2%	6.8%	24 319	341
- Emalahleni	92.5%	7.0%	0.5%	142 967	1 865
- Steve Tshwete	100.0%	0.0%	0.0%	43 211	2 075
- Emakhazeni	95.1%	4.9%	0.0%	15 637	1 200
- Thembisile Hani	92.6%	5.1%	2.2%	72 159	455
- Dr JS Moroka	73.4%	5.5%	21.1%	67 807	1 987
<i>Ehlanzeni</i>	67.8%	29.3%	2.9%	486 361	32 153
- Thaba Chweu	83.3%	11.3%	5.4%	31 950	1 218
- Nkomazi	75.8%	21.8%	2.5%	89 701	2 154
- Bushbuckridge	81.7%	14.8%	3.5%	146 720	272
- City of Mbombela	52.9%	44.8%	2.3%	217 990	28 509

Source: Stats SA – Non-financial Census 2019

1.3.1.7 Number and share in toilet backlogs

Local Municipal Area	Number of households without toilets		Share of total households	
	2011	2016	2011	2016
Chief Albert Luthuli	2 476	1 801	5.2%	3.4%
Msukaligwa	1 987	1 295	4.9%	2.5%
Mkhondo	4 823	1 965	12.9%	4.3%
Dr Pixley Ka Isaka Seme	907	958	4.6%	4.2%
Lekwa	1 280	1 114	4.1%	3.0%
Dipaleseng	766	901	6.1%	6.1%
▶ Govan Mbeki	1 519	726	1.8%	0.7%
Victor Khanye	465	318	2.3%	1.3%
Emalahleni	2 987	2 186	2.5%	1.5%
Steve Tshwete	1 381	1 042	2.1%	1.2%
Emakhazeni	894	756	6.5%	5.2%
Thembisile Hani	1 963	2 117	2.6%	2.6%
Dr JS Moroka	1 215	768	2.0%	1.2%
Thaba Chweu	980	326	2.9%	0.9%
City of Mbombela	12 468	8 261	6.9%	4.0%
Nkomazi	14 873	6 461	15.5%	6.2%
Bushbuckridge	16 966	7 178	12.6%	5.2%

1.3.1.8 Number and share – flush/chemical toilets backlog

Local Municipal area	Number of households without flush/chemical toilets		Share of total households	
	2011	2016	2011	2016
Chief Albert Luthuli	36 959	40 921	77.5%	76.5%
Msukaligwa	10 788	12 194	26.4%	23.9%
Mkhondo	20 812	24 283	55.6%	53.3%
Dr Pixley Ka Isaka Seme	6 789	7 443	34.2%	33.0%
Lekwa	4 171	5 016	13.4%	13.4%
Dipaleseng	2 846	3 881	22.5%	26.1%
▶ Govan Mbeki	7 604	5 808	9.1%	5.3%
Victor Khanye	3 742	3 373	18.2%	13.9%
Emalahleni	34 160	41 552	28.5%	27.6%
Steve Tshwete	9 780	15 713	15.1%	18.1%
Emakhazeni	2 941	2 573	21.4%	17.6%
Thembisile Hani	68 022	73 411	89.9%	88.7%
Dr JS Moroka	52 450	50 738	84.4%	81.4%
Thaba Chweu	10 408	10 332	31.2%	27.9%
Nkomazi	82 278	90 897	85.5%	87.4%
Bushbuckridge	121 994	112 304	90.9%	81.7%
City of Mbombela	113 955	131 337	62.9 %	63.9%

1.3.1.9 Different types of toilet facilities per municipal area, 2019

Area	Flush connected to public sewerage	Flush connected to septic tank	Bucket system	Ventilated improved pit	Other
<i>Gert Sibande</i>	76.4%	2.1%	0.0%	11.2%	10.3%
- Chief Albert Luthuli	21.2%	0.2%	0.0%	40.9%	37.7%
- Msukaligwa	94.6%	0.0%	0.0%	5.3%	0.1%
- Mkhondo	55.7%	12.5%	0.0%	7.1%	24.7%
- Dr Pixley Ka Isaka Seme	69.7%	2.2%	0.0%	25.2%	2.9%
- Lekwa	88.4%	1.1%	0.0%	10.5%	0.0%
- Dipaleseng	100.0%	0.0%	0.0%	0.0%	0.0%
- Govan Mbeki	94.9%	0.6%	0.0%	1.1%	3.3%
<i>Nkangala</i>	59.1%	2.4%	0.0%	23.7%	14.8%
- Victor Khanye	86.1%	4.2%	0.2%	9.5%	0.0%
- Emalahleni	91.3%	2.6%	0.0%	6.1%	0.0%
- Steve Tshwete	75.4%	0.0%	0.0%	0.0%	24.6%
- Emakhazeni	92.1%	2.6%	0.0%	0.0%	5.3%
- Thembisile Hani	33.6%	3.1%	0.0%	19.4%	43.9%
- Dr JS Moroka	15.7%	2.3%	0.0%	81.9%	0.0%
<i>Ehlanzeni</i>	19.9%	1.5%	0.0%	53.6%	25.0%
- Thaba Chweu	67.5%	4.8%	0.0%	22.5%	5.2%
- Nkomazi	7.6%	2.8%	0.0%	31.9%	57.6%
- Bushbuckridge	5.2%	1.1%	0.0%	93.7%	0.0%
- City of Mbombela	28.0%	0.6%	0.0%	43.5%	27.9%

Source: Stats SA – Non-financial Census 2019

1.3.1.10 Households with no electricity number and share

Local Municipal area	Number of households not connected*		Share of total households	
	2011	2016	2011	2016
Chief Albert Luthuli	5 868	1 902	12.3%	3.6%
Msukaligwa	10 315	6 415	25.2%	12.6%
Mkhondo	12 315	9 018	32.9%	19.8%
Dr Pixley Ka Isaka Seme	2 877	2 561	14.5%	11.4%
Lekwa	3 480	3 190	11.2%	8.5%
Dipaleseng	2 098	2 655	16.6%	17.8%
Govan Mbeki	7 884	5 487	9.4%	5.0%
Victor Khanye	3 062	1 585	14.9%	6.5%
Emalahleni	31 527	40 721	26.3%	27.1%
Steve Tshwete	5 782	7 458	8.9%	8.6%
Emakhazeni	2 209	2 074	16.1%	14.2%
Thembisile Hani	5 673	1 636	7.5%	2.0%
Dr JS Moroka	1 927	912	3.1%	1.5%
Thaba Chweu	5 103	3 535	15.3%	9.5%
City of Mbombela	18 970	8 026	10.5%	4.0%
Nkomazi	16 356	3 839	16.4%	3.7%
Bushbuckridge	7 783	2 921	5.8%	2.1%

1.3.1.11 Number households benefitting from indigent support per municipal area, 2019

Area	Indigent households identified	Water	Electricity	Sewerage and sanitation	Solid waste management
<i>Gert Sibande</i>	29 543	29 543	23 949	25 989	29 394
- Chief Albert Luthuli	1 287	1 287	1 287	1 287	1 287
- Msukaligwa	11 255	11 255	8 001	7 850	11 255
- Mkhondo	1 263	1 263	1 263	1 263	1 263
- Dr Pixley Ka Isaka Seme	1 880	1 880	1 880	1 880	1 880
- Lekwa	1 456	1 456	1 456	1 456	1 456
- Dipaleseng	149	149	149	0	0
- Govan Mbeki	12 253	12 253	9 913	12 253	12 253
<i>Nkangala</i>	37 474	33 885	32 950	36 375	35 996
- Victor Khanye	3 584	3 584	2 088	3 584	3 584
- Emalahleni	10 522	10 522	10 522	10 522	10 522
- Steve Tshwete	18 240	14 651	16 618	18 240	17 861
- Emakhazeni	3 005	3 005	2 469	3 005	3 005
- Thembisile Hani	564	564	564	0	0
- Dr JS Moroka	1 559	1 559	689	1 024	1 024
<i>Ehlanzeni</i>	37 054	27 443	28 585	21 057	21 057
- Thaba Chweu	4 680	3 455	4 597	3 455	3 455
- Nkomazi	20 986	12 600	12 600	12 600	12 600
- Bushbuckridge	0	0	0	0	0
- City of Mbombela	11 388	11 388	11 388	5 002	5 002

Source: Stats SA – Non-financial Census 2019 (the 0 is reflecting what was submitted by some of the Municipalities to Stats SA)

1.3.1.12 Household infrastructure & services index by municipal area

Local Municipal Area	2011	2015	Trend 2011-2015	2016	2019	Trend 2016-2019
Steve Tshwete	0.84	0.84	😊	0.84	0.85	😊
Govan Mbeki	0.82	0.83	😊	0.84	0.84	😊
Victor Khanye	0.76	0.80	😊	0.81	0.83	😊
Lekwa	0.77	0.79	😊	0.81	0.82	😊
Emakhazeni	0.80	0.79	😞	0.78	0.78	😊
Emalahleni	0.75	0.77	😊	0.77	0.78	😊
Msukaligwa	0.75	0.77	😊	0.76	0.77	😊
Dr Pixley Ka Isaka Seme	0.71	0.73	😊	0.76	0.77	😊
Dipaleseng	0.73	0.75	😊	0.76	0.77	😊
Thaba Chweu	0.71	0.74	😊	0.74	0.75	😊
City of Mbombela	0.66	0.67	😊	0.67	0.68	😊
Dr JS Moroka	0.58	0.61	😊	0.64	0.67	😊
Chief Albert Luthuli	0.56	0.59	😊	0.62	0.65	😊
Thembisile Hani	0.59	0.61	😊	0.62	0.65	😊
Nkomazi	0.58	0.60	😊	0.61	0.63	😊
Mkhondo	0.59	0.60	😊	0.59	0.62	😊
Bushbuckridge	0.53	0.55	😊	0.55	0.57	😊

1.3.1.13 HOUSEHOLD PROFILE AND SERVICES

A sizeable number of the households within the municipality do have access to basic services viz; water, electricity, sanitation, refuse removal as depicted on the table below.

Household Profile and Services: Govan Mbeki					
Indicator		Years	Mpumalanga	Gert Sibande	Govan Mbeki
No. of households		1996	670 854	173 395	49 676
		2001	830 984	222 274	67 629
		2011	1 075 488	273 490	83 874
		2016	1 238 861	333 815	108 894
Annual Growth Rate of HH's (%)		1996-2001	4.28	4.97	6.17
		2001-2011	2.58	2.07	2.15
		2011-2016	3.14	4.43	5.80
Average HH size		1996	4.51	4.40	3.86
		2001	3.93	3.94	3.13
		2011	3.72	3.77	3.48
		2016	3.50	3.40	3.12
% of HHs with access to:	Water(municipal tap)	1996	82.79	80.79	96.36
		2001	84.59	82.43	96.69
		2011	74.34	81.92	95.42
		2016	80.53	87.88	96.61
	Electricity(lightning)	1996	51.83	44.68	52.59
		2001	69.12	58.56	71.27
		2011	86.67	83.60	90.55
		2016	89.99	88.52	93.68
	Sanitation(flush/Chemic al)	1996	33.81	48.60	72.78
		2001	43.62	59.08	77.65
		2011	48.22	70.66	92.61
		2016	49.00	70.18	94.67
	Refuse Removal(At least once a week)	1996	33.83	51.38	79.14
		2001	36.06	54.11	82.92
		2011	42.41	63.55	91.75
		2016	39.39	54.33	70.32
Tenure Status	% ownership	1996	83.62	77.08	79.55
		2001	60.43	48.84	51.27
		2011	59.48	50.60	51.98
		2016	68.60	59.52	56.54

(Source for the illustration is based on the Stats SA census 2011 and Stats SA, Community Survey 2016)

COMMENT ON ACCESS TO BASIC SERVICES:

An increase in the population growth is likely to place strain on existing backlogs and the municipality's ability to effectively service the community which will also increase households directly demand for services

1.3.2 LABOUR MARKET IN GOVAN MBEKI

The expanded unemployment rate of Govan Mbeki was 32.5% in 2020, which was one of the lower unemployment rates in the province, but still relatively high in comparison with the 6% target by 2030. In 2020, the expanded unemployment rate for females was 39.0% and that of males 27.5%.

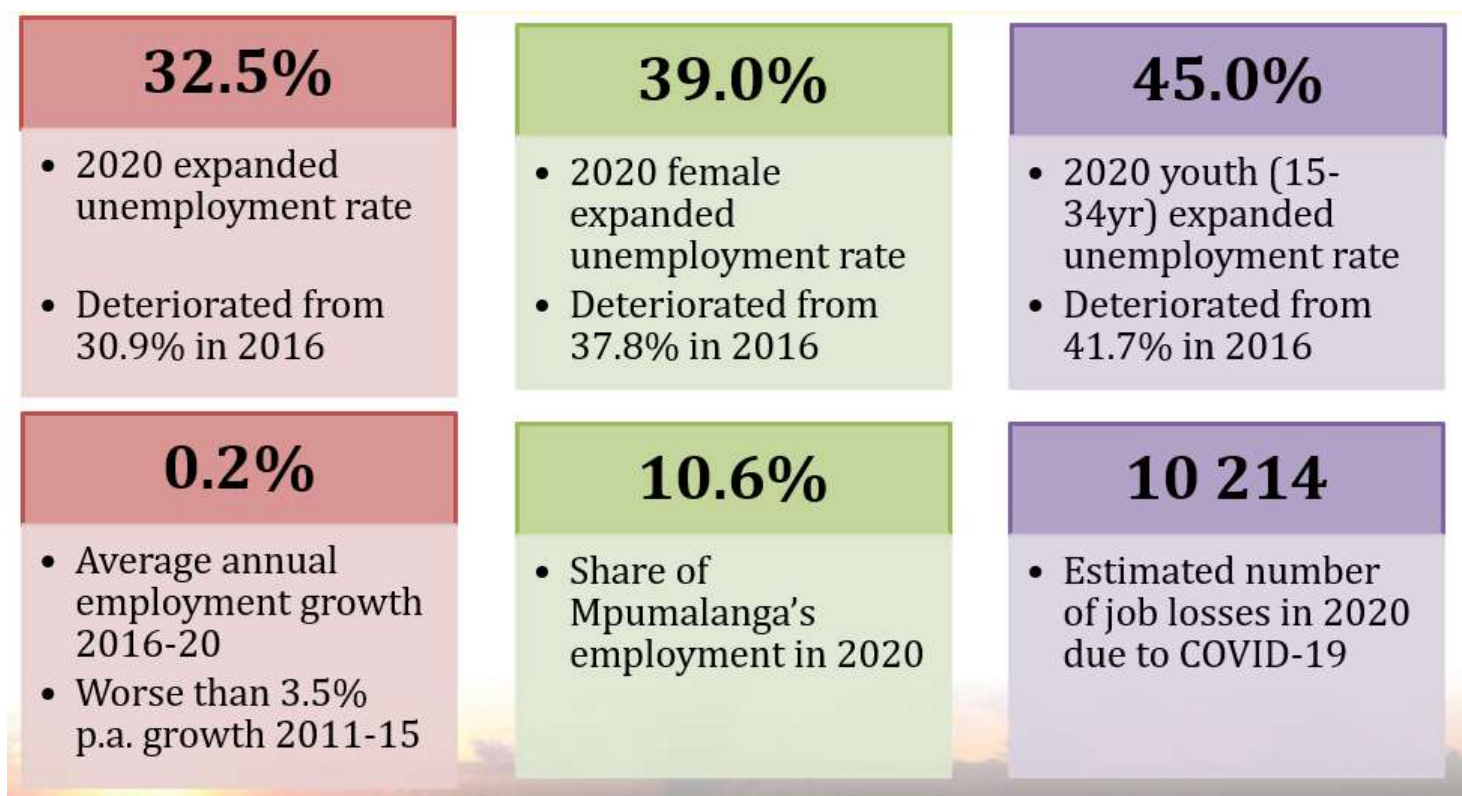
In 2020, the youth (15-34 yr) expanded unemployment rate was 45.0%. There is concern about the high share of unemployed youth & especially females – there appears to be a mismatch between their offering of education and skills (or lack thereof) and the demand of the labour market, but also a lack of investment to create jobs.

Importance of quality and relevant education and training in line with the economic needs of the province to improve their employability but also a need to retain businesses and attract new investment. The importance and relevance of the UMP and TVETs.

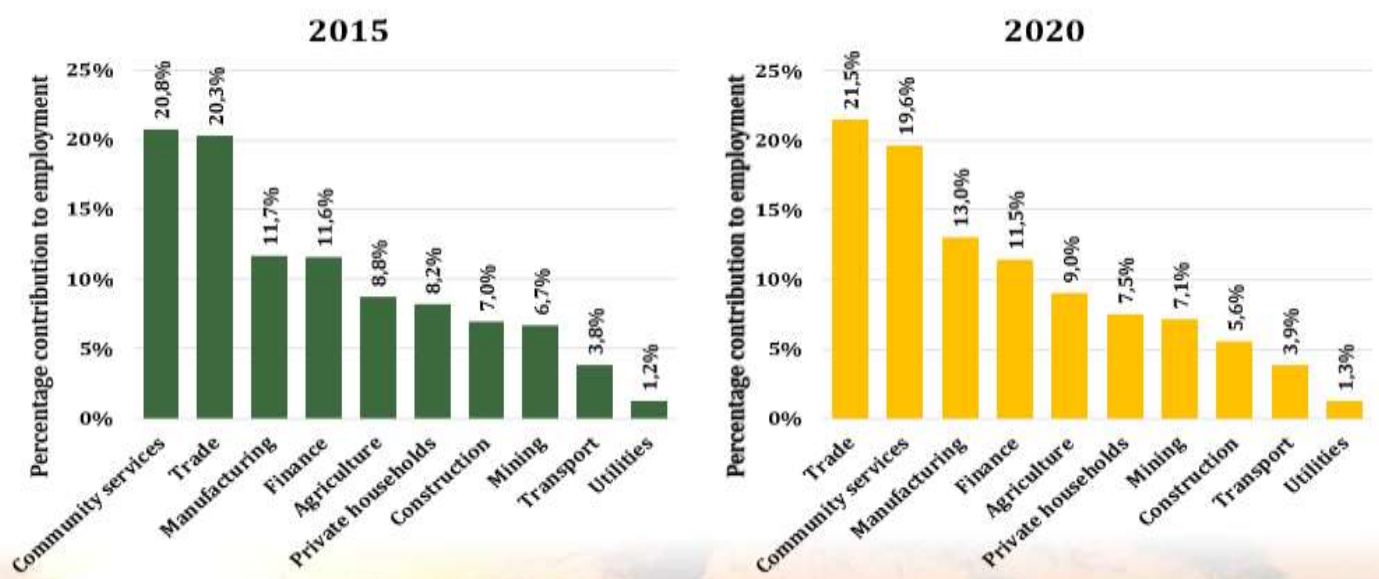
In 2020, Govan Mbeki contributed 10.6% to total employment in the province. Between 2016 & 2020, employment increased by 0.2% p.a. The average annual employment growth deteriorated compared with the 2011 to 2015 increase of 3.5% p.a.

The job losses in 2020, due to the COVID-19 lockdown, was estimated at 10 214. In the 4-year period between 2016 and 2020, Govan Mbeki gained only 1 132 jobs, which indicates the devastation COVID-19 brought to the labour market in 2020.

1.3.2.1 Labour market indicators in Govan Mbeki

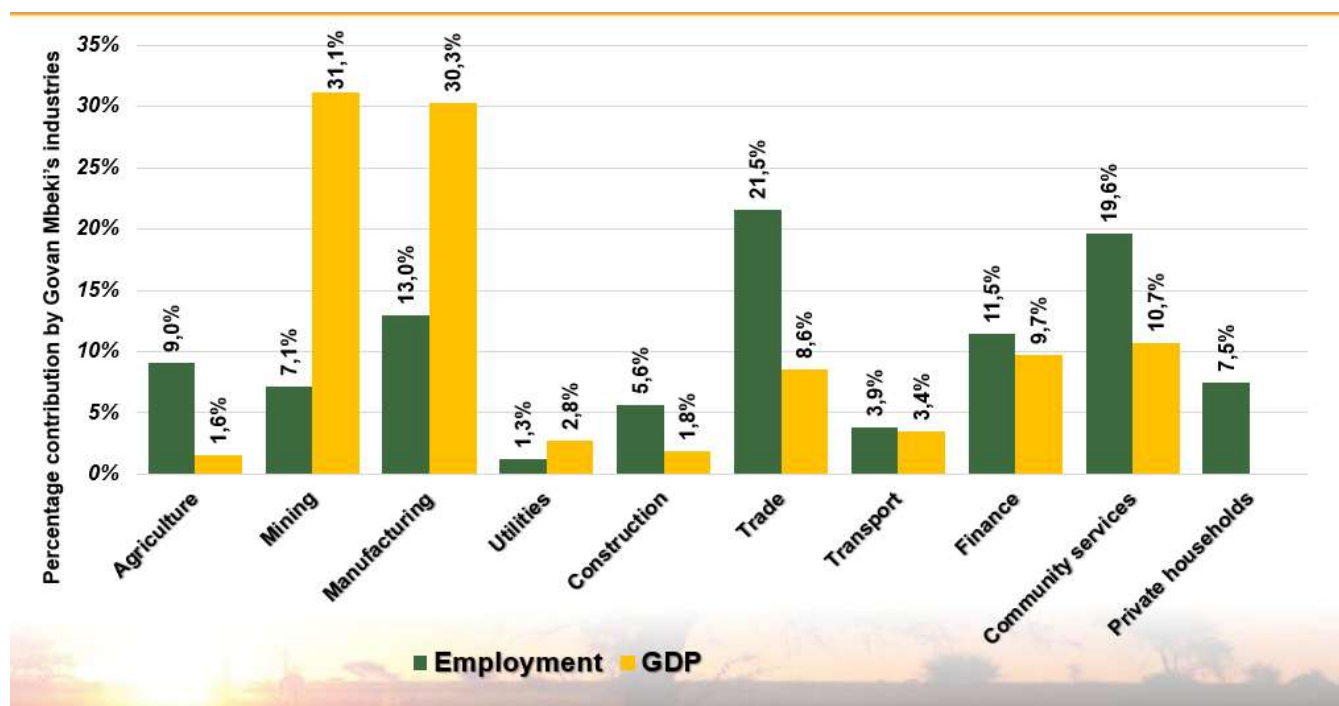


1.3.2.2 Employment by industry in Govan Mbeki



In 2020, the largest employing industries in Govan Mbeki were trade (including tourism), community services, manufacturing, finance and agriculture.

1.3.2.3 Govan Mbeki contribution by industry - Employment & GDP



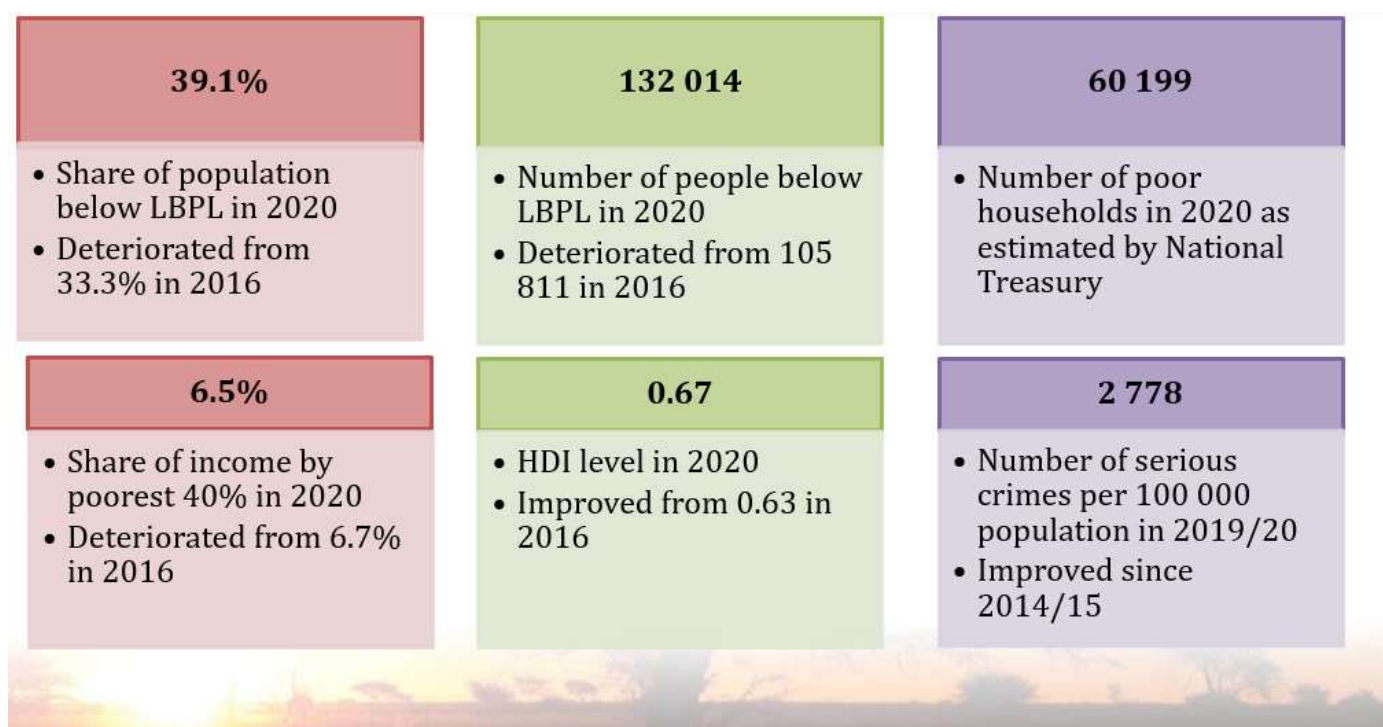
1.3.2.3 Poverty, inequality, HDI & crime indicators in Govan Mbeki

The share of population in Govan Mbeki below the lower bound poverty line (LBPL) deteriorated from 33.3% in 2016 to 39.1% in 2020. In 2020, Govan Mbeki's share of population below the LBPL was however, the 4th lowest (favourable) among the municipal areas.

In 2020, the number of people below the LBPL was 132 014 – the 7th highest number among local municipal areas. In the calculation of the Local Government Equitable Share (LGES), National Treasury estimates that Govan Mbeki has 60 199 poor households.

In 2020, Govan Mbeki's poorest 40% of households shared 6.5% of total income, which was lower/worse than the 6.7% share recorded in 2016. Govan Mbeki's share of income of the poorest 40% was the 2nd lowest/worst, indicating that income inequality was more pronounced within the area than in other areas in the province.

Improved Human Development Index (HDI) from 0.63 in 2016 to 0.67 in 2020 – joint 3rd highest/best in province. Govan Mbeki ranked 9th highest/worst in terms of the 17 serious crimes reported, but recorded an improvement between 2014/15 and 2019/20.



1.3.3 ECONOMIC LANDSCAPE OF GOVAN MBEKI

Govan Mbeki Contribution to the Mpumalanga economy in 2020 was 11.1% – 4th largest economy in the province. Largest contribution to Gert Sibande's economy in 2020 of 41.0%. Dominant in especially manufacturing and mining in Gert Sibande and also substantial contributions in finance, construction, trade, community services and transport.

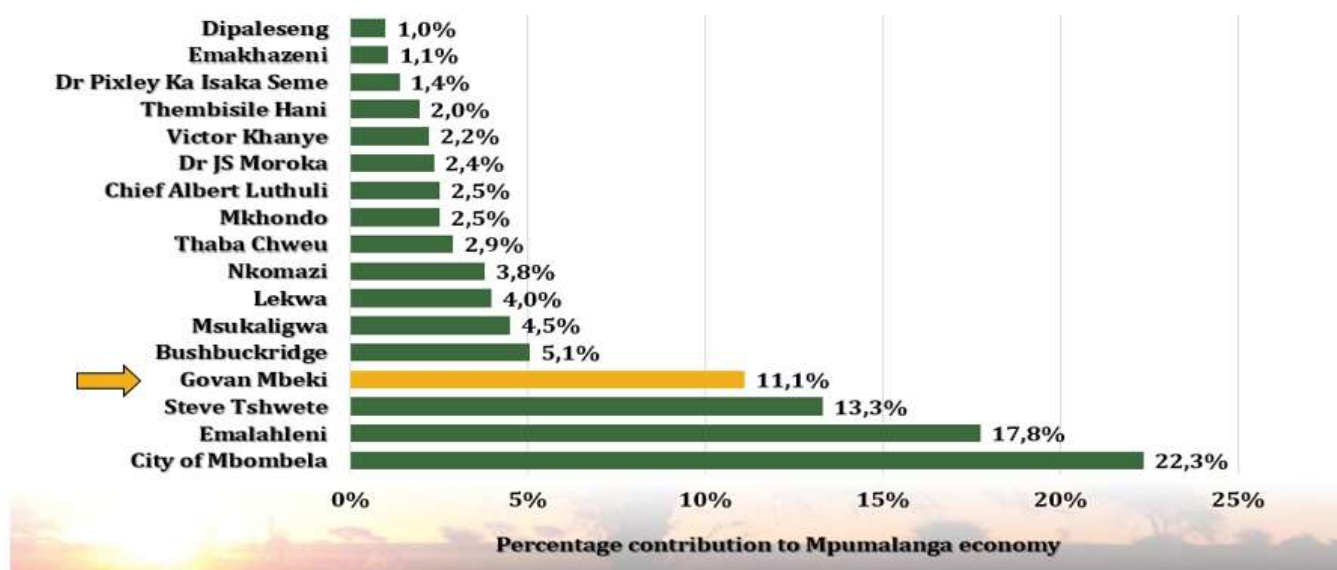
Over the period 1996-2020, the economy of Govan Mbeki contracted by 0.2% on an annual basis. For the period 2015-2020 the economy contracted by 2.3% p.a. – weaker than the national & provincial economies in both periods.

Estimated contraction in 2020 of between -11% & -12% due to the COVID-19 lockdown. Construction, transport, trade and manufacturing were the worst affected industries. Expected growth of 3.2% in 2021 from a low base. The estimated average annual GDP growth for Govan Mbeki between 2020 and 2025 relatively low at just more than 1% p.a.

In 2020, the size of the economy was estimated at R49.6 billion in current prices. In 2020, the four largest industries were mining, manufacturing, community services and finance. Together, these four contributed 80% to the economy of Govan Mbeki.

Govan Mbeki holds comparative advantages in mining & manufacturing. In 2015, tourism spend totalled R898.9 million or equal to 2.2% of the local GDP. In 2020, due to COVID-19 related factors, it decreased to only R307.3 million, which was equal to less than 1% of the local GDP.

1.3.3.1 Contribution to the provincial economy by municipal area



The contribution of Govan Mbeki municipality to the provincial economy is reflected on per the following graph:

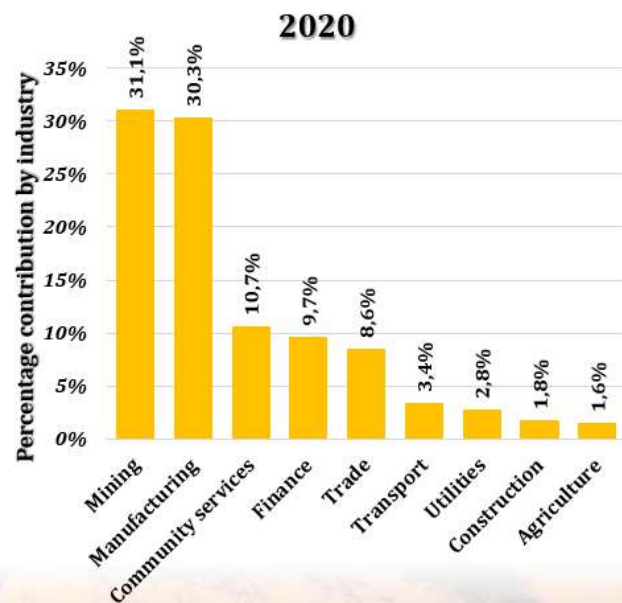
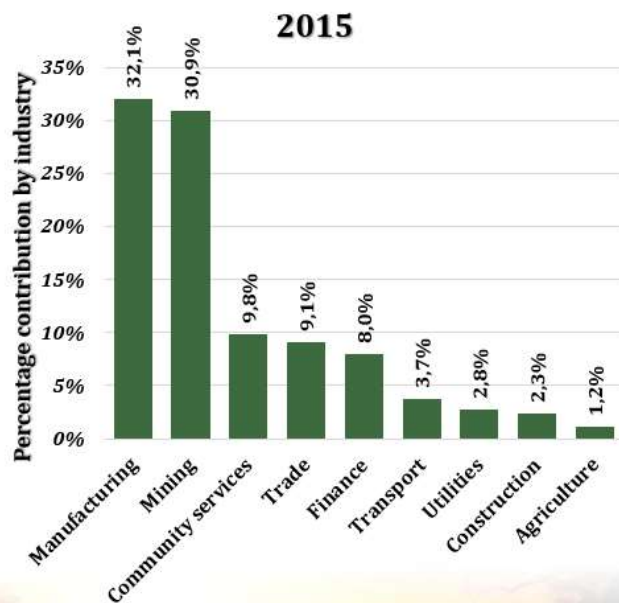
1.3.3.2 Economic contribution by local municipal area to Gert Sibande's industries

Industry	Chief Albert Luthuli	Msuka-ligwa	Mkhondo	Dr Pixley Ka Isaka Seme	Lekwa	Dipaleseng	Govan Mbeki	Gert Sibande
Agriculture	12.1%	18.5%	12.3%	11.8%	23.3%	11.4%	10.7%	100.0%
Mining	8.0%	5.6%	3.8%	0.6%	16.1%	0.7%	65.1%	100.0%
Manufacturing	2.1%	5.6%	7.7%	1.6%	9.3%	1.8%	71.9%	100.0%
Utilities	8.1%	19.2%	6.9%	11.8%	28.9%	6.2%	19.0%	100.0%
Construction	9.4%	17.0%	10.1%	15.1%	12.2%	4.6%	31.6%	100.0%
Trade	9.6%	23.3%	14.3%	5.8%	13.6%	5.8%	27.4%	100.0%
Transport	10.9%	31.0%	12.5%	6.1%	12.1%	4.0%	23.4%	100.0%
Finance	8.0%	24.5%	11.0%	5.6%	14.1%	3.1%	33.6%	100.0%
Community services	17.4%	23.0%	11.1%	6.6%	13.3%	4.2%	24.2%	100.0%
Total	9.4%	16.7%	9.4%	5.2%	14.7%	3.7%	41.0%	100.0%

1.3.3.3 Economic contribution & growth per municipal area

Local municipal area	% contribution to Mpumalanga economy 2020	Average annual economic growth 1996-2020	Average annual economic growth 2015-2020	Average annual economic growth 2020-2025
City of Mbombela	22.3%	2.6%	-2.5%	1.2%
Emalahleni	17.8%	1.4%	-1.0%	3.6%
Steve Tshwete	13.3%	2.1%	-1.0%	2.9%
Govan Mbeki	11.1%	-0.2%	-2.3%	1.2%
Bushbuckridge	5.1%	0.9%	1.0%	3.1%
Msukaligwa	4.5%	2.2%	-0.1%	2.9%
Lekwa	4.0%	1.5%	2.9%	3.8%
Nkomazi	3.8%	1.7%	0.2%	2.2%
Thaba Chweu	2.9%	1.5%	-3.9%	1.5%
Mkhondo	2.5%	2.4%	-1.4%	1.8%
Chief Albert Luthuli	2.5%	2.4%	-0.5%	1.4%
Dr JS Moroka	2.4%	0.4%	0.5%	2.0%
Victor Khanye	2.2%	2.4%	0.0%	3.8%
Thembisile Hani	2.0%	0.8%	0.3%	2.3%
Dr Pixley Ka Isaka Seme	1.4%	2.3%	3.5%	5.5%
Emakhazeni	1.1%	1.5%	0.6%	1.9%
Dipaleseng	1.0%	2.6%	3.2%	4.5%

1.3.3.4 Structure of Govan Mbeki's economy



1.3.3.5 Largest industries per municipal area

Region	Industries			
Gert Sibande	Mining	Community services	Manufacturing	Trade
Chief Albert Luthuli	Community services	Mining	Trade	Finance
Msukaligwa	Community services	Trade	Finance	Transport
Mkhondo	Community services	Trade	Manufacturing	Finance
Dr Pixley Ka Isaka Seme	Community services	Trade	Agriculture	Utilities
Lekwa	Mining	Community services	Trade	Utilities
Dipaleseng	Community services	Trade	Agriculture	Finance
Govan Mbeki	Mining	Manufacturing	Community services	Trade

1.3.3.6 Estimated economic growth per industry in Govan Mbeki, 2020

Industry	Estimated economic growth in 2020
Agriculture	6.6%
Mining	-7.9%
Manufacturing	-13.4%
Utilities	-7.5%
Construction	-21.5%
Trade	-14.0%
Transport	-17.7%
Finance	-0.6%
Community services	-4.9%
Total	Between -11% & -12%

1.3.4 KEY ECONOMIC CLUSTERS, CENTRES & HUBS



1.3.4.1 Linking key economic clusters, centres & hubs with poverty nodes

Municipal area	Innovation Clusters	Industrial Centre of Competence	Central hub/s
Emalahleni	Mining and Metals Innovation Cluster	Mining and Metals Industrial Centre of Competence	Mining and Metals Technology Park
Steve Tshwete	Metals Manufacturing Innovation Cluster		
Govan Mbeki	Petrochemicals Innovation Cluster	Petrochemicals Industrial Centre of Competence	Petrochemicals Industrial Supplier Park
City of Mbombela	Agriculture Technology Innovation Cluster	Agriculture and Forestry Industrial Centre of Competence	Forestry Technology Park
Thaba Chweu	Potential Forestry Innovation Cluster		International Fresh Produce Market
Nkomazi	Potential Agro-Processing Innovation Cluster	Nkomazi Special Economic Zone	Agro-Processing Technology Park

1.3.5 TOURISM BY LOCAL MUNICIPAL AREA

1.3.5.1 Tourism: proposed strategic tourism recovery interventions

Industry/Government Recovery Partnership to collaborate on all aspects of tourism recovery. Tourism Supply Support Package to protect tourism assets & core infrastructure as well as to support re-opening.

Implementation of globally recognised biosecurity protocols across the value chain to enable safe travel & rebuild traveler confidence. Removal of barriers to travel such as crime towards tourists, provide stronger personal safety & security guarantees as well as upgrading key tourism roads.

Catalyze domestic demand through the phases of re-opening with informative & inspirational messaging that encourages safe tourism & domestic vacation experiences. Targeted international marketing programme at highest-potential source markets & intrepid travel consumer segments, to reignite international demand. Prioritize cooperation with neighbouring destinations towards a regional value proposition & a seamless visitor experience, e.g. E3Route & Triland initiatives. Review & transform the tourism institutional architecture to deliver efficient, effective & purpose-led support for sector growth & development.

1.3.6 KEY SOCIO-ECONOMIC INDICATORS & PERFORMANCE

Red 🚫 = former CRDP area & Orange 😊 = non-CRDP area, ranked in bottom/worst 8 of indicator)

Local Municipal Area	Average annual economic growth	Inclusive growth	Economic contribution	Average annual employment growth	Unemployment rate	Poverty rate	Human development index (HDI)	Infrastructure and household services index
GERT SIBANDE								
Chief Albert Luthuli	🚫	🚫	🚫	🚫	🚫	🚫	🚫	🚫
Msukaligwa		🚫	🚫	🚫	🚫	🚫	🚫	🚫
Mkhondo		🚫	🚫	🚫	🚫	🚫	🚫	🚫
Dr Pixley ka Isaka Seme		🚫	🚫		🚫	🚫	🚫	
Lekwa								
Dipaleseng		🚫	🚫				🚫	
Govan Mbeki	😊							
NKANGALA								
Victor Khanye	😊		😊	😊	😊			
Emalahleni	😊							
Steve Tshwete	😊							
Emalahzeni	🚫		😊	😊				
Thembisile Hani		🚫	🚫	🚫	🚫	🚫	🚫	🚫
Dr JS Moroka		🚫	🚫	🚫	🚫	🚫	🚫	🚫
EHLANZENI								
Thaba Chweu	😊			😊				😊
Nkomazi		🚫			🚫	🚫	🚫	🚫
Bushbuckridge		🚫			🚫	🚫	🚫	🚫
City of Mbombela	😊			😊		😊		😊

1.3.7 RELEVANT ECONOMIC INITIATIVES & OPPORTUNITIES FOR GOVAN MBEKI

1.3.7.1 Importance and relevance of:

- ☐ The implementation of the Provincial Spatial Development Framework (SDF) by COGTA and Provincial LED strategy framework by DEDT.
- ☐ Roll-out of the DDM and close cooperation and collaboration with the District.
- ☐ The roll-out of the MERRP – Mpumalanga Economic Reconstruction and Recovery Plan.

1.3.7.2 Linking with economic interventions and comparative advantages in/of Gert Sibande:

- ❑ Enhancing the manufacturing sector in Gert Sibande through the planned Petro-Chemical Technology Park in Secunda as part of the Mpumalanga Industrial Development Plan (MIDP).
- ❑ Agriculture & agro-processing – crop & livestock, forestry & furniture manufacturing.
- ❑ Coal mining and electricity generation.

1.3.7.3 Economic opportunities in Govan Mbeki:

- ❑ Opportunities around manufacturing & mining. Will benefit from the establishment of the Petro-Chemical Industrial Technology Park in Secunda as part of the MIDP.
- ❑ Importance of the active involvement of Sasol in addressing socio-economic challenges in the area.
- ❑ The importance of a LED Forum to facilitate growth and job creation in this area. Important to work closely with companies like Sasol. Investment commitments of Sasol at the Investment Conference the end of 2020.
- ❑ Support to SMMEs and Cooperatives where the Social Enterprise Model/Programme and Government Nutrition Programme will contribute to job creation and economic development.
- ❑ Rejuvenation of township businesses with initiatives to transform townships and villages from labour and consumption reserves into thriving productive investment hubs.

1.3.8 EDUCATION INDICATORS

Govan Mbeki's grade 12 pass rate declined from 76.3% in 2014 to 73.7% in 2021, which was the 9th highest/lowest of the 17 municipal areas. Was the 6th worst in the province in 2020.

Govan Mbeki's pass rate improved by 1.8 percentage points between 2020 and 2021. The area improved its admission rate to university/degree studies of 30.2% in 2020 to 32.1% in 2021 – the 7th highest in the province like 2020. It is important that key interventions be aimed at low performing schools to improve the grade 12 pass rate further.

The challenge is to accommodate the educated young people in the area - inadequate economic opportunities. Provision of adequate educational & recreational infrastructure as well as skills development activities to meet the needs of the community. In 2020, the functional literacy rate was the 3rd highest/best (88.7%) in the province and showed an improving trend.

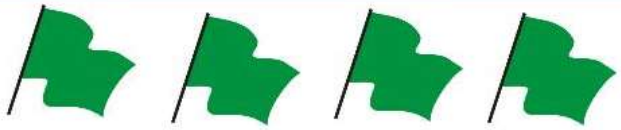
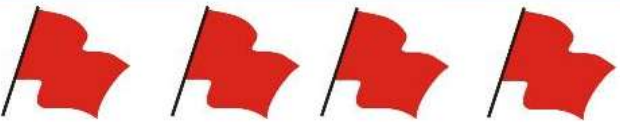
1.3.8.1 Basic education data & performance per municipal area

Local municipal area	Grade 12 Pass Rate			Trend 2020-2021	Admission to B degree studies 2021
	2014	2020	2021		
Steve Tshwete	85.6%	84.7%	82.2%	🔴	41.4%
Thaba Chweu	81.1%	81.9%	80.9%	🟢	39.0%
Emalahleni	81.9%	78.9%	79.6%	🟢	34.5%
Chief Albert Luthuli	80.1%	71.4%	78.0%	🟢	35.1%
Dipaleseng	81.4%	75.3%	76.6%	🟢	29.9%
Lekwa	84.7%	74.8%	75.9%	🟢	27.9%
City of Mbombela	80.5%	75.0%	75.6%	🟢	34.1%
Nkomazi	86.0%	74.1%	75.5%	🟢	30.3%
➡ Govan Mbeki	76.3%	71.9%	73.7%	🟢	32.1%
Bushbuckridge	76.4%	74.0%	73.7%	🔴	30.9%
Thembisile Hani	77.1%	73.7%	71.6%	🔴	30.8%
Msukaligwa	80.6%	76.4%	71.1%	🔴	32.6%
Dr JS Moroka	73.8%	66.0%	66.4%	🟢	26.2%
Mkhondo	70.9%	63.5%	64.3%	🟢	29.3%
Emakhazeni	85.7%	88.0%	63.9%	🔴	17.9%
Dr Pixley Ka Isaka Seme	68.1%	65.9%	59.9%	🔴	21.4%
Victor Khanye	74.6%	62.9%	52.8%	🔴	19.7%

1.3.8.2 Functional literacy rate per municipal area

Local municipal area	Age 15yr+ & completed gr 7 or higher		Trend	Age 15yr+ & completed gr 7 or higher		Trend
	2011	2015	2011-2015	2016	2020	2016-2020
Emalahleni	86.4%	87.8%	😊	88.2%	90.9%	😊
Steve Tshwete	85.3%	87.0%	😊	87.5%	90.4%	😊
Govan Mbeki	83.6%	84.9%	😊	85.4%	88.7%	😊
Thaba Chweu	80.7%	83.7%	😊	84.4%	87.7%	😊
City of Mbombela	80.5%	81.5%	😊	81.9%	86.2%	😊
Msukaligwa	79.0%	80.8%	😊	81.4%	85.6%	😊
Victor Khanye	77.6%	79.5%	😊	80.0%	84.3%	😊
Lekwa	77.2%	79.0%	😊	79.5%	83.7%	😊
Emakhazeni	77.0%	78.3%	😊	78.8%	83.4%	😊
Bushbuckridge	74.6%	76.1%	😊	76.6%	81.9%	😊
Dipaleseng	74.2%	76.3%	😊	76.9%	81.6%	😊
Thembisile Hani	72.7%	75.3%	😊	76.1%	81.4%	😊
Chief Albert Luthuli	72.9%	74.9%	😊	75.6%	81.0%	😊
Dr JS Moroka	72.3%	74.8%	😊	75.6%	80.9%	😊
Mkhondo	70.4%	72.3%	😊	73.0%	78.6%	😊
Dr Pixley Ka Isaka Seme	71.0%	72.3%	😊	72.8%	78.2%	😊
Nkomazi	68.5%	71.2%	😊	72.1%	78.1%	😊

1.3.9 GOVAN MBEKI - GREEN AND RED FLAGS

			
1.	Destination of choice and good location	1.	High population growth rate & shrinking economy – pressure on service delivery
2.	Improvement in informal dwelling, flush/chemical toilets and electricity connection indicators.	2.	High share of informal dwellings and worsening piped water backlog
3.	Potential in developing key industries – role of the Petro-Chemical Industrial Technology Park as part of the roll-out of the MIDP	3.	Large underspending on capital budget & conditional grants
4.	Potential to be one of the key economic and job drivers in the province	4.	Deteriorating unemployment & poverty rates as well as higher inequality
5.	Very high concentration of engineers and engineering expertise	5.	Low historic economic growth & negative economic impact of COVID-19

1.4 FINANCIAL HEALTH OVERVIEW 2021/2022

Awaiting submission upon finalisation of AFS to ensure alignment

The financial overview of the organisation can be summarised as follows:

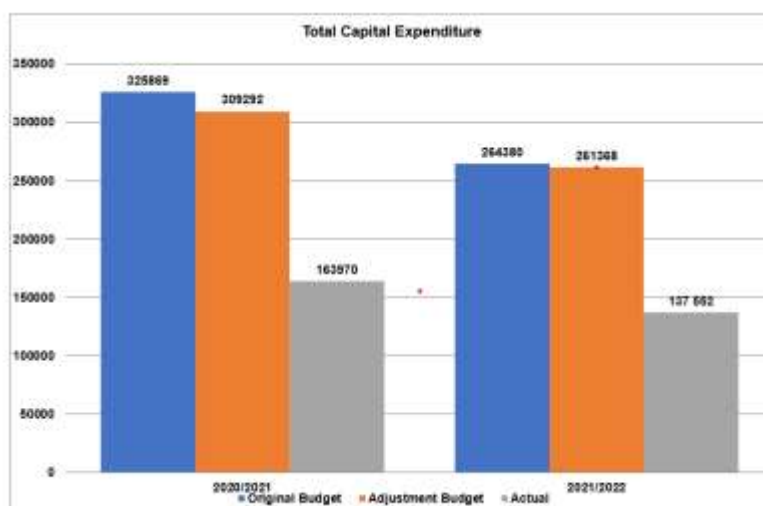
Financial Overview: 2021/2022			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	488 198	527 145	461 821
Taxes, Levies and tariffs	1 951 211	1 951 211	1 685 011
Other	274 647	274 647	188 283
Sub Total	2 714 056	2 753 003	2 335 115
Less: Expenditure	2 492 629	2 513 646	3 032 460
Net Total*	221 427	239 357	-697 345
<i>* Note: surplus/(defecit)</i>			

1.4.1 OPERATING RATIOS:

Operating Ratios				
Detail	2017/2018	2018/2019	2019/2020	2021/2022
Employee Cost	97%	90%	17,82%	19%
Repairs & Maintenance	61%	79%	2,55%	2%
Finance Charges & Impairment	26%	46%	26,40%	6%

1.4.2 CAPITAL EXPENDITURE:

Total Capital Expenditure 2021/2022		
	R'000	
Detail	2020/2021	2021/2022
Original Budget	325 869	264 380
Adjustment Budget	309 292	261 368
Actual	163 970	137 552



1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

1.5.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipality is currently implementing the mSCOA in order to record and classify all expenditure (capital and operating), revenue, assets, liabilities, equity, policy outcomes and legislative reporting. Transacting is taking place on the new Munsoft Financial System which was adopted by Govan Mbeki Municipal Council.

The overall performance of the municipality is managed and evaluated by a Municipal scorecard (Top Level SDBIP) at organisational level and through the detailed Departmental Service Delivery Budget Implementation

Plan (SDBIP) at Departmental levels through which the organisational performance will be evaluated.

The Municipal Scorecard is the municipality's strategic implementation tool and shows the alignment between the Integrated Development Plan, the budget and Annual Performance Agreements of all Section 56 managers and is therefore also utilised to measure, monitor, evaluate and report on institutional performance (on a monthly, quarterly, bi-annual and annual basis).

The municipal scorecard is of a high-level nature, as it's dealing with consolidated service delivery targets set by Council and linking such targets to top management. It therefore provides an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities and also facilitates the oversight over financial and non-financial performance of the municipality.

Operationally, performance is monitored via the Departmental Service Delivery Budget Implementation Plan (SDBIP) at departmental level. The Performance Management System (PMS) serves as primary mechanism to monitor, review and improve the implementation of the municipal IDP and eventually the budget.

1.6 AUDITOR GENERAL REPORT 2021/2022

The Municipality received an Qualified audit outcome with findings for the year to 30 June 2022, with the Auditor-General declaring as follows: **Qualified Of Opinion:**

I was engaged to audit the financial statements of the Govan Mbeki Local Municipality set out on pages **266 to 373** 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 the notes to financial statements, including a summary of significant accounting policies.

The **full detailed audit report** is included in Chapter 6 of this Report from pages **165 to 178**

1.7 STATUTORY ANNUAL REPORT PROCESS

NO	ACTIVITY	TIMEFRAME
1	Consideration of next financial year's Budget and IDP process plan. The process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
7	Mayor tables the unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
11	Municipalities receive and start to address the Auditor-General's findings	
12	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	
13	Municipalities receive management letter and start to address and provide final comments on the Auditor General's findings and comments .	November
14	AGSA submits audit opinion	January
15	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
16	Audited Annual Report is made public and representation is invited	February
17	Oversight Committee assesses Annual Report	March
18	Council adopts Oversight report	
19	Oversight report is made public	
20	Oversight Report is submitted to relevant national and provincial stakeholder sand legislature.	
21	Council approves next financial year Budget/IDP.	May
22	Make public approved Budget and IDP	June
23	Finalize Service Delivery Budget Implementation Plan (SDBIP) and Performance Agreements for next financial year.	
24	Make Public SDBIP and Performance Agreements	July

COMMENT ON THE ANNUAL REPORT PROCESS

The Municipality has prepared the Annual Report as prescribed by the National Treasury for annual reporting as per required new format. The format has been adapted, where necessary, in line with the Municipality's organisational structure. The municipality strives to adhere to the statutory reporting requirements as indicated as per the below table and also per the guidance of the Municipal Finance Management Act (MFMA) to ensure alignment between IDP, Budget, and Performance Management Systems (PMS).

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

In terms of Section 40 of the Constitution, Government in South Africa is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated.

All spheres of government must observe and adhere to the principles of the Constitution and must conduct their activities within the parameters that the Constitution provides. The Govan Mbeki Municipality represents the local sphere of government.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

Section 151 (3) of the Constitution states that the Council of a Municipality has the right to govern, on its own initiative, the local government affairs of the local community.

At the Govan Mbeki Municipality clear distinction is made between the politically elected structure, namely Council, which is responsible for the oversight and legislative function of the Municipality, and the Administration.

The Council is chaired by the Speaker and headed by the Executive Mayor with a Mayoral Committee of seven (7) members, The Chief Whip of Council and Chairperson of Municipal Public Accounts Committee (MPAC), who fulfil an oversight roll and been involved in the day-to-day running of Council from the political perspective.

The Administration is headed by the Municipal Manager, who is also the organisation's Accounting Officer. Five (5) departmental heads reporting directly to the Accounting officer.

2.1.1 KEY COMMITTEES OF COUNCIL

MAYORAL COMMITTEE

The Executive Mayor is supported by a Mayoral Committee. Each member of the Mayoral Committee has a portfolio with specific functions.

The Executive Mayor may delegate specific responsibilities to each member of the Mayoral Committee. Any powers and duties delegated to the Executive Mayor by the municipal Council must be exercised and performed by the Executive Mayor together with the other members of the Mayoral Committee

MPAC

Section 79 committees are permanent committees appointed to advise the municipal Council. Council established the Municipal Public Accounts Committee (MPAC) to perform an oversight function on behalf of Council over the executive functionaries of the Council.

The MPAC inter alia serves as an oversight committee to make recommendations to the Council when it adopts the Oversight Report on the Annual Report in terms of Section 129 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

AUDIT COMMITTEE

In compliance with Section 166(2) of the MFMA, Council has an Audit Committee which is an independent body advising the municipal Council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:

- ❖ Internal financial control;
- ❖ Risk management;
- ❖ Performance management; and
- ❖ Effective governance.

MAYORAL/PORTFOLIO COMMITTEES

Six (6) Section 80 committees are established, i.e. Corporate Services, Planning and Development, Technical Services, Financial Services, Community Services and Special Projects to advise the Executive Mayor on policy matters and any other matter to be considered by the Executive Mayor. Portfolio Committees are assigned to focus on specific functional areas of the Municipality and can only make decisions on specific functional issues if delegations have been granted to them.

The members are appointed by Council. The chairpersons appointed by the Executive Mayor are full-time Councillors and form part of the Mayoral Committee. Its functional responsibility area is linked to that of the Executive Mayor to the extent that he must operate together with the members of the mayoral committee. Its primary task is to assist the Executive Mayor in the execution of his powers - it is in fact an extension of the office of Executive Mayor.

That the following committees has been established as at the end of the 2021/2022 financial year in terms of Section 79 of the Local Government: Municipal Structures Act, Act 117 of 1998:

NAME OF COMMITTEE	MEMBERS
RULES ETHICS & BY-LAWS COMMITTEE	1. Thabiso Simon Mofokeng (Chairperson) (EFF) 2. Petrus Jabu Zwane (ANC) 3. Esther Rose Nkabinde (ANC) 4. Aranda Donel Nel-Buitendag (FF+) 5. Masobode Alfred Kubheka (ARP) 6. Nicholaas Cornelius van Huyssteen (DA) 7. Thomas Mtololo Mazibuko (DA) 8. Mduduzi Sidney Sehlalo (ANC)
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	1. Sifiso Isaac Sibanyoni (Chairperson) (ANC) 2. Solomon Vusi Mahlangu (ANC) 3. Philimon Vilakazi (ANC) 4. Mduduzi Sidney Sehlalo (ANC) 5. Esther Rose Nkabinde (ANC) 6. Nicholaas Cornelius Van Huyssteen (DA) 7. Ciska Jordaan (DA) 8. Thabiso Simon Mofokeng (EFF) 9. Mlungisi Nkosi (EFF) 10. Sylvia Mpho Mkhwanazi (EFF) 11. Aranda Donel Nel-Buitendag (FF+) 12. Sibongile Brenda Mathebula (DA) 13. Thomas Mtololo Mazibuko (DA)

NAME OF COMMITTEE	MEMBERS
PUBLIC PARTICIPATION COMMITTEE	1. Bafana Elphius Mthembu (Chairperson) (ANC) 2. Lucky Patrick Ngwenya (ANC) 3. Mduduzi Sydney Sehlalo (ANC) 4. Zodwa Annitah Mkwebane (DA) 5. Nongoloza Amos Masina (DA) 6. Mlungusi Nkosi (EFF) 7. Aranda Donel Nel-Buitendag (FF+) 8. Celubuhle Muntowangenza Mtungwa (IFP)
GEOGRAPHICAL NAMES COMMITTEE	1. Mahlashwani Marius Masinga (Chairperson) (ANC) 2. Mlungisi Dennis Mnyukana (ANC) 3. Philimon Vilakazi (ANC) 4. Kenneth Siprian Thukwane (DA) 5. Louise Jonker (FF+) 6. Sylvia Mpho Mkhwanazi (EFF) 7. Mtshelwa John Mahlangu (ARP) 8. Zodwa Annitah Mkwebane (DA)

The following committees has been established as at the end of the 2021/2022 financial year in terms of Section 80 of the Local Government: Municipal Structures Act, Act 117 of 1998:

NAME OF COMMITTEE	MEMBERS
COMMUNITY SERVICES PORTFOLIO COMMITTEE	1. Mavis Emmelinah Nsibande (Chairperson) (EFF) 2. Sonto Margareth Masiteng (ANC) 3. Joseph Mfanafuthi Maseko (ANC) 4. Hester Elizabeth van Marle (DA) 5. Sibongile Brenda Mathebula (DA) 6. Vusi Lawrence Petterson (EFF) 7. Simangaliso Emmanuel Nkwanyana (ANC) 8. Petronela Nathiswa Ndwanyaza (DA)
CORPORATE SERVICES PORTFOLIO COMMITTEE	1. Thandi Portia Mtsweni (Chairperson) (ANC) 2. Thivhusiwi Calvin Makhado (ANC) 3. Simangaliso Emmanuel Nkwanyana (ANC) 4. Daniel Khoza (EFF) 5. Julia Lindiwe Mthombeni (EFF) 6. Engela Johanna Van Rooyen (DA) 7. Jacobus Tesner (DA) 8. Gideon Rudolph De Vries (FF+)
FINANCE PORTFOLIO COMMITTEE	1. Nhlakanipho Guybourn Zuma (Chairperson) (ANC) 2. Nkululeko Raymond Madonsela (ANC) 3. Thivhusiwi Calvin Makhado (ANC) 4. Terry-Lee Kleynhans (DA) 5. Suhla James Masango (DA) 6. Alina Nthabeleng Mtahane (EFF) 7. Gideon Rudolph De Vries (FF+)
PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE	1. Thandiwe Yvonne Ngxonono (Chairperson) (ANC) 2. Maluka Judas Magazini (ANC) 3. Sibusiso Johan Mazibuko (ANC) 4. Johannes Banele Nkabinde (DA) 5. Desire Erasmus (DA) 6. Tracy Seimela (EFF) 7. Lwandile Ziwele (ATM)

NAME OF COMMITTEE	MEMBERS
CIVIL ENGINEERING (Water & Sanitation) PORTFOLIO COMMITTEE	1. Philemon Doctor Mtshali (Chairperson) (ANC) 2. Simpiwe Sindelo (ANC) 3. Thabisile Evelyn Mazibuko (ANC) 4. Tonny Mkhethwa Mabizela (DA) 5. Mariaan Chamberlain (DA) 6. Emmanuel Wilson Chauke (EFF) 7. Botaki Daniel Moloto (EFF) 8. Lwandile Ziwele (ATM)
ELECTRICAL & MECHANICAL (Energy Roads & Storm Water) PORTFOLIO COMMITTEE	1. Aaron Vusimuzi Mbokazi (Chairperson) (ANC) 2. Sindelo Simphiwe (ANC) 3. Thabisile Evelyn Mazibuko (ANC) 4. Mariaan Chamberlain (DA) 5. Tonny Mkhethwa Mabizela (DA) 6. Given Conway Sierana (EFF) 7. Martha Maria Nkuna (EFF) 8. Gideon Rudolph De Vries (FF+)
LOCAL LABOUR FORUM	1. Thandi Portia Mtsweni (ANC) 2. Thivhusiwe Calvin Makhado (ANC) 3. Engela Johanna Van Rooyen (DA) 4. Daniel Khoza (EFF)
HUMAN RESOURCES DEVELOPMENT COMMITTEE	1. Thandi Portia Mtsweni (Chairperson) (ANC) 2. Thivhusiwe Calvin Makhado (ANC) 3. Engela Johanna Van Rooyen (DA) 4. Daniel Khoza (EFF)

2.1.2 THE POLITICAL STRUCTURE AS AT 30 JUNE 2022 IS AS FOLLOWS:

2.1.3 FUNCTIONS OF POLITICAL STRUCTURE

The council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee.

Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

The Council of the GMM Municipality comprises of 63 elected Councillors, chaired by the Speaker. The Mayoral Committee is established in terms of Section 43 of the Structures act, they act as political heads of departments with delegated functions and powers and they are chairpersons of their Port Folio Committees. The roles of the Council, Mayoral Committee and the Executive Mayor are summarised as follows:

Council

The Council's primary role is to govern the municipality in a democratic and accountable manner, to perform legislative and executive functions and generally to fulfil its roles and responsibilities as set out in the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). It focuses on legislative, decision-making, oversight and participatory roles, and has delegated executive functions to the Executive Mayor.

Executive Mayor

The Executive Mayor assisted by the Mayoral Committee, heads the political arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in her to

manage the day-to-day affairs. This means that he/she has an overarching strategic and political responsibility.

Power is vested in the Executive Mayor, delegated by the Council, as well as the powers assigned by legislation. Although he/ she is accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in conjunction with the Mayoral Committee. As per Council resolution, **A023/02/2021 section 79 and 80 committees** have been established that are aimed at intensifying service delivery.

The Executive Mayor represents the public and is the chief political principal of the municipality. In terms of legislation the Executive Mayor has the following functions:

- ❖ Identify the needs of the municipality;
- ❖ Review and evaluate those needs in order of priority
- ❖ Recommend to the municipal Council strategies, programmes and services to address priority needs through the Integrated Development Plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans;
- ❖ Recommend or determine the best way, including partner-ship and other approaches, to deliver those strategies, programmes

THE SPEAKER

The Speaker of the municipal Council has the following functions:

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

CHIEF WHIP

- ❖ The function of the Chief Whip is to create synergy and to maintain discipline among Councillors from various political parties.
- ❖ The role of the Chief Whip of Council covers both the political and administrative domains of Council with the emphasis on the political aspect. Five political parties are represented in Council and the Chief Whip has to ensure that relationships are constructive and focused on key issues aimed at improving the lives of the residents of Govan Mbeki .
- ❖ The Chief Whip ensures that there is equitable representation on committees of Council.

These committees are responsible for submitting their reports to the Executive Mayor and by implication to the Mayoral Committee. The roles and responsibilities of the political structures and political office bearers are stipulated in Section 53 of the Local Government: Municipal Systems Act, Act 32 of 2000.

2.1.4 COUNCILLORS

The composition of councillors within their respective political parties at the end of the 2021/2022 financial year is set out in the following table:

Composition of Council			
Political Party	Number of Councillors	Gender	
		Male	Female
ANC	26	20	6
DA	17	8	9
EEF	13	7	6
FF+	3	1	2
ARP	1	1	0
IFP	1	1	0
ATM	1	1	0
Total	63	39	24

The municipality is led by the African National Congress (ANC) due to the number of seats it holds in the Council and the Democratic Alliance (DA) is the official opposition; there is however no outright majority for any particular political party.

MAYORAL COMMITTEE (as at end of 2021/2022)		
Designation	Name	Political Party
Executive Mayor	Zuma NG	ANC
MMC Councillors	Mavis Emmelinah Nsibande (EFF) Thandi Portia Mtsweni Thandiwe Yvonne Ngxonono Philemon Doctor Mtshali Aaron Vusimuzi Mbokazi	ANC

The following list represent the names of the councillors serving on the Council of the Govan Mbeki Municipality as at the end of the 2021/2022 financial year:

#	NAME	ID NUMBER	WARD / PR	PARTY	GENDER
1	Mariaan Chamberlain	5410080067081	Ward 5	DA	F
2	Emmanuel Wilson Chauke	8012126758082	PR	EFF	M
3	Gideon Rudolph De Vries	6107235028088	PR	FF+	M
4	Desiré Erasmus	7104140157085	Ward 28	DA	F
5	Louise Jonker	7110150021087	PR	FF+	F
6	Ciska Jordaan	9110220118085	Ward 25	DA	F
7	Daniel Khoza	8204135822088	PR	EFF	M
8	Terry-Lee Kleynhans	8702030088085	Ward 30	DA	F
9	Masobode Alfred Kubheka	7605156000084	Ward 20	ARP	M
10	Tonny Mkhethwa Mabizela	7405105991081	PR	DA	M
11	Nkululeko Raymond Madonsela	7802045422088	Ward 22	ANC	M
12	Faith Fikile Magagamela	8204030674089	Ward 11	ANC	F
13	Mtshelwa John Mahlangu	7502185439088	PR	ARP	M
14	Solomon Vusi Mahlangu	7712275894080	Ward 01	ANC	M
15	Thivhusiwi Calvin Makhado	7503195678087	Ward 13	ANC	M
16	Judas Magazini Maluka	6408225368082	Ward 23	ANC	M
17	Suhla James Masango	5709025261083	PR	DA	M
18	Nongoloza Amos Masina	4603205549089	PR	DA	M
19	Mahlashwani Marius Masinga	7207035467087	Ward 31	ANC	M
20	Joseph Mfanafuthi Maseko	8009096406080	Ward 02	ANC	M
21	Sibongile Brenda Mathebula	8412290821080	PR	DA	F
22	Sibusiso Johan Mazibuko	8512265892089	Ward 19	ANC	M
23	Thabisile Evelyn Mazibuko	8906270453087	Ward 26	ANC	F
24	Aaron Vusumuzi Mbokazi	9108125227084	Ward 29	ANC	M
25	Sylvia Mpho Mkhwanazi	8702240466089	PR	EFF	F
26	Zodwa Annitah Mkwebane	6902040319080	PR	DA	F
27	Mlungisi Dennis Mnyukana	8303135871085	Ward 03	ANC	M
28	Thabiso Simon Mofokeng	6605245482088	PR	EFF	M
29	Botaki Daniel Moloto	8712195345089	PR	EFF	M
30	Alina Nthabeleng Mtahane	8703120314084	PR	EFF	F
31	Bafana Elphius Mthembu	7105155753080	Ward 32	ANC	M

#	NAME	ID NUMBER	WARD / PR	PARTY	GENDER
32	Julia Lindiwe Mtombeni	7310280489085	PR	EFF	F
33	Philemon Doctor Mtshali	7401245713089	Ward 27	ANC	M
34	Mabusa Joseph Mtsweni	7304285286083	Ward 15	ANC	M
35	Thandi Portia Mtsweni	8509190367088	Ward 24	ANC	F
36	Celubuhle Muntowangenza Mtungwa	8808266318086	PR	IFP	M
37	Thomas Mtololo Mazibuko	6307235633081	PR	DA	M
38	Petronela Nathiswa Ndwanyaza	8404251251084	PR	DA	F
39	Aranda Donei Nel-Buitendag	7006120955083	PR	FF+	F
40	Lucky Patrick Ngwenya	7903175676087	Ward 10	ANC	M
41	Yvonne Thandiwe Ngxonono	6107220658089	PR	ANC	F
42	Johannes Banele Nkabinde	6408035584084	PR	DA	M
43	Esther Rose Nkabinde	7312280293087	Ward 16	ANC	F
44	Mlungisi Nkosi	8006265899087	PR	EFF	M
45	Martha Maria Nkuna	7910050363087	PR	EFF	F
46	Simangaliso Emmanuel Nkwanyana	9212185521087	Ward 07	ANC	M
47	Mavis Emmelinah Nsibande	7909100578082	PR	EFF	F
48	Vusi Lawrence Petterson	7712275894080	PR	EFF	M
49	Sonto Margareth Masiteng	7409080843085	Ward 08	ANC	F
50	Mduduzi Sidney Sehlalo	7401085333089	Ward 12	ANC	M
51	Tracy Seimela	9607130406088	PR	EFF	F
52	Sifiso Isaac Sibanyoni	8604165825085	Ward 06	ANC	M
53	Given Conway Sierana	9111185499080	PR	EFF	M
54	Simpiwe Sindelo	8303085706083	Ward 04	ANC	M
55	Jacobus Tesner	9201035128086	Ward 17	DA	M
56	Kenneth Siprian Thukwane	7709186008081	PR	DA	M
57	Nicholaas Cornelius Van Huyssteen	6412085131085	PR	DA	M
58	Hester Elizabeth Van Marle	6511030018089	Ward 18	DA	F
59	Engela Johanna Van Rooyen	5504200004089	Ward 21	DA	F
60	Philimon Vilakazi	7511135850088	Ward 09	ANC	M
61	Lwandile Zivele	8811265873085	PR	ATM	M
62	Nhlakanipho Guybourn Zuma	8309275447081	PR	ANC	M
63	Petrus Jabu Zwane	8106275314083	Ward 14	ANC	M

Appendix A contains a full list of Councillors as at the end of the 2021/2022 financial year (including committee allocations and attendance at Council meetings). Please also refer to **Appendix B** which sets out the committees of Council and the purposes of the different committees.

The Council is the quintessence of the legislative authority of the municipality and has the final sanction on all matters in which the municipality has municipal executive and legislative authority. The municipality has established Section 79 and 80 committees (**Appendix B**) who conduct oversight on behalf of the Council and assist Council in carrying out its responsibilities.

The fulltime councillors account for executive decisions and operations performed in terms of the general policy framework agreed to by Council and although the Portfolio Committees play an oversight role, they have no executive authority or decision-making powers. These committees are responsible for submitting their reports to the Executive Mayor and by implication to the Mayoral Committee.

The roles and responsibilities of the political structures and political office bearers are stipulated in Section 53 of the Local Government: Municipal Systems Act, Act 32 of 2000.

2.1.5 POLITICAL DECISION TAKING

RESOLUTIONS BY MAYORAL COMMITTEE AND COUNCIL

The following are statistics for the resolutions passed by Council based on written reports tabled at a formal meeting, taken during the 2020/2021 financial year compared to the previous two financial years:

COUNCIL RESOLUTIONS		
2019/2020	2020/2021	2021/2022
138	165	167

The table below reflects the number of Council meetings, as well as Council Committees meetings, held over the past three financial years:

MEETING	2019/2020	2020/2021	2021/2022
Council	6	11	9
Extraordinary Council	8	17	11
Mayoral Committee	14	19	9
Municipal Public Accounts Committee			5
Rules Ethics & By-Laws Committee	6	1	1
Audit Committee	2	5	6
Disciplinary Board	1	2	1
Public Participation	1	0	0
Names Committee	0	0	
Community Services Portfolio Committee	9	8	2
Corporate Services Portfolio Committee	9	14	8
Finance Portfolio Committee	14	13	7
Planning & Development Portfolio Committee	9	15	8
Civil Engineering (Water & Sanitation) Portfolio Committee	16	17	2
Electrical& Mechanical (Energy Roads & Storm Water) Portfolio Committee			2

The following table reflects the number of recommendations tabled to the Council by its various committees:

2021/2022 COMMITTEE RECOMMENDATIONS TO COUNCIL			
COMMITTEE	2019/2020	2020/2021	2021/2022
Mayoral Committee	110	120	149
Municipal Public Accounts	10	14	7
Rules Ethics & By-Laws Committee	0	0	0
Audit Committee	3	2	3
Public Participation	0	0	0
Names Committee	1	0	1
Community Services Portfolio Committee	-	3	5
Corporate Services Portfolio Committee	15	16	38
Finance Portfolio Committee	20	28	22
Planning & Development Portfolio Committee	27	32	32
Civil Engineering (Water & Sanitation) Portfolio Committee	6	7	6
Electrical& Mechanical (Energy Roads & Storm Water) Portfolio Committee			

MAYORAL COMMITTEE (B) AND COUNCIL (A) RESOLUTIONS		
2019/2020	2020/2021	2021/2022
A006/01/2019	A042/07/2020	A085/07/2021
A007/01/2019	A043/07/2020	CA011/07/2021
A008/01/2019	A044/07/2020	A086/07/2021
A009/01/2019	A045/07/2020	A087/07/2021
A010/01/2019	A046/07/2020	A088/07/2021
A011/01/2019	A047/07/2020	A089/07/2021
A012/01/2019	A048/07/2020	A090/07/2021
A013/01/2019	CA008/08/2020	A091/07/2021
A014/01/2019	A049/08/2020	A092/07/2021
A030/05/2019	A050/08/2020	A093/07/2021
A031/05/2019	A051/08/2020	A094/07/2021
A032/05/2019	A052/08/2020	A095/07/2021
A033/05/2019	A053/08/2020	CA012/07/2021
A034/05/2019	A054/08/2020	CA013/07/2021
A035/05/2019	A055/08/2020	CA014/07/2021
A036/05/2019	A056/08/2020	A096/08/2021
A037/05/2019	A057/08/2020	A097/08/2021
A038/05/2019	A058/08/2020	A098/08/2021
A039/05/2019	A059/09/2020	A099/08/2021
A040/05/2019	CA009/09/2020	A100/08/2021
A041/05/2019	A060/09/2020	A101/08/2021
B001/05/2019	CA010/09/2020	A102/08/2021
A042/05/2019	A062/10/2020	A103/08/2021
A043/05/2019	A063/10/2020	A104/08/2021

MAYORAL COMMITTEE (B) AND COUNCIL (A) RESOLUTIONS

2019/2020	2020/2021	2021/2022
A044/05/2019	A064/10/2020	A105/08/2021
A046/05/2019	A065/10/2020	A106/08/2021
A047/05/2019	A066/10/2020	A107/08/2021
A051/05/2019	A067/10/2020	A108/08/2021
A052/07/2019	CA011/09/2020	A109/08/2021
A053/07/2019	A068/10/2020	A110/08/2021
A054/07/2019	A069/10/2020	A111/08/2021
A055/07/2019	A079/10/2020	A112/08/2021
A056/07/2019	CA013/10/2020	A113/08/2021
A057/07/2019	A070/10/2020	CA015/08/2021
A058/07/2019	A071/10/2020	A114/10/2021
A059/07/2019	A072/10/2020	A115/10/2021
A060/07/2019	A073/10/2020	A116/10/2021
A061/07/2019	A074/10/2020	A117/10/2021
A062/07/2019	A075/10/2020	A118/10/2021
A063/07/2019	A076/10/2020	A119/10/2021
A064/07/2019	A077/10/2020	A120/10/2021
A065/07/2019	A078/10/2020	A121/10/2021
CA008/08/2019	A080/10/2020	A122/10/2021
CA009/08/2019	A081/10/2020	CA016/10/2021
CA010/08/2019	A082/10/2020	A123/11/2021
CA011/08/2019	A083/10/2020	A124/11/2021
A066/08/2019	A084/10/2020	A125/11/2021
A067/08/2019	A085/10/2020	A126/11/2021
A068/08/2019	A086/10/2020	A127/11/2021
A069/08/2019	A087/10/2020	A128/11/2021
A070/08/2019	CA012/10/2020	A129/11/2021
A071/08/2019	A088/11/2020	A130/11/2021
A072/08/2019	CA014/11/2020	A131/11/2021
A073/08/2019	A089/11/2020	A132/11/2021
A074/08/2019	A090/11/2020	A133/11/2021
A075/08/2019	A091/11/2020	A134/11/2021
A076/08/2019	A092/11/2020	A135/11/2021
A077/08/2019	A093/11/2020	A136/11/2021
A078/08/2019	A094/11/2020	A137/11/2021
A079/08/2019	A095/11/2020	A138/12/2021
A080/08/2019	A096/11/2020	A139/12/2021
A081/08/2019	A097/11/2020	A140/12/2021
A082/08/2019	A098/11/2020	A141/12/2021
A083/08/2019	A099/11/2020	A142/12/2021
A084/08/2019	A100/11/2020	A143/12/2021
A085/08/2019	A101/11/2020	A144/12/2021
A086/08/2019	CA015/11/2020	A145/12/2021
A087/08/2019	CA016/11/2020	A146/12/2021
A088/08/2019	CA017/11/2020	A147/12/2021
B002/07/2019	CA018/12/2020	A148/12/2021
CA012/08/2019	A001/01/2021	A149/12/2021
A089/09/2019	A002/01/2021	A150/12/2021
A090/09/2019	A003/01/2021	A151/12/2021
A091/10/2019	CA001/01/2021	A152/12/2021
A092/10/2019	A004/01/2021	CA017/12/2021

MAYORAL COMMITTEE (B) AND COUNCIL (A) RESOLUTIONS

2019/2020	2020/2021	2021/2022
A093/10/2019	A005/01/2021	CA018/12/2021
A094/10/2019	A006/01/2021	A001/01/2022
A095/10/2019	A007/01/2021	A002/01/2022
A096/10/2019	A008/01/2021	A003/01/2022
A097/10/2019	A009/01/2021	A004/01/2022
A098/10/2019	A010/01/2021	A005/01/2022
A099/10/2019	A011/01/2021	A006/01/2022
A100/10/2019	A012/01/2021	A007/01/2022
A101/10/2019	A013/01/2021	A008/01/2022
A102/10/2019	A014/01/2021	A009/01/2022
A103/10/2019	A015/02/2021	A010/01/2022
A104/11/2019	A016/02/2021	A011/01/2022
A105/11/2019	A017/02/2021	A012/01/2022
A106/11/2019	A018/02/2021	A013/01/2022
CA013/11/2019	A019/02/2021	A014/02/2022
A001/01/2020	A020/02/2021	A015/02/2022
A002/01/2020	A021/02/2021	A016/02/2022
A003/01/2020	A022/02/2021	A017/02/2022
A004/01/2020	A023/02/2021	A018/02/2022
A005/01/2020	CA002/02/2021	A019/02/2022
A006/01/2020	A024/02/2021	A020/02/2022
A007/01/2020	A024/02/2021	A021/02/2022
A008/01/2020	CA003/02/2021	A022/02/2022
A009/01/2020	CA004/02/2021	A023/02/2022
A010/01/2020	CA005/02/2021	A024/02/2022
A011/01/2020	CA006/03/2021	A025/02/2022
CA001/01/2020	A025/03/2021	A026/02/2022
CA002/01/2020	A026/03/2021	A027/02/2022
A012/02/2020	A027/03/2021	A028/02/2022
A013/02/2020	A028/03/2021	A029/02/2022
A014/02/2020	A029/03/2021	A030/02/2022
A015/02/2020	A030/03/2021	A031/02/2022
A016/02/2020	A031/03/2021	A032/02/2022
A017/02/2020	A032/03/2021	A033/02/2022
A018/02/2020	A033/03/2021	A034/02/2022
A019/02/2020	A034/03/2021	A035/03/2022
A020/02/2020	A035/03/2021	A036/03/2022
CA003/02/2020	A036/03/2021	A037/03/2022
CA004/02/2020	A037/03/2021	A038/03/2022
CA005/02/2020	A038/03/2021	A039/03/2022
A021/03/2020	A039/03/2021	A040/03/2022
A022/03/2020	A040/03/2021	A041/03/2022
A023/03/2020	A041/03/2021	A042/03/2022
A024/04/2020	A042/03/2021	A043/03/2022
A025/04/2020	A043/03/2021	A044/03/2022
A026/04/2020	CA007/03/2021	A045/03/2022
A027/04/2020	A044/04/2021	A046/03/2022
CA006/04/2020	A045/04/2021	A047/03/2022
A028/05/2020	A046/04/2021	CA001/03/2022
A029/05/2020	A047/04/2021	CA002/03/2022
A030/05/2020	A048/04/2021	CA003/03/2022

MAYORAL COMMITTEE (B) AND COUNCIL (A) RESOLUTIONS		
2019/2020	2020/2021	2021/2022
A031/05/2020	A049/04/2021	CA004/03/2022
A032/05/2020	A050/04/2021	A048/03/2022
A033/05/2020	A051/04/2021	A049/03/2022
A034/05/2020	A052/04/2021	A050/04/2022
A035/05/2020	A053/04/2021	A051/04/2022
A036/05/2020	A054/04/2021	A052/04/2022
CA007/05/2020	A055/04/2021	A053/04/2022
A037/06/2020	A056/04/2021	A054/04/2022
A038/06/2020	A057/05/2021	A055/04/2022
A039/06/2020	A058/05/2021	A056/04/2022
A040/06/2020	A059/05/2021	A057/04/2022
A041/06/2020	A060/05/2021	A058/04/2022
	A061/05/2021	A059/04/2022
	A062/05/2021	A060/04/2022
	A063/05/2021	A061/04/2022
	A064/05/2021	A062/04/2022
	A065/05/2021	A063/04/2022
	A066/05/2021	A064/05/2022
	A067/05/2021	A065/05/2022
	A068/05/2021	A066/05/2022
	A069/05/2021	A067/05/2022
	A070/05/2021	A068/05/2022
	A071/05/2021	A069/05/2022
	A072/05/2021	A070/05/2022
	A073/05/2021	A071/05/2022
	CA008/05/2021	A072/05/2022
	CA009/05/2021	A073/05/2022
	A074/06/2021	A074/05/2022
	A075/06/2021	A075/05/2022
	A076/06/2021	A076/05/2022
	A077/06/2021	A077/05/2022
	A078/06/2021	A078/05/2022
	A079/06/2021	A079/05/2022
	A080/06/2021	A080/05/2022
	A081/06/2021	CA005/05/2022
	A082/06/2021	CA006/05/2022
	A083/06/2021	CA007/05/2022
	A084/06/2021	A081/06/2022
	CA010/06/2021	A082/06/2022
		A083/06/2022
		CA008/06/2022

2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the Accounting Officer of the Municipality. He is the head of administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by a Management Team, whose structure is outlined in the tables below.

The Municipal Manager has 5 Section 56 managers who report directly to him/her as well as Three (3) Regional Managers.

As head of administration the municipal manager of a municipality 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 and responsive to the needs of the local community to participate in the affairs of the municipality;
- ❖ Responsible for the implementation of the municipality's integrated development plan
- ❖ The management of the provision of services to the local community in a sustainable and equitable manner;
- ❖ The appointment of staff , management, effective utilisation and training of staff
- ❖ Advising the political structures and political office bearers of the municipality;
- ❖ Managing communications between the municipality's administration and its political structures and political office bearers:
- ❖ Carrying out the decisions of the political structures and political office bearers of the municipality

The macro-structure of the Govan Mbeki Municipality with the incumbent heads of department at the end of the 2021/2022 financial year was as follows:

MUNICIPAL MANAGER : (MM)	THE MM IS HEAD OF THE ADMINISTRATION AND ALSO ACCOUNTING OFFICER FOR THE MUNICIPALITY	
	The Municipal Manager herein refers to the "MM" means a person appointed in terms of section 54 of the Municipal Systems Act. As head of the administration and subject to the policy directions of the council, the mm is responsible and accountable for: ☐ Strategic Leadership (Directors) ☐ Risk Management ☐ Regional Managers (Service Delivery) ☐ Marketing & Communication ☐ Performance Management ☐ Project Management Unit ☐ Internal Audit ☐ The formation and development of an economical, effective, efficient and accountable administration ☐ Equipped to carry out the task of implementing the municipality's integrated development plan in accordance with Chapter 5 of the Local Government: Municipal Systems Act, 2000; ☐ Operating in accordance with the municipality's performance management system in accordance with Chapter 6; and ☐ Responsive to the needs of the local community to participate in the affairs of the municipality. ☐ The MM is also responsible for the managing of the Internal Audit, Risk Management and Project Management	
REGIONAL MANAGERS: Region 1, 2 & 3	REGIONAL MANAGERS ARE RESPONSIBLE FOR THE FOLLOWING SERVICES:	
	☐ Assist the Municipal Manager (MM) in promoting municipal administration within the framework policy of the Council ☐ Establish and maintain the administration of the region ☐ Implement legislations and by-laws falling within the ambit of the Region	☐ Managing communications between administration, political structures and office bearers on regional issues in consultation with the MM ☐ Maintenance of discipline ☐ Instruct an official within the region to temporarily perform other duties than those normally assigned to him or her.

	☐ Monitor the impact and the effectiveness of any services, policies, programmes and plans ☐ Assist the MM in annual review of the IDP ☐ Assist in the development, implementation and review of the municipality's a Performance Management System (PMS)in the Region ☐ Management of provision of services	☐ Report to the MM in respect of the general performance of the region Identify regional needs within the region in consultation with the MM. ☐ Projects ☐ Meter reading/ Cut- offs/ Indigents ☐ Procurement requests ☐ Control and pre-approval of overtime as per the threshold ☐ Risk management/ Risk identification
CHIEF FINANCIAL OFFICER: CFO	DEPARTMENT FINANCIAL SERVICES IS RESPONSIBLE FOR:	
	☐ Financial Services ☐ Credit Control ☐ Debt Collection ☐ Supply Chain ☐ Tender & Contract Management ☐ Demand & Acquisition Management (Stores) ☐ Logistics & Disposal ☐ Asset Management ☐ Budget & Support ☐ Financial Reporting ☐ Salary Administration (Pay-roll) ☐ Expenditure ☐ Creditors Management ☐ Revenue Collection (Cashiers) ☐ Billing ☐ Meter Reading ☐ Customer Care ☐ Indigent Management ☐ Property Rates & Clearances	☐ Revenue Management ☐ Fund Management ☐ Salary Administration ☐ Credit Control ☐ Debt Collection ☐ Supply Chain management ☐ Demand and Acquisition Management ☐ Logistical Management ☐ Supply Chain Administration ☐ Budget and Expenditure Management ☐ Budget and Expenditure Management ☐ Revenue Collection and Debt Management ☐ Asset Management ☐ Asset Register Management ☐ Disposal of Assets ☐ Asset Policy Management ☐ Manage infrastructure Insurance and Leasing of Municipal Assets
DIRECTOR: CORPORATE SERVICES	DEPARTMENT CORPORATE SERVICES IS RESPONSIBLE FOR:	
	☐ Human Resource Management ☐ Recruitment ☐ Employment Equity ☐ Training & Development ☐ Leave Management ☐ HR Systems ☐ Employee Benefits ☐ Legal Services ☐ Labour Relations ☐ ICT Services ☐ Business Intelligence & Security ☐ OHS ☐ Records Management ☐ Call Centre ☐ Cleaning Services ☐ Reprographics & Receptionist ☐ Courier/ Messenger Services ☐ Fleet ☐ GIS dash boarding ☐ Information Communication Technology ☐ Municipal ICT Operations Management ☐ Implementation of Disaster ICT Management System ☐ Information Technology Support Services ☐ Network Support Services ☐ Administration and Secretariat Services	☐ Human Resource Management and Development (HR) ☐ HR Practices and Administration Services ☐ HR Utilisation and Capacity Development ☐ HR Organisational Strategy and Planning ☐ Employee Health and Wellness ☐ Employee relations and People Management ☐ Legal and Contract Management ☐ Interpret Legislation and Render Legal Advisory services ☐ Liaison with State Attorney and State Law Advisors ☐ Council Representation on Litigation Matters ☐ Review By-Laws and Enforce ☐ Management of Liquor and Business Licenses ☐ Manage Municipal Records ☐ Manage Cleaning, Gardening , Messenger and Secretarial Services (Auxiliary Services) ☐ Manage Secretariat Services to Council and Council Committees ☐ Council Administration Management

DIRECTOR: ELECTRICAL & MECHANICAL	DEPT. ELECTRICAL & MECHANICAL ENGINEERING IS RESPONSIBLE FOR : ☐ Energy Services ☐ Electricians ☐ Render Electrical Services ☐ Air Quality ☐ Solar Energy ☐ Energy Management, Control & Protection ☐ Energy Operations, Planning & Maintenance ☐ Mechanical Workshop ☐ Facility Maintenance	
DIRECTOR: CIVIL ENGINEERING	DEPARTMENT CIVIL ENGINEERING SERVICES IS RESPONSIBLE FOR: ☐ Roads & Stormwater ☐ Water & Sanitation ☐ Waste Water Treatment Works ☐ Pump Maintenance ☐ Scientific Services ☐ Maintain Municipal Buildings ☐ Maintenance of the Machinery and Equipment Services ☐ Render Mechanical Services ☐ Water and Sanitation ☐ Maintain the Reservoir and Pipeline Services ☐ Monitor and Maintain the Water Bulk Line ☐ Conduct Water Quality Tests ☐ House Connection and Disconnection services ☐ Metre Reading ☐ Construct Minor Reticulation in Settlements ☐ Maintain the Sewer System	
DIRECTOR: COMMUNITY SERVICES	DEPARTMENT COMMUNITY SERVICES IS RESPONSIBLE FOR : ☐ Waste Collection & Operations ☐ Solid Waste Management (Landfill Sites) ☐ Refuse Collection ☐ Paper Picking (Streets & Public Spaces) ☐ Cemeteries ☐ Parks & Open Spaces ☐ Amenities & Municipal Properties ☐ Horticulture ☐ Library Services ☐ Traffic Control ☐ Road Markings ☐ Compliance & Law Enforcement ☐ Security Services ☐ Crime Prevention ☐ Forensic Investigation ☐ By-Law Enforcement ☐ Facilities ☐ Emergency and Disaster Management ☐ Disaster Management Services ☐ Provision of Emergency and Fire Services ☐ Safety and Security ☐ Traffic Law Enforcement Services ☐ Drivers and Vehicle Licensing – Road worthy Regulatory Services ☐ Security and Loss Control ☐ Cleansing Services ☐ Provision and Maintenance of Cemetery Services ☐ Environment Management ☐ Municipal Environmental Health Practices ☐ Facilitate the Implementation of Sports and Recreation Programmes ☐ Manage Municipal Libraries ☐ Develop and Manage Recreation Community Facilities (Thusong Service Centre)	
DIRECTOR: PLANNING AND ECONOMIC DEVELOPMENT	DEPARTMENT PLANNING AND DEVELOPMENT IS RESPONSIBLE FOR: ☐ Local Economic Development ☐ Facilitate Develop and Implement Municipal LED, Rural Development and Tourism Strategy ☐ Mobilise and coordinate Public / Private Sector Support to Municipal LED, Rural Development and Tourism Programmes ☐ Identify and Market new Economic Opportunities ☐ Process Applications for Business Licences ☐ Promote Tourism within the Municipality ☐ Transport (air, Freight and Rail) ☐ Integrated Development Planning, Performance Management and Risk Management ☐ Facilitate the Development of IDP ☐ Monitor the Implementation of IDP Programmes and Projects ☐ Make Inputs to Policy Making Bodies ☐ Facilitate the Development of Service Delivery and Budget Implementation Plans ☐ Coordinate Research and Knowledge Management Services ☐ Coordinate Public Participation programmes ☐ Manage the Evaluation of Performance ☐ Land Use and Spatial Development ☐ Land Use and Spatial Planning ☐ Building Control ☐ Geographical Information Systems ☐ Determine Land Potential ☐ Human Settlements ☐ Beneficiary administration ☐ Implementation of Housing Projects ☐ Planning for Human Settlement ☐ Property Services ☐ Administration of Council Properties ☐ Valuation & Valuation Roll ☐ Tourism & Heritage ☐ Museums, Art & Culture	

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

Intergovernmental Relations takes place in terms of our Constitutional Mandate and other relevant legislation, most importantly the Intergovernmental Relations Framework Act. The Municipality strives to uphold its legislative authority and co-operative governance as required by the Constitution and other relevant legislation.

The municipality fosters relations with other spheres of government and participates in various intergovernmental activities to promote a closer working relationship between the various spheres of government.

In doing so, the municipality maintains good co-operative and intergovernmental relations with its district and neighbouring municipalities, provincial authority, national government and intergovernmental agencies

2.3.1 NATIONAL AND PROVINCIAL INTERGOVERNMENTAL STRUCTURES

The Municipality participates in various Intergovernmental Relations activities in the district and at provincial level. Municipal officials and Councillors are delegated to serve on the various forums as listed per below table:

INTERGOVERNMENTAL RELATIONS FORUMS:		
Forum	Frequency	Department
Municipal Managers Forum	Quarterly	Office of the Municipal Manager
SALGA Working Groups, NCOP, FFC	Quarterly	Relevant Department and Portfolio Councillor
Premiers Co-ordinating Forum (PCF)	Quarterly	Office of the Executive Mayor and Office of the Municipal Manager
MinMay	Quarterly	Executive Mayor
MinMay-tech	Quarterly	Municipal Manager
Communication Forum	Quarterly	Office of the Municipal Manager
Monitoring and Evaluation Forum	Quarterly	Planning and Development
Provincial Skills Development Forum	Quarterly	Corporate Services
Disaster Management Forum	Quarterly	Community Services
Local Economic Development Forum	Quarterly	Planning and Development
DISTRICT INTERGOVERNMENTAL STRUCTURES		
District Co-ordinating Forum (DFC)	Quarterly	Office of the Mayor, Speaker ,MMC's, Office of the Municipal Manager and Directors
District IDP Managers Forum	Quarterly	Planning and Development

The development agenda of Govan Mbeki Municipality is to be understood and carried into the ambit of the broader international, national, provincial and district agenda. Section 24 (1) and (2) of the Municipal Systems Act provides the legislative framework for the enhancement of co-operative governance in municipal planning.

2.3 2 RELATIONSHIPS WITH MUNICIPAL ENTITIES

Govan Mbeki Municipality does not have any relationships with municipal entities.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Constitution of the Republic of South Africa, Act, 108 of 1996, places an obligation on municipality's to encourage the involvement of communities and community organisations in the matters of local government.

With the promulgation of the Municipal Systems Act, 32 of 2000 the attention of municipalities were focused a new on the need to encourage the involvement of communities in the affairs of the municipality. Through public participation the municipality is able to make development plans and render services that are more relevant to the needs and conditions of local communities.

This in itself empowers local communities to have control over their own lives and livelihoods.

The Benefits of Public Participation	
1	Increased level of information in communities
2	Better need identification for communities
3	Improved service delivery
4	Community empowerment
5	Greater accountability
6	Better wealth distribution
7	Greater community solidarity
8	Greater tolerance of diversity

2.4 PUBLIC MEETINGS

2.4.1 COMMUNICATION, PARTICIPATION AND FORUMS

Govan Mbeki Municipality's Communication Strategy

Public engagement sessions present the opportunity and platform to all citizens and those who have vested interest in Govan Mbeki to review the service delivery needs and priorities of the ward in which they reside, ultimately shaping the IDP according to their needs and interests.

Govan Mbeki Municipality's Communication Strategy confirm that the marketing and communications activities take place in an organised and structured way. The Communication Strategy clarifies the methods and frequency of public communication and engagement which is indicative of the municipality's commitment and willingness to strengthen community participation.

The Strategy places strong emphasise on the importance of community participation and involvement in municipal planning, service delivery and performance management processes. The implementation of the communication strategy culminates into an annual public participation programme which is aligned to the IDP and Budget Process Plan. Govan Mbeki Municipality's Communication Strategy confirm that the marketing and communications activities take place in an organised and structured way.

The Communication Strategy places strong emphasise on the importance of community participation and involvement in municipal planning, service delivery and performance management processes. The implementation of the communication strategy culminates into an annual public participation programme which is aligned to the IDP and Budget Process Plan.

The Council of the Govan Mbeki Municipality approved the Government Communication Policy (A012/02/2020) during its sitting on 27 February 2020 .

2.4.2 INTEGRATED DEVELOPMENT PLAN (IDP)

As a municipality's principal strategic the IDP is drafted and review annually in consultation with the local community as well as interested organs of state and other role players, taking into account the existing conditions and problems and resources available for development as it deals with the most critical development needs of the municipal area (external focus) as well as the most critical governance needs of the organisation (internal focus).

The IDP guides and informs all planning and development initiatives and forms the basis of the Medium Term Revenue & Expenditure Framework (MTREF) of Govan Mbeki Municipality.

The main aim of IDP is to facilitate improved quality of life for the people living, learning, playing or working in the area as it is at the centre of the system of developmental local government in South Africa, representing the driving force for making municipalities more strategic, inclusive, responsive and performance-driven in character.

All municipalities have to produce an Integrated Development Plan (IDP). Local municipalities in South Africa have to use integrated development planning as a method to plan future development in their areas.

It should take into account the existing conditions and problems and resources available for development. The plan should look at economic and social development for the area as a whole. It must set a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected.

The municipality is responsible for the co-ordination of the IDP and must draw in other stakeholders in the area who can impact on and/or benefit from development in the area. Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development.

2.4.3 WARD COMMITTEES

The objective of a ward committee is to enhance participatory democracy in local government and serves as the agents for facilitating community participation. At local government level the Local Government: Municipal Structures Act, 1998, requires amongst others municipalities to develop mechanisms to consult communities and community organisations in performing their functions and exercising its powers. These structures are commonly known as Ward Committees, and provide a vital link between Ward Councilors, the community and the municipality.

Ward committees are crucial in the local government system as they are the link between the councillor and the community as public participation is a vital part of our democracy which allows for citizens to get involved in how their communities are governed.

GOVAN MBEKI MUNICIPALITY'S WARD COMMITTEES STRUCTURES

Ward Committee structures for Govan Mbeki Municipality were established for all 32 wards. The input of the ward committees in all thirty two (32) wards, councillors, officials, sector departments as well as the inputs from the public consultations are taken into consideration to ensure that the IDP has been developed with maximum participation.

FUNCTIONS OF WARD COMMITTEES

According to the Department of Cooperative Governance and Traditional Affairs, a ward committee may make recommendations on any matter affecting its ward to the ward councillor, or through the ward councillor to the municipal council, the executive committee or support committee. The ward committee will be regarded

as the statutory structure recognised by the municipal council as its consultative body and communication channel on matters affecting the ward, including, but not limited to:

- ❖ Representing the community on the compilation and implementation of the Integrated Development Plan;
- ❖ Ensuring constructive and harmonious interaction between the municipality and the community;
- ❖ Attending to all matters that affect and benefit the community;
- ❖ Acting in the best interest of the community, and ensuring active participation of the community in the municipality's budgetary process.
- ❖ Ward committees are made up of representatives of a particular ward.
- ❖ They are made up of members who represent various interests within the ward.
- ❖ Ward committees are chaired by the ward councillor.
- ❖ They are meant to be an institutionalised channel of communication and interaction between communities and municipalities.
- ❖ Wards give community members the opportunity to express their needs, their opinions on issues that affect their lives and to have them heard at the municipal level via the ward councillor.
- ❖ Wards are advisory bodies created within the sphere of civil society to assist the ward councillor in carrying out his or her mandate in the most democratic manner possible.

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

COMPONENT D: CORPORATE GOVERNANCE

The institution has established the section 79 committees, section 80 committees audit committee, risk committee who conduct oversight on behalf council.

The GMM comprises of five (5) Departments, all of which account to the Office of the Municipal Manager. These departments are: Corporate Services; Technical Services; Finance Community Services and Planning and Development.

2.6 RISK MANAGEMENT-

LEGAL MANDATE

Section 62 (1) (c) (i) of Municipal Finance Management Act (MFMA) states that:

“The accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure-

(C) that the municipality has and maintains effective, efficient and transparent system-

(i) Of financial and risk management and internal control.

The Risk Management Committee was established to assist the Accounting Officer in his Risk Management responsibilities. The Committee is chaired by the an Independent external chairperson and assist by advising on enterprise wide Risk Management system of the Municipality. The Audit Committee provides independent assurance on the Risk Management system as part of its oversight responsibilities.

The following documents are the risk enabling documents within the Municipality:

- ❖ Risk Management Policy
- ❖ Risk Management Strategy and Plan
- ❖ Risk Management Committee Charter
- ❖ Risk Register
- ❖ Risk Implementation Plan
- ❖

Strategic Risk Assessment was under taken to identify risk pertaining to the Municipality ,based on the IDP document, Auditor General of South Africa audit report ,Internal Audit reports and Management overview. Risk were identified and evaluated by management. Treatment strategies were also recommended and approved by Risk Management Committee, Audit Committee and approved by Council.

THE STRATEGIC RISK FOR THE MUNICIPALITY ARE AS FOLLOWS:

- ❖ Inadequate financial Management
- ❖ Inadequate provision of sustainable and quality services
- ❖ Low economic growth and development
- ❖ Ineffective organizational transformation
- ❖ Unsafe environment due to poor service delivery
- ❖ Inadequate governance and ineffective public participation

Progress to date

A yearly performance of 50 % has been achieved on the implementation of mitigation on the Strategic risk. The municipality failed to reach its stated target of implementing 80% of the mitigations recommended in the Risk Register for this financial year under review due to the following reasons :

- Lack of Financial resources to procure basic service goods
- Limited personnel with key departments
- Lack of resource such as equipment

We believe that as much as the Municipality performed below par we are hopeful because we saw a 64% performance in the fourth quarter, this gives us hope we might be turning the tide and moving towards better performance, especially since we plan to implement the following interventions:

- Implementation of Consolidated Revenue strategies
- Make budget provision for the procurement of materials, equipment's and fleet
- Development of master plan for Roads, Water and Sanitation and Energy
- Expediting of filling of funded vacancies
- Development of employees
- Implementation of Assurance providers recommendations
- Adherence to policies and procedures

2.7 ANTI-CORRUPTION AND FRAUD

The municipal approved Anti-Corruption and Fraud policy deals with issues of fraud and corruption. This policy applies to all employees, stakeholders, contractors, vendors/supplies doing business with the municipality.

The policy prohibits all acts of fraud and corruption or any dishonest activity of similar nature impacting or having potential prejudice to the municipality or members of the public.

Provincial Treasury Circular No. 38 of 2015 directed municipalities to establish Anti-Fraud & Corruption Committees and develop Fraud Prevention & Anti-Corruption Policy. Council established the Risk Management Committee which is chaired externally by an independent person. The committee meets quarterly and receives reports on amongst others, the hotline. Council developed, reviewed and approved the Fraud Prevention & Anti-Corruption Policy in July 2021 under resolution no A090/07/2021. The policy provides clear guidelines on the procedures to be followed when handling fraud and corruption.

The municipality established a dedicated hotline (0800 212 319) for members of the public to report fraud and corruption in the municipality. Community Services Department is delegated to monitor the municipal hotline and report to the Risk Management Committee

During year under review, 89 calls were received through the hotline with only two calls relating to fraud and corruption relating to illegal connection of electricity and changing of stand ownership without permission. These cases were followed through and relevant departments involved to intervene. Regrettably, majority of calls received were not related to fraud and corruption but rather service delivery challenges.

2.8 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT (SCM) UNIT

The supply chain management unit has been established and it is centralized. The unit is within the office of the Chief Financial Officer (Department of Finance). The Supply Chain Management Policy like any budget related policy is amended and approved with the Annual Budget.

The Supply Chain Management Policy implementation and compliance is audited by the Office of the Auditor

General on the yearly planned audit. The issues as raised by the Audit are fixed through the development and monitoring of the Audit Action Plan.

BID COMMITTEES

The members of the bid committees are all delegated and appointed in terms of legislation and the bid committees functions well. All members of the Bid Specification, Bid Evaluation and Bid Adjudication Committees are delegated in writing by the Municipal Manager to serve on these respective committees.

ACCREDITED SUPPLIER DATABASE

All prospective suppliers are enlisted on the central supplier data base according to the commodities administered by the National Treasury. Every year the database is reviewed to expand the pool of suppliers within the jurisdiction of the municipality

2.9 BY-LAWS

Municipal by-laws are laws made by local government. A by-law is a law that is passed by the Council of a municipality to regulate the affairs and the services it provides within its area of jurisdiction.

They must be passed by a majority vote of a municipal council. In terms of the Constitution the executive and legislative authority of a municipality is exercised by the municipal council', and one of the methods by which this is done is by passing by-laws. A municipality may only make by- laws on matters that it has the right to administer.

The Local Government Systems Act No 32 of 2000 provides the system by which a municipal Council may adopt a by-law, after a proses of public participation and proclamation in the Government Gazette.

Public participation meetings are held on every new or revised by-law to provide interested parties with the opportunity to comment on the by-law before it is finalised. There were no By-Laws promulgated or reviewed during this financial year 2021/2022.

The table below reflects on the status of by-laws introduced by Govan Mbeki Municipality :

MUNICIPAL BY-LAWS	
By-Laws Name	By-Laws Gazetted* (Yes/No)
1. Electricity By-law	YES
2. Fire Brigade By-law	YES
3. Public participation By-law	YES
4. Regulation of storm water management By-law	YES
5. Informal trading By-law	YES
6. Liquified petroleum By-law	YES
7. Nuisance By-law	YES
8. Parks and Open spaces By-law	YES
9. Privately owned swimming pools By-law	YES
10. Public Swimming pools By-law	YES
11. Public Amenities By-law	YES
12. Municipal Taxi Ranks By-law	YES
13. Water Supply By-law	YES
14. Advertising Signs By-law	YES
15. By-law related to the keeping of animals, birds and poultry.	YES
16. Cemeteries By-law	YES
17. Disposal of contaminated and infectious waste By-law	YES
18. By-laws relating to the control of car watchers and car washers	YES

2.10 WEBSITES

The Municipal website serves as an integral part of a communication mechanism as it should promote accountability and transparency to communities and also a platform to have easy access to information, community participation, improvement for stakeholders involvement and monitoring and evaluation of municipal performance. The municipal website should serve as an integral part of the Municipality's communication strategy as it is also a communication tool that should allow easy and proper access to relevant information.

It is mandatory that municipalities develop and maintain a functional website that displays relevant information, as per the requirements of Section 75 of the Local Government: Municipal Finance Act, No 56 of 2003 and S21A and B of the Municipal Systems Act("MSA") as amended. The website should serve as a mechanism to promote accountability and transparency to communities and therefore information should be accurate and timeously updated.

The below table demonstrate as a website checklist, to indicate the compliance to Section 75 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

2021/2022
MUNICIPAL WEBSITE: CONTENT AND CURRENCY OF MATERIAL

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	07/04/2021 02/08/2021
All current budget-related policies	Yes	07/04/2021
The previous annual report	Yes	01/07/2021
The annual report published/to be published	Yes	04/05/2022
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Yes	10/08/2021
All service delivery agreements	Not Applicable	After approval by Council
All long-term borrowing contracts	Not Applicable	After approval by Council
All supply chain management contracts above a prescribed value (give value) for	Not Applicable	After approval by Council
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Not Applicable	After approval by Council
Contracts agreed in which subsection (1) of section 33 apply, subject to subsection (3) of that section	Not Applicable	After approval by Council
Public-private partnership agreements referred to in section 120 made	Not Applicable	After approval by Council
All quarterly reports tabled in the council in terms of section 52 (d) during	Yes	19/10/2021 – Q4 08/07/2021 – Q3 30/03/2022 – Q2
Valuation Roll	Yes	15/04/2020
Supplementary Valuation Roll	Yes	19/05/2021
Supply Chain Tenders closing registers	yes	13/05/2021
Performance Agreement for section 56 Senior Managers	yes	10/08/2021
Oversight report	yes	01/09/2021

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The municipality are in the process to review new satisfaction survey mechanisms .

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

The municipality is rendering municipal services to 8 towns which are structured into 32 electoral wards, covering an area of 2 958 Square kilometers (sq.km) in accordance with the mandate of local government in terms of the South African Constitution.

The Govan Mbeki area is mainly agricultural / rural with 3 urban conglomerates, namely;

- ❖ Leandra (Leslie, Lebohang and Eendracht) in the western edge
- ❖ The Greater Secunda (Trichardt, Evander, Kinross and Secunda / Embalenhle) conurbation in the central part and
- ❖ Bethal / Emzinoni in the east

The current main services rendered by the Municipality are:

ELECTRICITY:

The Municipality does not generate its own electricity and the national electricity supplier, Eskom, supplies bulk purchase of electricity to the Municipality for resale to consumers in the municipal area. Energy services includes maintenance and upgrade of electrical sub-stations and ensuring that there are required capacity for all the municipal towns for which services are rendered. The municipality is fully implementing the inclining block tariffs on both electricity and water. The IBT for the electricity is in-line with the NERSA guidelines. Various initiatives have been put in place through which electricity consumption should be managed such as energy saving and implementation of automated split and smart meters.

WATER

Govan Mbeki municipality in its capacity as the Water Services Authority and juristic entity is compelled by the Water Services Act 107 of 1997 - To provide for the rights of access to basic water supply and basic sanitation. Bulk water is purchased from Rand Water and internally reticulated to all the areas within Govan Mbeki municipality. Rand Water extracts the raw water from the Vaalriver and Vaaldam, purifies it and then provides in bulk to the municipality.

The Rand Water main pipeline runs east-west through the municipality following roughly the N17 route alignment. All the urban areas, with the exception of informal settlements in the townships, are fully reticulated in terms of potable water supply. Communities in the rural and peri-urban areas do not have access to piped potable water supply and uses borehole water.

The physical condition of the water service infrastructure in Govan Mbeki can be described as fair. Some spare bulk capacity exists to accommodate future development, however in certain areas additional bulk infrastructure capacity needs to be upgraded and developed.

Govan Mbeki Municipality has participated in Green drop full audit and Blue drop PAT assessment which was conducted by the department of Water and Sanitation.

The Blue Drop Progress Assessment Tool (PAT) calculated the Blue Drop Risk Rating (BDRR) of each water supply system and extends to the compulsory South African National Standard for Drinking Water SANS

241:2015 which is the minimum requirement for drinking water that is considered safe for human consumption. A wastewater system that achieved < 50% Green Drop Risk Rating, is regarded as low risk, >50%-70% medium risk, >70%-90% high risk and >90%-100% is critical.

The BD PAT assessment was conducted on 144 Water Services Authorities in South Africa comprising of 1186 water supply systems. Govan Mbeki scored 40% on BDRR for Water Supply System which is regarded as low risk.

SANITATION

Govan Mbeki Municipality operates 6 wastewater treatment works namely Bethal, Evander, eMbalenhle, Kinross, Trichardt and Leandra with 36 sewer pump stations, and Secunda area discharging sanitation to Sasol plant. There is also a construction on one wastewater treatment work underway to accommodate the discharge from Charl celiers area as the area is currently using septic tanks. The wastewater quality analysis is performed by Gert Sibande District municipality laboratory.

The municipality strives at all times to ensure that there is compliance with the Blue Drop requirements for our water and Green Drop requirements for our sanitation. The municipality has developed Incident Management Protocol and performs process audits on an annual basis to ensure that there is an improvement on effluent quality.

Govan Mbeki Municipality has participated in Green drop full audit and Blue drop PAT assessment which was conducted by the department of Water and Sanitation.

The Green Drop Wastewater Services Audit (Full Audit) measured and compared the results of the performance of Water Service Institutions, and subsequently rewards (or penalises) the institution based on evidence of excellence (or failures) when measured against the defined standards. A wastewater system that achieves ≥90% Green Drop score, is regarded as excellent. A system that achieved <31% is regarded as a dysfunctional system which would require appropriate interventions.

In the Green Drop audit, the municipality scored 39% which took position eight in the province and position two in the District. There is a need for interventions through repairs, refurbishment and upgrading of sanitation infrastructure for improvement of assessment score and effluent quality.

WASTE MANAGEMENT SERVICES

Govan Mbeki Municipality provides an Integrated Waste Management Services to all businesses, households, industries etc. Awareness and education campaigns on waste minimisation, proper waste management techniques and public participation (i.e. house to house) are done monthly. Managing the operations at the landfill sites is undertaken daily.

WASTE MANAGEMENT SERVICES

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EMERGENCY AND DISASTER MANAGEMENT

The Municipality owns and operates a fire and rescue service which provides firefighting, fire prevention and road and other rescue services. Its community safety service provides a range of law enforcement and community protection services. Govan Mbeki Municipality has 6 Fire Stations. The municipality implemented a shift system which complies with legal mandate in terms of working hours.

ROADS & STORM WATER

Local roads in the urban areas are maintained by the municipality. Most of the roads in the previous white towns are paved and reasonably well maintained, while most of the roads in the township areas are unpaved and in a bad state of repair, especially during the summer rainy season.

The Mpumalanga Province Department of Roads and Transport is responsible for the provincial road network which extends throughout the municipal area. The Municipality's road network length for paved roads are 505.9 km for all towns and the length of unpaved roads for the municipal towns are 398.1 km

HUMAN SETTLEMENT SERVICE

The functions in relation to housing and integrated human settlements development within the municipality are done and included amongst others as follows:

- ❖ **Identification of suitable land for housing development:** identify and allocate land that is closer to amenities and economic opportunities for housing development.
- ❖ **Informal settlement upgrading and control:** The municipality provides basic services in informal settlements. Through the GMM National Upgrading Support Programme the development of Informal Settlement Upgrading is done as an ongoing exercise of the municipality.
- ❖ **Housing subsidy allocation and beneficiary administration:** The municipality developed procedures for allocation of subsidies to qualifying beneficiaries. The Transversal Waiting list which has been converted into the National Housing Needs Register (NHNR) was developed and will be updated annually.
- ❖ **Monitoring of housing projects:** The municipality also performs monitoring of housing projects delivered by the PDoHS. The monitoring is done through physical site visits and through the Joint Contractors meetings and through project steering committees forums
- ❖ **Facilitation to transfer properties:** The municipality assist the PDoHS with facilitating registration and transfer of low cost houses to beneficiaries to obtain Title Deeds

The Govan Mbeki Municipality (GMM) Municipal Human Sector Plan (MHSP), contains the development plan well, to ensure an integrated approach to human sector development. This comprehensive document, incorporates elements from the Municipal IDP, Local Economic Development Strategy, GMM business plan, GMM Spatial Development Framework, GMM Land Use Management, as well as the National Upgrade of Informal Settlements Programme (NUSP) .

The GMM MHSP demonstrates the municipality's plans, budget and organisational capacity to deliver on this mandate, in a progressive and value-adding manner.

The objectives of the Govan Mbeki Municipal MHSP are as follows:

- ❖ That human settlements planning reflects a broad range of community level needs and concerns and is based on credible data;
- ❖ The alignment of the municipality's plans with national and provincial human settlements plans and priorities
- ❖ To undertake human settlements planning as part of a broader, integrated and proactive urban

management strategy of the municipality;

- ❖ To provide detailed human settlements projects plans within a clear implementation and funding strategy;
- ❖ To develop an institutional structure and unpack clear roles and responsibilities of relevant stakeholders critical to achieving integrated human settlements planning;
- ❖ To incorporate concepts of migration, local economic development, in the overall development of human settlements
- ❖ To provide a clear monitoring and evaluation framework for the human settlements function; and
- ❖ To develop a clear communications plan.

LIBRARIES

The primary purpose or function of Govan Mbeki Library and information Service (GMLIS) is to provide resources and services in a variety of media to meet the needs of individuals and groups for education, information and personal development including recreation and leisure.

Our main areas of focus are Access to Information, increment in the number of new library membership, free computer and internet service, and Education and awareness outreach programs.

LAND USE MANAGEMENT AND SPATIAL DEVELOPMENT

The new Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA) was promulgated on 5 August 2013. SPLUMA further intends to address the failures of the “old order” planning ordinances and legislation, the majority of which predate 1994. SPLUMA intends to create a coherent regulatory framework for spatial planning and land use management, amongst others by legislating actions to ensure justice and equity in the application of spatial development planning and land use management systems.

The Spatial Development Framework (SDF) for Govan Mbeki Local municipality provide a contextual spatial frame work for future developments and to give direction to all.

The management of future growth and associated change is guided by Development Strategies that will manage the Spatial Development Concept and Strategic Focus Areas that enhances the efficient utilisation of land and infrastructure, supported by management decisions over ad-hoc and dispersed forms of development resulting in a highly sustainable pattern of development.

The Development Strategies provides for Strategic Objectives, each providing for a set of Spatial Development Strategies and Strategic Focus Areas . Six (6) strategic objectives were identified providing Spatial Strategic Focus Areas (areas of intervention at local level):

- ❖ Strategic Objective 1: Economic development and job creation supporting and guiding development.
- ❖ Strategic Objective 2: Promoting education, training and innovation
- ❖ Strategic Objective 3: Accommodating urbanisation and transforming human settlements
- ❖ Strategic Objective 4: Promote the development of the rural areas within Govan Mbeki that can support sustainable economic, social and engineering infrastructure
- ❖ Strategic Objective 5: Protect biodiversity, water and agricultural resources
- ❖ Strategic Objective 6: Infrastructure Investment

COMPONENT A: BASIC SERVICES

3.1 WATER PROVISION

Govan Mbeki municipality in its capacity as the Water Services Authority and juristic entity is compelled by the Water Services Act 107 of 1997 - To provide for the rights of access to basic water supply and basic sanitation.

The Municipality supplies water to all informal and formal settlements in accordance with the National Water Act (Act no 36 of 1998). The purpose of the National Water Act (Act no 36 of 1998) is to ensure that the Nation's water resources are protected, used, developed, conserved, managed and controlled in ways which take into account factors such as:

- ❖ Meeting the basic human needs of present and future generations;
- ❖ Promoting equitable access to water;
- ❖ Promoting the efficient, sustainable and beneficial use of water in the public interest, and
- ❖ Providing for growing demand for water use.

WATER LOSSES

Water losses are comprised of Technical losses and Non-technical losses which are calculated as follows:

Total Use of Water by Sector (cubic meters)			
Financial Year	Total Water Supplied	Unaccountable water losses	Water Losses %
2015/2016	32 922 104	7 222 256	22
2016/2017	31 273 511	9 972 205	32
2017/2018	30 535 187	8 381 549	27
2018/2019	30 956 318	8 087 537	26
2019/2020	31 273 511	9 972 205	32
2020/2021	33 424 231	11 098 824	33
2021/2022	33 041 711	11 321 122	34

The water losses are as a result of aged infrastructure which is leaking and needs replacement, malfunctioning water meters, meters which are not accessible for reading, Vandalised reservoir level controllers, stolen water meters and fire hydrants caps and water supply to informal settlement, farms and areas affected by water supply.

There are initiatives to curb water losses such as, replacement of aged leaking pipes, servicing of reservoir Altitudes controls, replacement of malfunctioning water meters, metering of communal taps and rural water supply, drilling of boreholes and repairs of leaks.

3.2 WASTE WATER (SANITATION) PROVISION

Govan Mbeki municipality in its capacity as the Water Services Authority and juristic entity is compelled by the Water Services Act 107 of 1997 - To provide for the rights of access to basic water supply and basic sanitation.

Sanitation in the Municipality ensures that the water is protected, used, developed, conserved, managed and controlled as per National Water Act (Act no 36 of 1998). This is done in order to ensure that the following factors are achieved:

- ❖ Collection, conveyance and treatment of waste water;
- ❖ Reducing and preventing pollution and deration of water resources;
- ❖ Protecting aquatic and associated eco system and their biological diversity

The Municipality renders sanitation services to formal settlements. Sanitation provision is still a challenge in areas that are not yet formalized as townships, but they do make use of VIP and Septic toilets. The users of VIP toilets and septic tanks are serviced by the Municipality.

The Municipality's sanitation infrastructure consists of 36 sewerage pump stations and 6 Waste Water Treatment Work and Secunda discharging sanitation to Sasol Plant. Measures are put in place to address the challenges such as ageing infrastructure, shortage of resources, lack of capital funding for upgrading of waste water treatment works, pump stations and replacement of outfall sewer lines.

Some of the interventions to enhance service delivery include the refurbishment/upgrade of Trichardt WWTW, the upgrading of Trichardt three (3x) pump stations, upgrading of Embalenhle ext. 5 and ext. 24 pump stations. Conversion of Septic tanks to waterbourne at eendracht. Raising and repairs of sewer manoles, refurbishment sewer pump stations and maintenence of sewer lines.

SANITATION SERVICE DELIVERY LEVELS

Access to Sanitation	
Financial Year	Proportion of households with access to sanitation
2015/2016	83977
2016/2017	84483
2017/2018	108168
2018/2019	109029
2019/2020	111626
2020/2021	111700
2021/2022	112 676

3.2.1 STAFF COMPONENT : WATER AND SANITATION

Employees: Water & Sanitation Services								
Job Level	Water Services : 2020/2021				Water & Sanitation Services 2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	2	2	0	0%	3	3	0	0%
4 - 6	18	8	10	56%	32	18	14	44%
7 - 9	23	16	7	30%	74	34	40	54%
10 - 12	12	7	5	42%	92	16	76	83%
13 - 16	101	76	25	25%	156	114	42	27%
Total	156	109	47	30%	357	185	172	48%

3.3 ELECTRICITY

Municipality experienced serious challenge of high electricity distribution losses during 2021/2022 financial year. Electricity distribution losses for the financial year 2021/2022 were at 63% on average. This means that the losses went down by 8% as compared to the losses during the last financial year 2020/2021 which were 72%.

The 63% distribution losses comprise both technical losses (10%) and non-technical losses (53%). However, measures have been put in place to develop turn-around strategy to further curb both the losses.

The technical department, specifically the Energy Section, was seriously confronted with numerous outages during the peak winter session as a result of the restrictions that were imposed by Eskom in adjusting the settings at Embalenhle, Bethal and Emzinoni points of intake from Eskom to the levels of the Notified Maximum Demands (NMD).

Since the demand in the aforementioned points had exceeded the NMD tremendously, the Municipality was compelled to apply extensive load shedding in these areas. That resulted in a number of uprisings and instability in the entire GMM. The remedial actions put in place were as follows:

- A 30MVA new substation project at Bethal and Emzinoni has been initiated and is at the design stage.
- As the mechanism of circumventing the high frequency of loadshedding in Embalenhle, the old main substation has been refurbished through the installation of the new switchgear with numeric relays, vacuum breakers and remote switching. The same was done in Ring substation 3 with the inclusion of the SCADA for ease continuous condition monitoring and predictive maintenance.
- Cut off of the illegal connections by informal settlements are also conducted by the by the municipality mostly at the township outskirts of these areas and are ongoing.

PUBLIC LIGHTING

Through the EEDSM funding, fifty one (51) high mast lights were retrofitted to energy efficient LED lights in Embalenhle, Emzinoni, Secunda and Lebohang.

METERING

One thousand two hundred meters were installed in total out of annual target of 200 meters.

ELECTRICAL NETWORK UPGRADES

ELECTRICAL NETWORK UPGRADES		
Activity	Area	Progress to date
Switchgear upgrades in Embalenhle main substation and Embalenhle Ring 3 substation	Embalenhle	Replacement completed
Activity	Area	Progress to date
Switchgear upgrades in Embalenhle main substation and Embalenhle Ring 3 substation	Embalenhle	Replacement completed

REVENUE

Revenue Collection Challenges	Remedial Action
Connections done without meters, ghost vending	Based on limited resources, prioritise procurement of new meters manufactured with the new SGC, perform key change tokens to the new SGC on the existing meters, outsource the metering audit, data cleansing and installation.
Huge Free Electricity consumption at GMM owned Tsalanang flats, GMM owned Thandanani flats, GMM owned block K flats, GMM owned Freedom Square hostel	An operational turn around strategic plan was developed by the user section specific of exactly what need to be done in each of these properties with quantities of material and meters that need to be installed. Implementation of that plan is what requires implementation.
Illegal connection of electricity by informal settlements	Quantify the points of illegal connections in the electrical network and establish the cause, immediately cut the points of illegal connections from the households allowing these connections and penalise such households, issue such households allowing illegal connections with warning of completely disconnecting them from the grid, Intensify metering by installing temper proof enclosures at the formal households found as points of illegal connections to compel them pay for electricity consumptions. The municipality should demolish the informal settlements.
Illegal connections by human settlement developments such as RDPs due to projects not providing for the electrical infrastructure	In the existing developments, the municipality should raise funds to provide electrical infrastructure with immediate effect. In the case of the oncoming proposed developments, the municipality should not approve such developments with electrical infrastructure left out by the department of human settlement.
Unauthorised vending mostly of prepaid meters by previously appointed Ideal Prepaid Service provider	All affected municipal departments should get together and find solution of how to deal with this quagmire.

ELECTRICAL NETWORK UPGRADES

Activity	Area	Progress to date
Switchgear upgrades in Embalenhle main substation and Embalenhle Ring 3 substation	Embalenhle	Replacement completed

MASTER PLAN

The draft Energy master plan for the entire GMM was done through the Bigen Africa. The master plan is currently under review. Measures to finalise it have been put in place by the user section.

CAPITAL EXPENDITURE

Capital Expenditure 2021/2022: Projects R'000					
Capital Projects	Sponsor				
		Original Budget	Adjustment Budget	Actual	Variance to Budget
Retrofitting of High mast lights with energy efficient	DMRE	4200	0	4200	
30MVA substation in Emzinoni	DMRE	10 000	0	10 000	
Net Capital Expenditure		14200	0		0

STAFF COMPONENT : ELECTRICAL SERVICES

Employees: Electricity Services								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	2	1	1	50%	1	1	0	0%
4 - 6	18	9	9	50%	16	8	8	50%
7 - 9	46	17	29	63%	37	32	5	14%
10 - 12	33	1	32	97%	22	12	10	45%
13 - 16	55	40	15	27%	50	22	28	56%
Total	154	68	86	56%	126	75	51	40%

3.4 WASTE MANAGEMENT

3.4.1 REFUSE COLLECTION SERVICES

All proclaimed and certain non-proclaimed residential erven receives a once per week scheduled curb-side refuse collection service. Only containerized refuse is collected and the waste generator is responsible to provide its own bin, bin liner or container.

In the event where the municipality are unable to adhere to the collection schedule resulting in refuse collection backlogs, the backlog is covered during the weekend or following week, depending on the availability of fleet and resources. Businesses receives between a once per week up to three times per week refuse collection service, based on the volume of refuse generated and frequency of removal.

3.4.2 WASTE DISPOSAL (LANDFILL) SITES

The municipality have 3 licensed operational and 5 licensed closed waste disposal (landfill) sites. Operational sites includes, Bethal, Secunda and Leandra landfill sites, whereas the closed sites include the Bethal-Morgenzon road, Evander, eMbalenhle, Lebohang and Kinross landfill sites.

Despite the closure license received for the Kinross site, it is still operational until an alternative disposal facility is developed. The infrastructure and maintenance at all the waste disposal (landfill) sites does not meet the minimum requirements for waste disposal by landfill and regulations in terms of the Waste Act.

The Secunda waste disposal site have very limited remaining air space available and the Leandra landfill is identified as a central landfill for the municipality, with waste infrastructure such as a central transfer station in Evander and 17 mini-transfer stations across the municipality to address future disposal and landfill site needs. As soon as funds is available, attention will be given to address these needs.

3.4.3 LITTER PICKING AND ILLEGAL DUMPING

Litter picking is done daily from Mondays to Fridays in all CBD areas and occasionally during weekends, depending on the need. No permanent litter pickers are available to do litter picking along access routes.

When EPWP or CWP employees are available, access roads are prioritized. Illegal dumping of general waste, building rubble and soil are a major problem within the municipality. Illegal dumped waste are removed from time to time, depending on the availability of fleet and resources.

3.4.4 WASTE MINIMIZATION AND RECYCLING

Recovery of recyclable materials is done mainly by private individuals and companies within the municipal area and sold to private buy-back centers in the area.

According to the National Environmental Management Waste Act no 59 of 2008 Section 12, states that the Integrated Waste Management Plans must contain amongst other things, establish targets for collection, minimization, re use and recycling of waste.

Polokwane declaration, 2003 says we must reduce waste by 50% by 2014 and zero waste reduction of waste by 2022. The 2013 Waste Khorro resolved to make recycling mandatory for municipalities and private entities.

Unfortunately our municipality is not equipped with necessary resources in order to implement waste minimization initiatives. Education and awareness on recycling is done frequently and when the needs arises.

A business Industry Waste Management Plan were introduced in an attempt to enforce recycling thus ensuring the reduction of waste ultimately.

Sasol appointed South African Health Foundation to do education and awareness in Embalenhle where on waste minimization and recycling initiatives at the source. Recyclables are collected by using tricycles and haul them to the GMM Buy Back Centre. The municipality is obliged to provide resources in order to recover recyclables from the source, educate communities and maximize landfill space.

3.4.5 STAFF COMPONENT : SOLID WASTE MANAGEMENT SERVICES

Employees: Solid Waste Management Services								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	2	2	0	0%	2	2	0	0%
4 - 6	5	1	4	80%	5	1	4	80%
7 - 9	10	6	4	40%	7	6	1	14%
10 - 12	34	16	18	53%	30	23	7	23%
13 - 16	254	160	94	37%	163	150	13	8%
Total	305	185	120	39%	207	182	25	12%

3.5 HOUSING

Currently Govan Mbeki Municipality performs a wide range of functions in relation to housing and integrated human settlement development, these include amongst others the following:

- ❖ Identification of Suitable land for housing development- endeavors are made by GMM to identify and allocate land that is closer to amenities and economic opportunities for use by the occupants of the development
- ❖ Informal settlement upgrading and control: The municipality provides basic services in informal settlements. Through the GMM National Upgrading Support Program the development of Informal Settlement Upgrading is done as an ongoing exercise of the municipality.
- ❖ Housing subsidy allocation and beneficiary administration: The municipality developed procedures for allocation of subsidies to qualifying beneficiaries. The Transversal Waiting list which has been converted into the National Housing Needs Register (NHNR) was developed and will be updated annually.
- ❖ Monitoring of housing projects: The municipality also performs monitoring of housing projects delivered by the PDoHS. The monitoring is done through physical site visits and through the Joint Contractors meetings and through project steering committees forums
- ❖ Facilitation to transfer properties: The municipality assist the PDoHS with facilitating registration and transfer of low-cost houses to beneficiaries to obtain Title Deeds
- ❖ Township establishment and land use planning- the municipality from time to time utilizes service providers for town planning of facilitate applications for township establishment purposes
- ❖ Engineering Service design, planning of bulk, and servicing of stands- such projects entails the providing of sewerage services, new infrastructure waste treatment and top toilet structures as well as maintenance of such infrastructure and facilities.
- ❖ Provision of new infrastructure for new development
- ❖ The provision and management of waste water, management facilities
- ❖ Planning and design as well as construction of roads, and storm water

The municipality also provides basic services in informal settlements. The process is in line with the policy for the development of informal settlements. Upgrading of informal settlements is an ongoing exercise for municipality.

The National Department of Human Settlement has introduced new housing data registry which replaces the housing waiting list. It is called National Housing Need Registry (NHNR)

NHNR operates/work as a single integrated database that stores data for potential housing beneficiaries. The NHNR intends to reduce discrepancies through better control, consistent practices and improved management systems of potential beneficiaries.

This information / data will assist in the administering housing programs. This exercise entailed to invite or together all the community of Govan Mbeki Local Municipality from various part of regions to come and fill in the forms through ward councils and CWDs and other municipality officials to get information from the community for the purpose of the data as far the housing need is concerned within the municipality.

The process of providing basic services to informal settlements are in line with the policy for the development of informal settlements. Upgrading of informal settlements is an ongoing exercise for the municipality. Since 2012, the Municipality has been experiencing land invasions on small and large scales level.

Most of the land invasions were happening in Emzinoni, Embalenhle and Kinross. The municipality obtained several eviction orders to deal with the existing evictions. Monthly Monitoring and reporting of illegal land invasion are also done by the Housing section.

The uploading of people on the National Housing Needs Registry

The total records captured on the HNR is **19611** for the financial year 2021/2022

Consumer Education:

Human Settlement is normally holding consumer education twice per quarter thus far the Municipality has succeeded to hold those workshops.

CONTRACTOR PERFORMANCE 2021/2022

Financial year	Contractor	Program	Allocation	Completions
2016-2017	Sakhisizwe	IRDP	50	50
2017-2021	XJR	IRDP	1500	1086
2017-2021	Bamboo Rock	IRDP	1500	1480
2018-19	Shirido	IRDP	700	0
2018-2019	Motheo	IRDP	700	0
2018-2019	Tiger Business	IRDP	807	0
TOTAL		IRDP	5217	2616

COMMUNITY RESIDENTIAL UNITS PROJECTS

Financial period	Contractor	Project type	Total allocation	Status of completion	Comments
2016-2018	Prince of Tide	CRU	384	192	The project was stopped by the tenants however, the plans to resuscitate the project are at the infant stage. The PDoHS has appointed service provider to install services on the stands that were indetified to accommodate non qualifying tenants at Tsalanang.
2017-2018	Stefanutti Stockas	CRU	48	0	The contractor has withdrawn from the project with immediate effect. The PDoH is in the process to advertise for the new contractor to take over the project.

DISTRIBUTION OF TITLE DEEDS

AREA	TOTAL RECEIVED	TOTAL DISTRIBUTED	TOTAL OUTSTANDING	COMMENTS
Emzinoni	346	246	100	
Lebohang	538	394	144	
Kinross	26	18	8	
Embalenhle	251	108	143	
Total	1161	766	395	

In-Situ Development projects

Area	Project type	Total household	Total no of stands.	Allocated beneficiaries	Still to be allocated	Excess beneficiaries
Kinross extension 33	In-Situ Development	2214	1487	1212	275	727

Challenges Encountered on projects:

- ❑ **XJR:** Slow progress on site
- ❑ **Mtheo and Shirdo:** Since appointed in 2018 they have not started with the construction of top structures due to unavailability of bulk infrastructure.

STAFF COMPONENT : HUMAN SETTLEMENT

Employees: Housing Services (Properties & Human Settlement)								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	1	1	0	0%	1	0	1	100%
4 - 6	8	8	0	0%	8	8	0	0%
7 - 9	3	2	1	33%	2	2	0	0%
10 - 12	5	1	4	80%	3	1	2	67%
13 - 16	12	12	0	0%	12	10	2	17%
Total	29	24	5	17%	26	21	5	19%

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Section 97(1)(c) of the Municipal Systems Act requires municipalities to formulate an Indigent Policy that is consistent with Council's rate and tariff policies and also meets the requirements of S152 of the Constitution. The Government allocates revenue via the Division of Revenue Act (DoRA) in the form of the Equitable Share Grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services. The municipal approved indigent policy is in place and its purpose serves to subsidise indigent households with a specified level of income and to enabling them to pay for a basic package of municipal services as per detailed set out in the indigent policy .

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R2,200 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
2014/2015	20 025	20 025	20 025	100%	20 025	100%	20 025	100%	20 025	100%
2015/2016	8 946	8 946	8 946	100%	8 946	100%	8 946	100%	8 946	100%
2016/2017	11 674	11 674	11 674	100%	11 674	100%	11 674	100%	11 674	100%
2017/2018	12 819	12 819	12 819	100%	12 819	100%	12 819	100%	12 819	100%
2018/2019	12 253	12 253	12 253	100%	12 253	100%	12 253	100%	12 253	100%
2019/2020	11 457	11 457	11 457	100%	11 457	100%	11 457	100%	11 457	100%
2020/2021	11 547	11 547	11 547	100%	11 547	100%	11 547	100%	11 547	100%
2021/2022	11515	11515	11515	100%	11515	100%	11515	100%		100%

COMPONENT B: ROAD TRANSPORT

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

3.7 ROADS

The section is Roads and Stormwater which deals with maintenance of roads and Stormwater systems. The municipality does not have transport section.

The objective of the section is to provide trafficable road network within the municipal area through maintenance of the existing roads and eradication of gravel roads. Roads and stormwater section has a need to review the Pavement Management System (PMS) which was developed in 2013.

The PMs was used as guide to maintain the municipal roads infrastructure. The section have developed the maintenance program that is used to maintain the roads. The program is developed with consultation of the ward councillors as this programme is also ward based program.

The biggest challenge that the section is faced with is the roads that have reached life spans and shortage of equipment to maintain gravel roads and stormwater channels. Illegal dumping is one of the challenges that the section is faced with, as the community illegally dump rubble in the stormwater system, however the municipality have managed to keep most of the roads trafficable and cleaning of stormwater.

There were no flooding in the past year during the rainy season that emanated due to blocked stormwater drainage.

2021/2022 Gravel Road Infrastructure				
Kilometers				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2018/2019	398km	0	0	311.62 km of Gravel Roads Maintained
2019/2020	398km	0	0	165.4 Kilometres(Kms) of Gravel Roads maintained of gravel roads maintained
2020/2021	412km	0	0	296.45 Kilometres(Kms) of Gravel Roads maintained
2021/2022	413 km	0	0	290.4 Kilometres(Kms) of Gravel Roads maintained

2021/2022 Tarred Road Infrastructure					
					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2015/2016	505	0	0	0	4630m of roads rehabilitated
2016/2017	505	0	0	0	1.99km of roads rehabilitated
2017/2018	505	0	1.79	0.83	2.62km of roads rehabilitated
2018/2019	505	0	2,40	0	2.35 km of roads rehabilitated
2019/2020	505	0	0	0	0.48km
2020/2021	505	0	7.44	0	7.44km rehabilitated
2021/2022	505	0	0	0	0 km

STAFF COMPONENT : ROADS & STORMWATER SERVICES

Employees: Road & Stormwater Services								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	1	1	0	0%	1	1	0	0%
4 - 6	7	5	2	29%	7	5	2	29%
7 - 9	17	5	12	71%	13	13	0	0%
10 - 12	27	10	17	63%	37	19	18	49%
13 - 16	104	63	41	39%	60	40	20	33%
Total	156	84	72	46%	118	78	40	34%

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

Public transport in the area is road based and centres on bus and minibus taxi transport. Rail services are exclusively dedicated to freight.

Informal taxi ranks are scattered around the towns. Bus transport is primarily rendered on a contract basis to Sasol Mines, while there is also a non-subsidised bus service to most schools in the area.

The Mpumalanga Province Department of Roads and Transport is responsible for the provincial road network which extends throughout the municipal area and which includes the following regional roads:

- ❖ The R50, linking Standerton to the south with Delmas to the northwest through Leandra.
- ❖ The R547, linking Middelburg to the north with the R23 between Standerton and Greylingstad to the south through Kinross.
- ❖ The R546, from Kinross to Standerton.
- ❖ The R545, from Bethal to Ogies.
- ❖ The R38, linking Hendrina in the north to Standerton in the south through Bethal.
- ❖ The R580, linking Kriel and Delmas with Secunda
- ❖ The R544, branching off the R35 north of Bethal towards the northwest.

STAFF COMPONENT : TRANSPORT SERVICES (FLEET & MECHANICAL WORKSHOP)

Employees: Transport Services (Fleet & Mechanical Workshop)								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	1	1	0	0%	1	1	0	0%
4 - 6	10	5	5	50%	8	4	4	50%
7 - 9	20	9	11	55%	5	4	1	20%
10 - 12	7	5	2	29%	10	5	5	50%
13 - 16	28	14	14	50%	3	1	2	67%
Total	66	34	32	48%	27	15	12	44%

Generally the provincial roads are in a fair condition. Resealing and pothole repairs take place on an ongoing basis, and with a few exceptions regional mobility is not seriously impaired. Local roads in the urban areas are maintained by the municipality.

3.9 WASTE WATER (STORMWATER DRAINAGE)

Roads and stormwater section has a need to develop the stormwater Management System (SMS). The SMS was used as guide to maintain the municipal stormwater infrastructure.

The section have developed the maintenance program that is used to maintain the Stormwater. The program is developed with consultation of the ward councillors as this programme is also ward based program.

The biggest challenge that the section if faced with is the stormwater that is inadequate and shortage of equipment to maintain stormwater channels.

Illegal dumping is one the challenges that the section is faced with, as the community illegally dump rubble in the stormwater system. However the municipality have managed to keep cleaning of stormwater. There were no flooding in the past year during the rainy season that emanated due to blocked stormwater.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 SPATIAL PLANNING AND LAND USE MANAGEMENT

The new Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013) (SPLUMA) was promulgated on 5 August 2013 and successfully implemented by the Municipality in 2016.

SPLUMA further intends to address the failures of the “old order” planning ordinances and legislation, the majority of which predate 1994. SPLUMA intends to create a coherent regulatory framework for spatial planning and land use management, amongst others by legislating actions to ensure justice and equity in the application of spatial development planning and land use management systems.

The Spatial Development Framework (SDF 2014-2034) for Govan Mbeki Local municipality provide a contextual spatial frame work for future developments and to give direction to all the Land Development applications. The existing SDF was adopted in 2014 and to be SPLUMA compliant the SDF must be reviewed every 5 years. The Municipality will re-viewed the SDF in the 2022/2023 financial year and considered by Council to be the Spatial plan for the next 5 years until end of 2027.

The Development Strategies provides for Strategic Objectives, each providing for a set of Spatial Development Strategies and Strategic Focus Areas. Six (6) strategic objectives were identified providing Spatial Strategic Focus Areas (areas of intervention at local level):

- ❖ Strategic Objective 1: Economic development and job creation supporting and guiding development.
- ❖ Strategic Objective 2: Promoting education, training and innovation
- ❖ Strategic Objective 3: Accommodating urbanisation and transforming human settlements
- ❖ Strategic Objective 4: Promote the development of the rural areas within Govan Mbeki that can support sustainable economic, social and engineering infrastructure
- ❖ Strategic Objective 5: Protect biodiversity, water and agricultural resources
- ❖ Strategic Objective 6: Infrastructure Investment

3.10.1 TOWN AND REGIONAL PLANNING

Town and Regional Planning consist of 3 different units, namely (1) Town Planning (TP), (2) Building Control (BC) and (3) Geographic Information System (GIS). The mandate is to do:

- Spatial Planning and Transport
- SDF Implementation and update
- Town and Regional Planning
- Land Use Management
- Implementing SPLUMA
- Building Control implementation of NBR
- Outdoor advertising
- Geographical Information Systems
- Determine Land Potential

The Town Planning (TP) unit, is responsible for the processing of Land Development applications, preparation of Spatial Development Framework and Land Use Scheme in terms the Spatial Planning and

land Use Management Act (Act 16 of 2013) [SPLUMA], and the Govan Mbeki Spatial Planning and Land Use Management By-Law. On 30 April 2021 the Municipality proclaimed the new Land Use Scheme 2020. This Land Use Scheme replace the existing 2010 Scheme and is fully SPLUMA Compliant. The 2020 Land Use Scheme will be re-viewed after the approval and adoption of the New SDF by 2023/2024.

Achievements include the following:

- ✓ Adoption and Implementation of New Land Use Scheme that is SPLUMA compliant.
- ✓ New approved Township establishments include Scunda Extensions 75, 77, 78,79 and 80.
- ✓ Processing of 628 Section 76 SPLUMA applications on average in 5 working days.
- ✓ Serving of 186 contravention notices.

3.10.2 BUILDING CONTROL (BC)

The main purpose for **Building Control (BC)** unit, is to process and asses new building plan applications, to monitor building work, to act against unauthorised building activities and to promote an orderly and safe building development that will benefit and promote the living environment of the citizens of Govan Mbeki Municipal area.The Building Control section at Govan Mbeki Municipality is also in charge of outdoor advertising. The function is to approve new applications and to provide equal advertising opportunity for everyone according to By-Law on outdoor Advertising.

Achievements include the following:

- ✓ Overall Performance of Building plan applications finalised were at a 61 % finalised within the service standard. (Average Residential were 56% and Other were 67%) .
- ✓ 267 Final inspection letters and Occupation certificates was issued at a 7-day average turnaround time and is an improvement from 9 days in 2020/2021.
- ✓ Outdoor advertising is identified as a revenue stream and the By-Law on Outdoor Advertising was enforced in the GMM Jurisdiction.

3.10.3 GEOGRAPHIC INFORMATION SYSTEM (GIS)

The **Geographic Information System (GIS)** unit, provides access to data through a map-based interface. It is an inherently horizontal technology, across all parts of the Municipality, with the benefit of providing a 'single source of information' platform for all spatial data. It supports the integration of spatial data from various sources, as well as enabling spatial data analysis.

The current Municipal GIS environment is a result of an initiative implemented by Gert Sibande District Municipality (GSDM) in 2005, to assist Local Municipalities with an operational GIS. This initiative resulted in a Memorandum of Understanding (MoU) between GSDM and Govan Mbeki Municipality (GMM) in 2020, which provides a cooperative arrangement for the coordination and sharing of GIS data between these organizations. Although the MoU was not renewed in 2021/22, GSDM did payment of GIS Software licences.

Overall integration of systems required to ensure 'one version of the truth'. The integration of different systems is under investigation and is planned for 2022/2023. The GIS completed the linked data sets of the Valuation Roll and the Cadastral data as well as the Asset data. The shared database, and a web-based viewer has been created for the benefit to all departments. All departments share the benefit from the same data source

which is compiled once and updated regularly. By building and updating the cadastre set, other layers have been built on top of it to accurately reflect other quality geographical information.

The table below show the strides made since 2014 to ensure that the cadastre set is as accurate as possible.

Date of Dataset	Total number of cadastre entries
01 July 2015	69 771
01 July 2016	73 246
01 July 2017	71 898
01 July 2018	72 012
01 July 2020	74 575
01 July 2021	75 256
01 July 2022	77887

The project on the status of urban streets in the Govan Mbeki Municipal area continue. The GIS section works together with the LGNC and to update the status quo. The next step that already started were to facilitate with the different wards in making them aware of the current situation relevant to the specific wards.

This process is still ongoing and not yet finalised as GIS is dependent on the LGNC and ward committees for feedback.

Town	Road Type	Total Streets	Un-named Streets	Named Streets	Duplication	Non-Duplicate
All Towns Combined	Local Access	1585	742	843	124	1388
	Collectors	218	79	139	10	204
	Minor Arterial	48	35	13	5	42
	Major Arterial	20	10	10	0	16
	Total	1871	866	1005	139	1650

Activities and achievements include the following:

- ✓ GIS section assist with the updating of 'ever changing' cadastre information, such as consolidations and subdivision and new Township establishments.
- ✓ From 2014 until 30 June 2022, a total of 8116 properties was added to the GIS database.
- ✓ In 2021/22 financial year a total of 2031 properties were added to the property register.
- ✓ The Municipal Valuation Roll (65 536 properties) linked with deeds layers is 88%.
- ✓ Streetlight poles and other Billboard positions were mapped for Building Control to assist with maps for the Outdoor advertising tenders and management.
- ✓ Points of interest were updated with School information.

Staff component : Planning Services (Excl LED, Housing & Properties)

Employees: Planning Services (Excl LED, Housing & Properties)								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	3	3	0	0%	4	3	1	25%
4 - 6	17	10	7	41%	12	7	5	42%
7 - 9	27	10	17	63%	25	16	9	36%
10 - 12	6	5	1	17%	0	0	0	#DIV/0!
13 - 16	0	0	0	#DIV/0!	0	0	0	#DIV/0!
Total	53	28	25	47%	41	26	15	37%

3.11 LOCAL ECONOMIC DEVELOPMENT

Govan Mbeki Municipality LED strategy seeks to launch a fight against the triple challenges of Poverty, unemployment and inequality.

The LED strategy document and its implementation plan was completed and adopted by council. It seeks to achieve social cohesion as per the provisions of the national development plan (NDP) cycle of development which presupposes that the ultimate goal for development is social cohesion through formulation and implementation of focused programmes, projects and policies to achieve economic growth, poverty eradication, employment creation and rising living standards.

The strategy therefore has a number of programmes referred to as pillars or development thrusts i.e. Industrialisation, tourism development, warehousing and logistics, education, skills and capacity building, Marketing and Investments promotion, and cross cutting activities e.g. urban and rural development, housing infrastructure development and HIV/AIDS matters.

LED ACTIVITY / PROGRAMME	PERFORMANCE STATUS
Business Permits	A total of Twenty-Six (26) Business permits were received and processed
SMME'S	A total of Two hundred and Ninety-Nine (299) SMME's were supported.
Economic Recovery interventions/ activities / programmes	Economic Recovery interventions/ activities / programmes implemented for the financial year under review are as follows: ❖ 80x Small scale farmers supported with kraals leased out to them on a municipal related value ❖ 5 x Tuck shops assisted from Leandra on TRP Programme ❖ 1x Tourism Capacity building conducted for Guest house owners ❖ 16 x Local SMME's supported through SEDA with equipment to the value of R30 000 000
Business Licenses	A total of Forty Six (46) Business Licenses were received and finalised

3.11.1 GOVAN MBEKI INDUSTRIALISATION PROGRAMME

The envisaged Govan Mbeki Industrial Park is to provide for the accommodation of several Industrial related clusters of opportunities within an economically conducive, "Green Space" and "Low Energy Consumption" designed environment.

The industrial park setting will be designed to link industries whereby one facility may utilize by products from another facility, creating value-added products from what would otherwise be waste or low value products which in turn will have a multiplier effect on job creation.

The industrial park will mainly be centered on the petro-chemical industry but not only limited to the petro chemical activities; it will exploit upstream, downstream and side stream opportunities.

The Industrial Park will enhance Enterprise business development (incubation) and access to markets.

The key objectives amongst others are, to promote manufacturing and processing opportunities, to promote enterprise development particularly SMME's and Cooperatives thereby resulting in wealth creation and significant employment creation, to stimulate the economy, alleviate poverty and reduce unemployment within the regions, to develop world-class infrastructure required to support the development of the targeted industrial activities, to attract relevant foreign and domestic direct investment required to support the mastery of the targeted industrial capabilities.

The project is currently on the Project Initiation Phase which include amongst others to establish a special purpose vehicle with the necessary shareholding agreements and other legal compliance for the development of the Park ,to facilitate discussions with prospective tenants, culminating in letters of intent, pre-lease agreement or even lease agreements, the latter only being possible once the special purpose vehicle is established ,to carry our project planning for the development, including the initiation of specialised studies in compliance with statutory requirements.

3.11.1.1 Progress to date on the Industrial Park are as follows:

- ❖ Feasibility study completed.
- ❖ Township establishment approved
- ❖ Land transferal is work in progress.
- ❖ Request for budget for the provision of infrastructure was submitted to DEDET.
- ❖ Lay out plan was approved by the Surveyor General.
- ❖ Service level agreement was prepared and awaiting comments from relevant departments.

3.11.2 GOVAN MBEKI BUSINESS INCUBATION PROGRAMME

One of the key pillars of Govan Mbeki Municipality's Local Economic Development (LED) Strategy is "SMME and Cooperatives Incubation Program.

The emergence of the COVID 19 pandemic has disrupted the incubation program, however a recovery plan will be put in place to resuscitate the program.

3.11.3 BETHAL URBAN DESIGN

The aim of this document is to provide practical guidelines that should be used to shape and direct future development in the Bethal town in order to create a vibrant and pleasant urban environment for future generations.

In this regard urban design as the transition between architecture and town planning and thus it is a powerful tool in adding the visual image and environmental quality to an established urban area as the CBD.

3.11.4 MOU WITH THE NATIONAL DEPARTMENT OF TOURISM

The purpose of this MOU is to form a collaboration between Govan Mbeki Municipality and the Department of Tourism; to provide assistance and support during the collection of data required for the development of the National Tourism Information and Monitoring System, which will be developed by the Department.

The Parties intend by this MOU to establish a mutually beneficial relationship, and to encourage cooperation between them, by placing data collectors to be housed by local Municipalities currently we have two students in Bethal and Secunda.

3.11.5 FACILITATE THE IMPLEMENTATION OF THE TOWNSHIP AND RURAL- ENTREPRENEUR PROGRAMME (TREP).

Facilitate provision of financial and non-support to SMMEs. Township and Rural Entrepreneur Programme assist them with business licenses and operating permits only those that are South Africans.

Township and Rural Entrepreneur Programme is a partnership with SEDA, IDC, Dept. of Small Business and Gert Sibande District Municipality.

3.11.6 ECONOMIC RECOVERY PLAN FOR LOCAL ECONOMIC DEVELOPMENT SECTION.

Facilitate, Develop and Implement Municipal LED, Rural Development and Tourism Strategies. Mobilise and coordinate Public / Private Sector Support to Municipal LED, and Rural Development Process Applications for Business Licences. Promote Tourism within the Municipality.

Facilitate the Establishment of GMM Industrial Park Co-Ordinate the implementation of SLP Projects. Lastly to promote social and economic development.

3.11.7 SOCIAL AND LABOUR PLAN PROGRAMME

The Mineral Petroleum Resources Development Act requires that the mining houses must invest in communities where they operate and their Labour sending areas through projects that attempts to address socio-economic challenges, poverty, underdevelopment and local economic development in general. **During 2021/2022 financial year, only the following Social labour infrastructure projects were implemented as outlined in the table below.**

FY 2021/2022 SOCIAL AND LABOUR PLAN REPORT								
NO	PROJECT NAME	FY	STATUS	WARD	FUNDING SOURCE	AMOUNTS	PROGRESS STATUS	ESTIMATED START & COMPLETION DATE
1.	Internship Programme	2021-2022	Approved	All	Pan African Resources	R 300 000	Status quo still remain. 09 students are participating in the project. Seven (7) completed theory training and are placed at Elikhulu and Kinross plant for workplace training. Status quo remains	Dependent on a learnership field duration.
2	Refurbishment of Sijongile Ndamase hall in Emba and Upgrading od Evander Dam	2021-2022	Approved	Waste section to advise	Pan African Resources	R 9 000 000	This project has been changed from the Embalenhle waste transfer station	Undetermined
3.	Maths and Science project	2021-2022	Approved	all	Thungela Resources Limited	R 5 000 000	Half yearly performance report will be submitted to the municipality after completion of each term	This project is implemented annually linked to the licence period.
4	Construction of mini waste transfer station	2020-2024	Approved	Waste section to advise	Thungela Resources Limited	R8 000 000	Planning phase-technical meeting was held on the 10 th of May 2022, a site walker about was done on the 13 th of May 2022.	Undetermined

**FY 2021/2022
SOCIAL AND LABOUR PLAN REPORT**

NO	PROJECT NAME	FY	STATUS	WARD	FUNDING SOURCE	AMOUNTS	PROGRESS STATUS	ESTIMATED START & COMPLETION DATE
5	Houses EXT.13 Emzinoni	2021-2022	Approved	26- Ext 13	Overlooked/Sudor Coal	R 4 400 000	Completed awaiting ceremonial handover	Completed
06	Charl Cilliers Water pipeline	2021-2022	Approved	Ward 10 and Ward 31	Sasol	R 42 000 000 00	50% towards completion.	Undetermined, revising the scope.
07	Construction of Emzinoni hall	2021-2022	Approved	Ext 22	Glencore/Umcobo	R 1 ,500 000 00	Procurement phase	Undetermined.
08	Retro fit of High mast lights in Lebohang	2021-2022	Approved	All	Thungela Resource Limited.	R1,300 000,00	Planning phase	Undetermined
09	Refurbishment of cemeteries in Lebohang	2021-2022	Approved	All	Thungela Resource Limited	R1,150 000,00	Planning phase	Undetermined
10	Zamelani Abadala Project	2021-2022	Approved	Ext 09 Lebohang	Thungela Resource Limited	R3,052 255,00	Planning phase	Undetermined
11	Refurbishment of Emzinoni multipurpose Centre	2021-2022	Approved	Ext 05 Emzinoni	Thungela Resources Limited	R 9 000 00	Planning phase. Assessment was conducted by the mine in April 2022 and a scope of work is being generated	Undetermined
12	Material procurement for upgrading of roads in Bethal town	2021-2022	Approved	All	Katlego Coal	R3 000 000	Planning phase	Undetermined
13	Material procurement for upgrading of roads in Emzinoni.	2021-2022	Approved	All	Katlego Coal	R1 000 000	Planning phase	Undetermined

3.11.8 BUSINESS LICENSING PROGRAMME

There are about 348 street traders across the length and breadth of the municipality excluding the formal retailers that also need to be licenced

3.11.9 EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

Job creation through EPWP* projects	
FINANCIAL YEAR	Jobs created through EPWP projects
	No.
2015/2016	541
2016/2017	533
2017/2018	175
2018/2019	125
2019/2020	166
2020/2021	263
2021/2022	348

COMMENTON LOCAL JOB OPPORTUNITIES:

Govan Mbeki Municipality LED strategy seeks to launch a fight against the triple challenges of Poverty, unemployment and inequality. The LED strategy document and its implementation plan was completed and adopted by council.

It seeks to achieve social cohesion as per the provisions of the national development plan (NDP) cycle of development which presupposes that the ultimate goal for development is social cohesion through formulation and implementation of focused programmes, projects and policies to achieve economic growth, poverty eradication, employment creation and rising living standards.

The strategy therefore has a number of programmes referred to as pillars or development thrusts i.e. Industrialization, tourism development, warehousing and logistics, education, skills and capacity building, Marketing and Investments promotion, and cross cutting activities e.g. urban and rural development, housing development, infrastructure development and HIV/AIDS matters.

The municipality has completed a feasibility on the industrialisation of the municipality. The municipality with the assistance of the Department Economic Development has established a brick manufacturing project. These two high impact projects are expected to create jobs both in a long term in relation to the industrial park and in a short in relation to the fly-ash brick manufacturing project.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

The community and social services that the Govan Mbeki Municipality provides, is managed by the Department Community Services. The responsibility of the department is to interact with the community and provide the tangible services that are key for the environment and social lively hood of the community. Maintenance and Development, Sport, Art and Culture, Facilities and Library Services report directly to the Director Community Services.

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

3.12.1 LIBRARIES

The primary purpose or function of Govan Mbeki Library and Information Service (GMLIS) is to provide resources and services in a variety of media to meet the needs of individuals and groups for education, information and personal development including recreation and leisure.

Our main areas of focus are Access to Information, increment in the number of new library membership, free computer and internet service, and Education and awareness outreach programs. Govan Mbeki library services provides a mobile library service to old age homes, the home-bound and farm schools every second week.

We also provide services for the blind and partially sighted people at eMbalenhle and Lebohang libraries respectively. Free computer and internet service. This service is offered in conjunction with the Mpumalanga Provincial Library and Information Service (MPLIS). The Department of Culture, Sport and Recreation assisted the Municipality with the renovations of Lebohang and Milan Park libraries.

STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)			
LIBRARY ACTIVITY	2019/2020	2020/2021	2021/2022
Number of people accessing our libraries	177 492	34 314 Libraries closed in the first squarter and some other months due to COVID-19 pandemic	59 490
Number of people utilizing our free computer and internet services	29 626 The non-availability of internet and Wi-Fi services caused to affect the number of people who utilized the service as reasons known to the Provincial Department of Culture, Sport and Recreation who are the provider of free internet and Wi-Fi services in all Public Libraries in Mpumalanga Province	9 046 The non-availability of internet and Wi-Fi services due to challenges from the Service Provider affect the number of people who utilized the service	11 781
Holiday programs	38	11	30
Library items circulated	3 579	12 499	18 019
Library membership	225 Renewals and 210 new Library Membership	142 new Library Membership	224 new library membership and 52 renewals

Notwithstanding the above achievements, challenges such as filling of all vacant positions and regular maintenance of library facilities remains.

The Strategic Lekgotla held in March 2022 directed that processes to have the library function transferred back to the Department of Arts, Culture, Sports and Recreation, GMM remains liable until the transfer is

3.12.1.1 STAFF COMPONENT : EMPLOYEES: LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Employees: Libraries; Archives; Museums; Galleries; Community Facilities								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	1	1	0	0%	1	1	0	0%
4 - 6	8	4	4	50%	6	5	1	17%
7 - 9	38	21	17	45%	29	20	9	31%
10 - 12	27	19	8	30%	24	20	4	17%
13 - 16	42	27	15	36%	37	23	14	38%
Total	116	72	44	38%	97	69	28	29%

3.12.2 FACILITIES

Public Facilities (Halls, stadiums, Lapa's, etc.) are managed by the Department of Community Services, Facilities section and the sections main objective is:

- ❖ To facilitate and coordinate sustainable services through Council facilities;
- ❖ Optimize the use of local public facilities;
- ❖ Encourage revenue enhancement through the use of local public facilities;
- ❖ To manage day-to-day provision and use of community facilities in GMM;
- ❖ To generate sustainable revenue from the use of municipal facilities;
- ❖ To facilitate the maintenance of facilities through the Department of Technical Services Facility Maintenance section; and
- ❖ Marketing of facilities.

3.12.2.1 Status Quo of Facilities

2020/2021 STATUS ON FACILITIES			
Regions	Total Number of Facilities	Facilities in Use	Facilities not Used
Region 1	5	2	3
Region 2	11	7	4
Region 3	7	4	3
2021/2022 STATUS ON FACILITIES			
Regions	Total Number of Facilities	Facilities in Use	Facilities not Used
Region 1	5	2	3
Region 2	11	7	4
Region 3	7	4	3

STATUS OF FACILITY POLICY AND IMPLENTATION

Facilities are managed and governed through the existing Facility Policy which is available in a draft format. The policy will be sent to Council after public participation and inputs from various departments.

3.12.2.2 Challenges with regard to facilities:

One of the major challenges in the maintenance of facilities is the theft and vandalism of assets such as community halls. The high jacking of facilities by individuals remains a major stumbling block to the sustainable provision of facility services.

3.13 CEMETERIES AND CREMATORIUMS

The Municipality is responsible for the management of 27 cemeteries/ grave sites. Eleven (11) cemeteries are active, whilst ten (10) remain inactive as they have reached capacity.

No Environmental Impact Assessment studies were done on any of the cemeteries and no Environmental Authorization is granted by National or Provincial Government in terms of the cemeteries.

The municipality have limited information regarding the historical background and the number of burials at each and limited information is available of cemeteries outside the urban areas, situated on farms, informal settlements or mining areas.

The cemeteries within Govan Mbeki Municipality are tabled below: REGION 1: ACTIVE, IN-ACTIVE, PRIVATE CEMETERIES AND GRAVE SITES					
NO	GMM ACTIVE CEMETERIES		GMM IN-ACTIVE CEMETERIES/ COMMONWEALTH/ GRAVE SITES		PRIVATE CEMETERIES/ GRAVE SITES
1	Bethal old cemetery (Muslim section)	1	Bethal old cemetery (3 sections)	1	Bethal old cemetery Jewish section
2	Emandulo cemetery (New Bethal cemetery)	2	eMzinoni ext 8 cemetery	2	Farm 148/4 IS Bethal (next to Baanbreker road and ext.4 eMzinoni) grave sites
		3	eMzinoni ext. 11 cemetery		
		4	Church square Bethal (Commonwealth)		

REGION 2 : ACTIVE, IN-ACTIVE, PRIVATE CEMETERIES AND GRAVE SITES					
NO	GMM ACTIVE CEMETERIES		GMM IN-ACTIVE CEMETERIES/ GRAVE SITES		PRIVATE CEMETERIES/ GRAVE SITES
1	Cosmos cemetery (Evander)	1	Kinross/ Thistle Grove ext. 18 cemetery	1	Eendraght cemetery
2	Simunye cemetery (Kinross ext. 25)	2	Kinross Karee Street cemetery	2	Hervormde kerk Eendraght cemetery
3	Kinross/ Thistle Grove Muslim cemetery	3	Kinross graves site (Portion 7 of the farm Zondagskraal, next to R29)	3	Leslie Portion 14 of the farm Brakfontein 310 IR graves sites (next to Leandra landfill site)
4	Ebuhleni cemetery (Lebohang ext. 18)	4	Lebohang ext. 14 cemetery	4	Sakhisiswe settlement cemetery
5	Leslie/ Lebohang ext. 14 Muslim cemetery	5	Lebohang ext. 13 cemetery		
6	Joe Slovo cemetery (Secunda)	6	Lebohang ext. 9 cemetery		
7	Trichardt cemetery	7	Lebohang ext. 10 cemetery		
		8	Lebohang ext. 10 2nd cemetery		

		9	Lebohang ext. 17 graves site		
		10	Leslie Portion 4 of the farm Brakfontein 310 IR site graves site (Leandra landfill site)		
		11	Trichardtsfontein old cemetery		

REGION 3: ACTIVE, IN-ACTIVE, PRIVATE CEMETERIES AND GRAVE SITES

	GMM ACTIVE CEMETERIES		GMM IN-ACTIVE CEMETERIES/ GRAVE SITES		PRIVATE CEMETERIES/ GRAVE SITES
1	Ekuphumuleni cemetery (eMbalenhle South)	1	Ellen Makhunga (eMbalenhle ext. 18) cemetery	1	Grootspuit 279/15 IS (near eMbalenhle ext. 22) grave sites
2	Peace cemetery (Charl Cilliers)	2	Chris Hani (eMbalenhle ext. 19) cemetery	2	eMbalenhle Langverwaght 282/4 (next to Standerton road) grave sites
				3	Charl Cilliers 332/3 IS cemetery

All the active and inactive cemeteries are experiencing operational problems in varying degrees, but mainly as a result of a severe equipment and personnel shortage .

The major achievement under cemeteries for the year under review is the development and approval of the cemetery master plan. The plan outlines the situational analysis of all cemeteries within the municipality, the identification of new candidate cemeteries, legal requirements and key performance areas for the improvement or establishing of new cemeteries. The cemetery master plan is a guiding planning document for existing and future cemeteries.

Employees: Cemeteries, Bio-Diversity, Parks and Open Spaces								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	1	1	0	0%	1	1	0	0%
4 - 6	5	1	4	80%	4	1	3	75%
7 - 9	10	8	2	20%	12	6	6	50%
10 - 12	2	2	0	0%	2	2	0	0%
13 - 16	219	80	139	63%	126	76	50	40%
Total	237	92	145	61%	145	86	59	41%

COMPONENT E: ENVIRONMENTAL PROTECTION

3.14 POLLUTION CONTROL (AIR QUALITY)

“Air pollution” is listed in Part B of Schedule 4 of the Constitution as a function of municipalities. Accordingly, air pollution management is the constitutional responsibility of local government and municipalities are the primary interface between the public and government regarding air pollution management. In terms of the Municipal Structures Act, the responsibility for integrated development planning, which includes the development of air quality management plans, lies with district municipalities.

Municipal powers and functions in respect of air quality management are set out in the National Environmental Management: Air Quality Act, 30 of 2004 (“NEM:AQA”), which is the primary legislation regulating air quality management in South Africa, together with its various regulations. Municipalities influence air quality governance through the introduction of by-laws, which are legally enforceable within the municipality’s jurisdiction. Furthermore, the National Framework for Air Quality Management in the Republic of South Africa has been published by the Minister in terms of section 7 of NEM: AQA.

The Framework binds all organs of state in all spheres of government, who must give effect to it when exercising a power or performing a function or duty in terms of this Act or any other legislation regulating air quality management. Currently, the Air quality licensing function is performed by Gert Sibande District Municipality.

3.14.1 Municipal Key focus areas in respect of air quality management are:

- ❖ addressing climate change;
- ❖ continuing and escalating compliance monitoring and enforcement activities by EMIs within the municipality;
- ❖ Development of air quality management plans;
- ❖ Implementing priority area air quality management plans;
- ❖ Improving municipal air quality monitoring facilities and capacity; and
- ❖ The creation of sufficient municipal capacity through the training of municipal officials in atmospheric emission licensing and the designation of municipal air pollution control officers.

3.14.2 The specific powers and functions of municipalities relating to air quality management are set out below.

Type of function	Description
Law making	- Air Quality Management Bylaws
Monitoring & Enforcement	- Enforcement by environmental management inspectors (EMI's)
Strategic Planning	- Preparation of air quality management plan, to be included in IDP
Consultation requirements	- Consultation with national Air Quality Officer in respect of priority area Air Quality Management Plan - Attendance at Provincial-Municipal Air Quality Officer Forums
General	- Designation of municipal air quality officers (AQO) - Submission of AQO Annual Report - Report on implementation of air quality management plan

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

Biodiversity is a short form of two words; “biological” and “diversity”. It refers to all variety of life that can be found on earth, such as plants, animals, fungi and micro-organisms, as well as to the communities that they form and the habitats in which they live. The functions of the municipality in this regard includes maintenance of open spaces, removal of invader species once identified, grass cutting and pruning of trees. Maintenance assistance is also provided by Sasol regarding parks, grass cutting and pruning of trees. During the year in question, the municipality received support from Secri Auto Body with its partners with the mowing of grass at Joe Slovo (Secunda) cemetery.

The municipality is required to provide a safe environment for its people and to contribute towards sustainable development. Municipalities must therefore take biodiversity considerations into account in their planning, decision-making and other functions. There are a number of national and provincial laws which regulate this sector, with the primary national legislation being the National Environmental Management: Biodiversity Act, 10 of 2004 (NEM: BA) and the National Environmental Management: Protected Areas Act, 57 of 2003 (NEM: PAA).

The municipality’s priorities include:

- ❖ to ensure that biodiversity concerns are integrated into IDPs and SDFs and to ensure that systems are in place for the control and management of priority resources in the local government sphere;
- ❖ Making provision for funding of biodiversity and conservation mandates

The municipalities’ roles and responsibilities pertaining to conservation and biodiversity:

Type of function	Description
Law making	❖ Adoption of by-laws for local protected areas and heritage resources
Provision of services	❖ Establishment of local protected areas ❖ Implementation of biodiversity management plan ❖ Management of heritage resources
Permitting, Licensing & Registration	❖ Consent for alteration or development affecting place in heritage register or heritage area
Monitoring & Enforcement	❖ Enforcement by environmental management inspectors ❖ Act as competent authority for control of an alien or listed invasive species (if delegated)
Strategic Planning	❖ Alignment of IDP with national biodiversity framework and bioregional plans ❖ Preparation of invasive species monitoring, control and eradication plan for land under its control, to be included in IDP ❖ Preparation of biodiversity management plan (discretionary) and alignment with National Biodiversity Framework
Consultation requirements	❖ Consultation by municipality with Minister in respect of bioregions ❖ Consultation by municipality with SANBI in respect of invasive species control and eradication plan and biodiversity management plan ❖ Consultation by Minister with municipality in respect of protected areas ❖ Consultation with management authority of nature reserve

COMPONENT F: HEALTH

3.16 CLINICS

Not applicable

3.17 AMBULANCE SERVICES

Not applicable

3.18 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

Local municipalities no longer provide health services such as clinics and ambulance services, health inspection services and abattoirs. All service delivery issues raised concerning this component are presented to the stakeholder at provincial level via the department of Co-Operative Governance.

COMPONENT G: SECURITY AND SAFETY

3.19 POLICE/ COMMUNITY SAFETY

The municipality is responsible for community safety, including traffic control, road safety and law enforcement services related to the control of public nuisances as well as the enforcement of bylaws.

The municipality committed itself to maintain high standards of law enforcement services for the safety of all the citizens and the Dept. of Community Services is responsible for the building of a safe community, promoting a safe road environment and providing cost effective services to the community.

The section aims to fulfill its obligations contained in the Constitution in a pro-active manner building a safer community through community safety forums, policing road safety and municipal bylaws.

Security challenges currently experienced are the lack of functional streetlights, unprotected electrical boxes, violent protests, increased number of criminal activities and the vandalism of municipal infrastructure.

3.20 FIRE SERVICES

The Municipality owns and operates a fire and rescue service which provides firefighting, fire prevention and road and other rescue services. Its community safety service provides a range of law enforcement and community protection services. Govan Mbeki Municipality has 6 Fire Stations.

The municipality implemented a shift system which complies with legal mandate in terms of working hours.

Fire Services derives its legal mandate from the Fire Brigade Services Act no 99 of 1987. The Act provides guidelines on the establishment, maintenance, coordination and standardisation of the fire brigades.

The service consists of 6 operational fire stations which are situated at Bethal, Emzinoni, Secunda, Embalenhle, Evander and Leandra fire station

FIRE SERVICES PRIMARY DUTIES, HIGHLIGHTS AND ACHIEVEMENTS

The following are primary duties, highlights and achievements recorded for 2021/2022 financial year :

PRIMARY DUTIES

- ❖ To conduct fire prevention inspections
- ❖ To prevent and minimise loss of life and property due to fire and other dangers.
- ❖ To respond to all emergencies incidents e.g. motor vehicle accident, fire incidents.
- ❖ To rescue life and property against fire or any other dangers.
- ❖ To conduct fire investigation
- ❖ To attend to disaster related incidents
- ❖ To educate and provide awareness to all communities on fire safety and other dangers.

HIGHLIGHTS and SUCCESSES

- ❖ 100% building plans reviewed and commented within 10 days
- ❖ Fire related Community awareness campaigns conducted 39
- ❖ 540 fire inspections conducted and 298 were found to be compliant to fire safety
- ❖ 84% response to emergency incidents.
- ❖ 692 fire and other incidents attended
- ❖ 849 Fire extinguishers serviced including fire hose reels.
- ❖ Revenue generation improved from R255 561.64 TO R678 917.00

COMMENT ON THE PERFORMANCE OF FIRE SERVICES

Fire Services is making strides with regards to performance regardless of shortcomings identified. There is a dire need to increase budget allocation particularly on procurement and maintenance of resources

FIRE SERVICES DATA

Fire Service Data					
	Details	2017/2018	2018/2019	2020/2021	2021/2022
		Actual No.	Actual No.		
1	Total fires attended in the year	700	639	411	313
2	Total of other incidents attended in the year	1035	1094	923	379
3	Average turnout time - urban areas	13 min	13 min	12 min	13 min
4	Average turnout time - rural areas	25 min	25 min	25 min	24 min
5	Fire fighters in post at year end	57	56	55	54
6	Total fire appliances at year end	4	4	3	3
7	Average number of appliance off the road during the year	2	1	1	1

3.21.1 LEGISLATIVE EMPERATIVES APPLICABLE:

The Disaster Management Act (No. 57 of 2002) requires of local government to develop a disaster management policy and establish a disaster management centre in accordance with the national and provincial frameworks.

The Local Municipalities are given the responsibility of executing the disaster management function at local level and establish a disaster management centre. The Municipal Systems Act, No, 32 of 2000 require the compilation of a Disaster Management Plan as part of the IDP.

The following are the legislations giving mandate to Disaster Management Operations,

- ❖ Disaster Management Act, No, 57 of 2002
- ❖ Disaster Management Amendment Act, No,16 of 2015
- ❖ Municipal Systems Act, No, 32 of 2000
- ❖ National, Provincial, District and Local Disaster Management Frameworks
- ❖ The Constitution of the Republic of South Africa.

3.21.2 OBJECTIVE:

The objectives of Disaster Management is to:

- ❖ To develop an integrated and co-ordinate disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery;
- ❖ Establish a Local Disaster Management Centre;
- ❖ Recruit disaster management volunteers and
- ❖ To conduct disaster awareness campaign and educate the community about the prevention of disasters.

3.21.3 DISASTERRISK MANAGEMENT OVERVIEW:

The unit is located in the Department of Community Services and is led by the Head of the centre at the Assistant Manager level. The Sattelite Disaster Management Centre was established and is situated at Secunda Fire Station. The structure is as follows;

- ❖ Assistant Manager – 1
- ❖ Disaster Management Coordinator – 2 appointed and 1 vacant position.

3.21.4 STAFF COMPONENT : DISASTER MANAGEMENT

Employees: Fire Services & Disaster Management								
Job Level	2020/2021				2021/2022			
Fire Fighters	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	%	No.	No.	No.	%
Chief Fire Officer & Deputy	2	1			1	1		
Other Fire Officers								
0 - 3	1	0	1	100%	0	0	0	#DIV/0!
4 - 6	8	4	4	50%	8	6	2	25%
7 - 9	75	41	34	45%	60	39	21	35%
10 - 12	24	12	12	50%	12	12	0	0%
13 - 16	0	0	0	#DIV/0!	0	0	0	#DIV/0!
Total	108	57	51	47%	80	57	23	29%

3.21 DISASTER MANAGEMENT

There is four Key Performance Areas that are giving directives to the operations of Disaster Management and two Enablers. They are as follows:

- ❖ Integrated Institutional Capacity
- ❖ Disaster Risk Assessment
- ❖ Disaster Risk Reduction
- ❖ Response and Recovery
- ❖ Enabler: Education, training, public awareness and research
- ❖ Enabler: Funding arrangements for disaster risk management

3.21.5 NUMBER OF DISASTER RELATED CALLS 2021/2022 :

2020/2021 DISASTER RELATED CALLS		
INCIDENT	AREA	TOTAL
Floods	Informal Settlements	7
Shack fires	Informal Settlements	8
2021/2022 DISASTER RELATED CALLS		
INCIDENT	AREA	TOTAL
Shack fires	Informal Settlements-Embalenhle, Kinross, Lebohang and Emzinoni	12
Floods	Informal Settlement - Lebohang	1
Strong winds/Thunderstorms	Informal Settlement - Embalenhle	2

3.21.6 EDUCATION AND AWARENESS:

CAMPAIGN/EDUCATION	TARGET GROUP	AREA
Fire Safety	People staying at informal settlements and farms	Embalenhle, Emzinoni, Lebohang, Kinross and Charl Cilliers farms
Covid 19	Communities	Secunda and Bethal taxi ranks
Emergency Evacuation Drills	Govan Mbeki Municipality employees	Bethal, Embalenhle, Leandra and Evander Waste Water Treatment Works
Road Safety	Pedestrians and motorists	R 546 road between Embalenhle and Evander
Simulation Exercise (Gas pipe)	Farm residents at Geluk farm Bethal	Geluk farm Bethal
Disaster Risk Assessment	Informal settlement residents	Ext 17 Lebohang

3.21.7 HIGHLIGHTS/ SUCCESSES OF DISASTER MANAGEMENT UNIT:

- ☐ Operational Disaster Management Advisory Forum
- ☐ Operational Interdepartmental Disaster Management Committee
- ☐ Reviewed Disaster Management Plan
- ☐ Annual Disaster Risk Assessment Conducted
- ☐ Disaster Awareness and Educational Campaigns conducted every quarter
- ☐ Emergency Evacuation Drills conducted every quarter
- ☐ Simulation exercises conducted every quarter

3.21.8 DISASTER MANAGEMENT ADVISORY FORUM

A Disaster Management Advisory Forum comprising of internal, Sector Departments as well as external stakeholders was established. The forum meets once per quarter and all issues regarding disaster management are discussed at the meetings. All municipal departments are represented on the forum and all goals are being met.

The Disaster Management Advisory Forum Subcommittee was established to deal with education and awareness issues which are related to the communities and emergency response. This subcommittee is meeting on monthly basis and report its operations to the Advisory Forum.

3.21.9 CHALLENGES:

- ☐ Shortage of personnel
- ☐ Lack of adequate disaster risk management equipments/ resources and
- ☐ Inadequate budget

COMPONENT H: SPORT AND RECREATION

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

3.22 SPORT AND RECREATION

THEATRE (JOHANNES STEGMANN THEATRE)

- ❖ The theatre is governed by Johannes Stegmann Theatre by law. Regreatably, no events could be staged in 2021-2022 due to the state of the facility.

GEOGRAPHICAL NAME CHANGE

- ❖ The duties are informed by the South African Geographic Names Council act 118 of 1998. Following the establishment of the new Council, a Geographical Name Change committee was established. Thus far, no report has been tabled to council on the name's change.

MUSEUM (NOMOYA MASILELA)

- ❖ The Nomoya Masilela Museum is one of the cultural historical sites that is preserved in the municipality. The site received 276 visitors many of whom were schools. Worth noting, covid had negative effect on the number of visitors received.
- ❖ The museum received some renovation from the Department of Culture, Sport and Recreation, wifi was also enabled and a study on evaluation of museums was conducted during the year in question.

ARTS AND CULTURE

- ❖ During the year, the municipality hosted the Provincial Oral History Conference that was organized by Department of Culture, Sport and Recreation at Bluegum Conference Centre, Bethal. Furthermore as well as preparation meetings for National Archives Advisory Council and National Oral History South Africa.

During the 2022 Strategic Lekgotla, the Executive Mayor directed that Mayoral games should be held. This remains a target that the department will live to achieve

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

Corporate policy issues are handled on a departmental basis depending on the responsibility for specific function.

The Department Financial Services is responsible for the financial affairs of the Municipality and The Department Corporate Services is responsible for the Human Resources as well as Information Technology functions of the Municipality. The Department Corporate Services is also responsible for rendering general administrative services to the Municipality overall as well as administrative and support services to ensure the effective functioning of Council and its Committees. Specific support services are rendered to the Office of the Mayor, the Mayoral Committee and the Office of the Speaker.

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

3.23 EXECUTIVE AND COUNCIL

The council plays a very active role in the operations of the Municipality. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area. The administration component of Govan Mbeki Municipality is headed by the Municipal Manager.

STAFF COMPONENT : EXECUTIVE AND COUNCIL

Employees: The Executive and Council								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	5	5	0	0%	5	3	2	40%
4 - 6	6	6	0	0%	8	5	3	38%
7 - 9	15	9	6	40%	26	14	12	46%
10 - 12	1	1	0	0%	3	2	1	33%
13 - 16	0	0	0	#DIV/0!	2	1	1	50%
Total	27	21	6	22%	44	25	19	43%

3.24 FINANCIAL SERVICES

The Department Financial Services is responsible for the delivery of all financial-related services to the Municipality.

This includes the following:

- ❖ Strategic financial guidance.
- ❖ Budget, financial statements and related aspects.
- ❖ Expenditure management, which includes salaries and wages.
- ❖ Income and account services.
- ❖ Supply chain management services

The aim of this Department is to keep the financial position of the Municipality stable and to ensure that it will continue to being able to not only meeting its financial commitments but to ensure that economically viable services are rendered to the community on an effective and efficient basis.

STAFF COMPONENT : FINANCIAL SERVICES

Employees: Financial Services								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	7	6	1	14%	9	5	4	44%
4 - 6	40	16	24	60%	40	17	23	58%
7 - 9	124	93	31	25%	117	90	27	23%
10 - 12	16	5	11	69%	47	5	42	89%
13 - 16	4	2	2	50%	3	2	1	33%
Total	191	122	69	36%	216	119	97	45%

3.25 HUMAN RESOURCE SERVICES

The Human Resources Management section is a support service and is responsible for the administration of all matters relating to the Municipality's personnel.

This section assists the Municipality in maintaining smooth human resources processes and procedures in compliance with the relevant legislations.

This section is responsible for the following functions:

- ❖ Labour relations.
- ❖ Recruitment and selection.
- ❖ Skills development and training.
- ❖ Occupational Health and Safety.
- ❖ Leave and fringe benefit administration.
- ❖ Employee assistance.

STAFF COMPONENT : CORPORATE SERVICES

Employees: Human Resource Services (Incl OHS & Industrial Relations)								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	3	2	1	33%	3	3	0	0%
4 - 6	15	9	6	40%	13	10	3	23%
7 - 9	6	5	1	17%	8	8	0	0%
10 - 12	1	1	0	0%	0	0	0	0%
13 - 16	0	0	0	0%	0	0	0	0%
Total	25	17	8	32%	24	21	3	13%

3.26 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services. The municipality is implementing an ICT Strategy that portrays a strategic framework that describes how the ICT Strategy is operating to formulate Municipality's business model.

The overall intent of the IT strategy is to use IT as an enabler in the achievement of the municipality's Integrated Development Plan (IDP) goals, and to promote and enhance municipal service delivery. Information Communication Technology (ICT) is a service delivery enabling unit within Govan Mbeki Municipality which operates on centralised ICT Systems for billing, prepayment electricity, Library Management system, email and website and other miscellaneous systems all under ICT Administrators.

ICT Services Policy Objectives Taken From IDP

The following are Strategic ICT objectives identified for the GMM:

- ❖ ICT Operating Model and Service Delivery - To ensure that ICT is properly structured and managed to minimise operational and business risk;
- ❖ ICT Operating Model and Service Delivery - To ensure that effective systems and technologies are implemented to create a customer centric working environment;
- ❖ ICT Governance - To ensure that Business is appropriately governed and a framework is implemented to ensure policies and procedures are being adhered to;
- ❖ Enterprise Architecture - To ensure that appropriate ICT Infrastructure and solutions are put in place to sustain the overall business capabilities and needs and in turn improving productivity and enhancing service delivery;
- ❖ ICT Structure – To ensure that ICT is appropriately structured and capacitated with the appropriate number of appropriately skilled personnel to support business in delivering services to its residence and customers
- ❖ ICT Investment – To ensure that ICT appropriately plans and budgets for ICT investments and that investment spending aligns with the municipality's business priorities and that current ICT investments are maintained to maximize their business value.

Govan Mbeki Municipality's Three (3) ICT Pillars

The following three (3) ICT Pillars serves the common goal of a sustainable economic business model and is described as follows:

- 1) ICT Operations - The first aspect of the framework addresses the quality of planning, systems and technology innovation and advancement, in a changing business (public sector) operating environment. The impact of ICT Operations and strategy on the municipality and in turn the implications of these influences for the Business Objective. ICT Operations must be informed by business capabilities and business drivers to formulate an effective ICT Strategy.
- 2) ICT Governance and Business Intelligence - The second aspect of the framework addresses regulatory compliance. Contrary to ICT Governance being an operational impediment, GMM utilises effective policies and procedures to improve efficiency and revenues, reduce unaccountability and to comply with regulation and legislative frameworks. For example; good Change Management plans: improved data quality, improved service delivery, improved reconciliations, and improved Customer/Municipal relations which translate to good revenue.
- 3) ICT Services - The third aspect of the framework addresses the complete inventory of ICT Infrastructure design and architect required to respond to the Business demands while planning for business growth. It is critical in delivering the Single Point of Service for Business Applications, ICT Equipment and ensuring real time Disaster Recovery management.

ICT Policies and implementation status

The ICT Strategy and Security Policies are reviewed annually by council and this exercise is conducted internally and without any involvement of consultants and the cost therefore is covered under employee related costs.

The Following ICT Policies are in place and implemented by the municipality:

Policy Name	Council Approval	Policy Implementation
Disaster Recovery Plan	Approved	Implemented
Business Continuity	Approved	Partially Implemented
ICT Strategy	Approved	Implemented
Corporate Governance ICT Framework	Approved	Partially Implemented
ICT Security Policy, procedures and Plans	Approved	Implemented
Laptop Security Policy	Approved	Implemented

ICT Governance Steering Committee

The ICT Steering Committee was established and quorate for a meeting on a quarterly basis. The ICT Security Officer has been appointed and the position is functional.

Council Support and paperless Council status

GMM Council was successfully migrated from paper based to electronic medium of communication. All Council Committee such as Portfolio, Rules and Public Accounts and Public Participation are functional 100% on electronic medium based agendas and minutes.

Staff Component : ICT Services

Employees: ICT Services								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	1	1	0	0%	1	1	0	0%
4 - 6	7	6	1	14%	9	8	1	11%
7 - 9	6	2	4	67%	3	0	3	100%
10 - 12	0	0	0	0%	0	0	0	0%
13 - 16	0	0	0	0%	0	0	0	0%
Total	14	9	5	36%	13	9	4	31%

3.27 PROPERTY AND LEGAL SERVICES

The property section is located in the Planning and Economic Development.

This section is responsible for the following functions:

- Management of municipal immovable properties. (Acquisition, alienation, and Lease)
- Compilation of General Valuation Roll in terms of Local Government Municipal Rates Act, 6 of 2001 (The current General Valuation Roll is valid until 2025)
- Maintenance of General Valuation Rolls in terms of Section 77 – 79 of the Municipal Rates Act .

Municipal Land Alienated

Council resolved as per Council Resolution A51/04/2021 to place an moratorium on alienation of land until the finalization of Land Audit excluding the below. Seven (7) Immovable properties were sold in terms of Resolution A74/0/2015 for recently proclaimed Extensions Total amount received was R80,500

Leasing of Municipal Properties

A Total of Eighteen (18) Lease Agreements finalized with the value of R70,958.10.

Land Audit

Property Section has successfully finalized the Land Audit Report and same served to Council and was approved per Council resolution A059/04/2022.

General Valuation Roll/ Supplementary Valuation Roll

Supplementary Valuation Roll 3 was submitted by the Municipal Valuer in term of section 78 of the Municipal Property Rates Act, Act 6 of on 3rd May 2022 with 4063 properties same was forwarded to Finance for billing. Objection period was 23 May to 24 June 2022 and no objections were received to that effect.

Appeals for General Valuation Roll 2020/2025

Municipality has received 153 Section 54 appeals. The appeals were forwarded to the Chairperson of the Appeal Valuation Board as per Section 54(3)(a) of the MPRA. **119 Appeals** were finalized in the previous financial year (2021/2022). In the current financial year (2022/2023) **32 Appeals** were finalized and two postponed sinede. Section 52 reviews completed in 2021/2022 were 276. Those with the adjusted values were forwarded to Finance.

3.27.2 LEGAL SERVICES

LEGAL SERVICES AND MUNICIPAL COURTS

Legal Services and Municipal Courts reports to the Office of the Director Corporate Services. The Section provides support function to respective Departments for the following services:

- ❖ Interpret Legislation and render Legal Advisory services
- ❖ Council representation on Litigation matters
- ❖ Develop & review By-Laws and Policies
- ❖ Management of Liquor Licenses
- ❖ Contract drafting
- ❖ Administration and management of Municipal Courts.

The Municipality is a juristic person. The Municipality can sue or be sued. During this financial year 2021-2022 , the Municipality had 82 (eighty-two) cases running. It should be noted that these most of these cases happened in the previous years, in these cases, the Municipality has been the Plaintiff in 11 (eleven) cases. Cases which have been referred to the insurance company are 34. Only 1 (one) matter relates to the valuation roll and the Municipality is not a party. Most of these cases are from pot holes. The Municipality have been sued on remaining 36 (thirty-six) cases. In most cases, the Municipality is disputing liability.

Staff Component : Legal Services

Legal, Risk Management and Procurement Services								
Job Level	2020/2021				2021/2022			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%	No.	No.	No.	%
0 - 3	3	2	1	33%	3	2	1	33%
4 - 6	10	7	3	30%	9	7	2	22%
7 - 9	12	7	5	42%	12	10	2	17%
10 - 12	0	0	0	0%	0	0	0	0%
13 - 16	4	2	2	50%	3	2	1	33%
Total	29	18	11	38%	27	21	6	22%

COMPONENT J: MISCELLANEOUS

The municipality have an established Call Centre and in the process of developing an Industrial Park.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD PERFORMANCE REPORT (PART I

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP)

The Performance Management System implemented at Govan Mbeki Municipality is intended to provide a comprehensive, step by step planning system that helps the municipality to manage the process of performance planning and measurement effectively. The PMS serves as primary mechanism to monitor, review and improve the implementation of the municipal IDP and eventually the budget.

The performance management policies, as approved by Council provides for performance implementation, monitoring and evaluation at organisational as well as individual levels. The Executive Mayor in consultation with the Municipal Manager identify and prioritise Key Performance Indicators, which will be monitored during the year and forming part of the Performance Agreements /Departmental SDBIP's of each Section 56 Manager.

For financial year 2021/2022 a total of 59 indicators were identified for the High level Scorecard on which reporting was done.

The organisational performance is evaluated by means of a High level Municipal Scorecard (Top Layer SDBIP) at organisational level and through the Departmental Service Delivery Budget and Implementation Plan (SDBIP) at Departmental levels.

The SDBIP is a plan that converts the IDP and Budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the Municipality is implemented. It also allocates responsibility to Departments to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The municipal scorecard (High- level SDBIP) consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities.

The departmental SDBIP capture the performance of each defined department which reflects on the strategic priorities of the municipality. The SDBIP provides detail of each outcome for which the senior management is responsible for, in other words a comprehensive picture of the performance of that department/sub-section

The Annual Performance report as compiled reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for **2021/2022** .

MUNICIPALITY'S ACTUAL PERFORMANCE AGAINST THE PLANNED TARGETS 2021/2022

This section of the Annual Performance Report provide for reporting on the Municipality's actual performance against the planned targets as derived from the Municipality's IDP for the financial year under review 2021/2022 The report also included the also corrective measures that will be implemented accordingly to address the targets not achieved.

GOVAN MBEKI MUNICIPALITY MUNICIPAL HIGH LEVEL SCORECARD (TOP LAYER) SDBIP 2021-2022 PERFORMANCE STATUS :01 JULY 2021-30 JUNE 2022 OVERALL PERFORMANCE REPORTING (SECTION 46, ANNUAL PERFORMANCE REPORTING)

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK			MUNICIPAL DELIVERY									TARGETS FY 2021/2022	Target Date	OVERALL PERFORMANCE STATUS FINANCIAL 2021/2022 APR REPORTING SECTION 46			Performance Legend Overall Performance 01 July 2021 - 30 June 2022
		Strategic objective(SO)	IDP linkage	IDP Strategy Number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator	Target Type-Nr (401 / 402 / 403)			Overall Performance for the Financial Year 2021/2022	Reasons for performance status	Remedial Action and Corrective Measures	
KPA 1 : FINANCIAL SUSTAINABILITY																			
1	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) of Debtors Payment rate by 30 June 2022	Maintain a 90% Debtors Payment rate	Director: Financial Services (CFO)	Quarterly Report (Financial Ratios)	All	63% Debtors payment rate	Operational Budget	Outcome	%	90 % Debtors payment rate per quarter by 30 June 2022	30-Jun-22	66% Debtors payment rate as at 30 June 2022	Poor implementation of credit control policy	To resuscutae the revenue enhancement committee	2-Not Fully Effective
2	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) of Debt book Reduction by 30 June 2022	Debt book reduction by 40%	Director: Financial Services (CFO)	Monthly and Quarterly Report Revenue enhancement plan	All	0% reduction Debt Book	Operational Budget	Activity	%	40% reduction of Debt book by 30 June 2022	30-Jun-22	0% of Debt book reduced by 30 June 2022	Poor implementation of credit control policy	To intensify the revenue enhancemnet activities and full implemenation of credit control policy	1-Unacceptable
3	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) Of Operating Service Debtors to Revenue: (Total outstanding services debtors/ Annual service Revenue received for services x 100) by 30 June 2022	Financial Viability measured in terms of outstanding services debtor Service Debtors to Revenue	Director: Financial Services (CFO)	Quarterly Report (Financial Ratios)	All	2.4 % of Outstanding service debtors to revenue	Operational Budget	Outcome	%	40% of outstanding service debtors to revenue by 30 June 2022	30-Jun-22	43.54%of outstanding service debtors to revenue by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator			Target Type- Nr (Min./Max./Range/ %)	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
4	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FIN8.1	Percentage (%) Of Debt coverage ratio (Total revenue received - Total grants)/debt service payments due within the year x 100)by 30 June 2022	Financial Viability measured in terms of debt coverage ratio	Director: Financial Services (CFO)	Quarterly Report (Financial Ratios)	All	139% Debt coverage calculated as per the ratio determined	Operational Budget	Outcome	%	> 100% Debt coverage calculated as per the ratio determined by 30 June 2022	30-Jun-22	0,01% Debt coverage calculated as per the ratio determined	GMM does not have loans anymore	No Remedial Action and Corrective Measures required	3-Fully Effective
5	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FIN8.1	Cost coverage ratio calculated (Available cash at particular time + investments)/ Monthly fixed operating expenditure x 100)by 30 June 2022	Financial Viability measured in terms of Cost coverage ratio	Director: Financial Services (CFO)	Quarterly Report (Financial Ratios)	All	1,8% Cost coverage ratio calculated	Operational Budget	Outcome	%/ Mon ths	3,0% cost coverage ratio calculated by 30 June 2022	30-Jun-22	1,47% cost coverage ratio calculated	On months to month we can cover our cost though , we cannot cover for our long term creditors	To increase revenue	2-Not Fully Effective
6	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FIN8.1	Percentage (%)of the Municipality's capital budget spent on capital projects identified in the IDP, measured as Total Actual Capital Expenditure/Approved Capital Budget x 100 (All Funding excl. MIG) by 30 June 2022	CAPEX:The percentage of a municipality's capital budget spent on capital projects identified in the IDP for the financial year	Director: Financial Services (CFO)	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed Municipal Capital projects identified in terms of the Municipality's own capital budget excluding MIG	All	19% Capital spending	Capital Budget (Internal funding by the municipality)	Output	%	50% of capital budget spent by 30 June 2022	30-Jun-22	56% Capital Spending	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

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NO	DEPARTMENT	MUNICIPAL STRATEGY LINK			MUNICIPAL DELIVERY								TARGETS FY 2021/2022	Target Date	OVERALL PERFORMANCE STATUS FINANCIAL 2021/2022 APR REPORTING SECTION 46			Performance Legend Overall Performance 01 July 2021 - 30 June 2022	
		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator			Target Type-Nr (Max. Reps. /yr)	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
7	TECHNICAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.		Percentage (%) of spending on MIG funds by 30 June 2022	CAPEX:The percentage of a municipality's capital budget spent on capital projects identified in the IDP for the 2021/2022 financial year in terms of MIG Funds	Director: Financial Services (CFO)	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed MIG projects identified in terms of MIG funds	All	88% of MIG spent	65 654 578.00	Output	%	100% of spending on MIG funds by 30 June 2022	30-Jun-22	72% MIG Spending	Poor implementation of projects		2-Not Fully Effective
8	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) of operational budget spent on repairs and maintenance by 30 June 2022	Provision for repairs and maintenance	Director: Financial Services (CFO)	Proof spending on maintenance / reports	All	71% of Repairs and maintenance budget spent	Operational Budget	Outcome	%	100% of Repairs and maintenance budget spent by 30 June 2022	30-Jun-22	46% of Repairs and maintenance budget spent	Cash flow constraints	Cash flow constraints	2-Not Fully Effective
9	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Approval of Main Budget (FY2022/2023) by Council by 31 May 2022	Submit the Final compiled Main MTREF budget by the end of May 2022 to council for approval	Director: Financial Services (CFO)	Council resolution/ 1 X Approved draft Budget and 1x Approved budget per annum	All	1X Budget approved per annum	Operational Budget	Output	#	1X Approved Main Budget (FY2022/2023) by Council by 31 May 2022	31-May-22	1X Main Budget (FY2022/2023) approved by Council	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
10	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Number of physical verifications for movable assets conducted by 30 June 2022	Physical verifications for Movable Assets Conducted Quarterly	Director: Financial Services (CFO)	Quarterly Physical Verification Plan and Performance report	All	0 x Physical verification for movable assets conducted	Operational Budget	Activity	#	1X Physical verifications for movable assets conducted by 30 June 2022	30-Jun-22	3 x Physical verification for movable assets conducted by 30 June 2022	Delay in delivery of Scanners	Scanners only delivered in December 2022	3-Fully Effective
11	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Annual procurement plans approved by Council 30 June 2022	Signed Annual procurement plan as approved by Council	Director: Financial Services (CFO)	0X Annual procurement plan approved by Council	All	1X Annual procurement plan	Operational Budget	Activity	#	1X Annual procurement plan approved by Council by 30 June 2022	30-Jun-22	1X Annual procurement plan approved	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator			Target Type-Nr (Max. 1000)	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
12	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FIN8.1	Number of Quarterly Reports submitted to Council on all tender awards and deviations incurred within the municipality in terms of Section 6 of the MFMA SCM regulations by 30 June 2022	Quarterly Reports compiled and submitted within each quarter to Council on all tender awards and deviations incurred within the municipality in terms of Section 6 of the MFMA SCM	Director: Financial Services (CFO)	Financial system generated reporting / Council Item/ Council resolution	All	new	Operational Budget	Activity	#	4x Quarterly Reports submitted to Council on all tender awards and deviations incurred within the municipality in terms of Section 6 of the MFMA SCM regulations by 30 June 2022	30-Jun-22	4X Quarterly Reports submitted to Council on all tender awards and deviations incurred	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
KPA 2: SUSTAINABLE PHYSICAL INFRASTRUCTURE AND IMPROVE CUSTOMER CARE SERVICES																			
13	FINANCE	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy- Effic.	PI&EE2.1	Number of indigent households provided with access to basic services 30 June 2022	Supply free basic services to Indigent households	Director: Financial Services (CFO)	Indigent Register	All	11547 x Indigents household supply with free basic services	Operational Budget	Outcome	#	15000 Indigents household supply with free basic services quarterly 30 June 2022	30-Jun-22	11515 Indigent supplied with free basic services by 30 June 2022	No control over applications for indigent support	No Remedial Action and Corrective Measures required	3-Fully Effective
14	COMMUNITY SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy- Effic.	PI&EE2.1	Percentage of proclaimed erwen /stands receiving a weekly refuse removal services quarterly by 30 June 2022	Provision of refuse removal all proclaimed erwen/ stands Total number of proclaimed erwen receiving a weekly refuse removal service within GMM	Director: Community Services	Collection schedule and collection maps per town	All	61403 x Residential account holder receiving a weekly refuse removal services	Operational Budget	Outcome	#	100% of proclaimed erwen/ stands receiving a weekly refuse removal services quarterly by 30 June 2022	30-Jun-22	100% of proclaimed erwen/ stands receiving a weekly refuse removal services quarterly by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator			Target Type-Nr (M/L, Res, Ser, etc)	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
15	PLANNING AND DEVELOPMENT	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage (%) of land development applications (land use management and spatial planning) finalised within 3 month by 30 June 2022	Finalisation of Land development applications as per the SPLUM By-law and Land Use Scheme	Director: Planning and Development	Land Development application Register , Buss App reports	All	85% finalisation of land development applications in terms of the set service standards	Operational Budget	Activity	%	100% of land development applications (land use management and spatial planning) finalised within 3 months by 30 June 2022	30-Jun-22	71% of the land development applications submitted was finalised within 3 months (90 days - in terms of the set service standardsby 30 June 2022	Service Departments do not comment on time, resulting in application being delayed. High levels of vacant positions effect the timelines and ability to process the high volume of applications.	Report outstanding comments to relevant Departments on Monthly basis. Fill the 5 vacant positions in the Town and Regional Planning Section	2-Not Fully Effective
16	PLANNING AND DEVELOPMENT	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage (%) of Building Plans finalised within 30 days for Residential submissions and 60 days for Business submissions by 30 June 2022	Evaluate building plans received in line with the approved service standards i.e. 30 days for residential submissions and 60 days for business submissions.	Director: Planning and Development	Buss App reports	All	77% Finalisation of Building Plan Applications in terms of the set service standards quarterly	Operational Budget	Activity	%	100% Finalisation of Building Plan Applications in terms of the set service standards by 30 June 2022	30-Jun-22	61 % of Building plans submitted (Residential and Others) was finalised. The % is the combined average service standrads in Building control by 30 June 2022	Applications incomplete and with mistakes resulting in time lines not met. Comments from Service Departments on applications are submitted late. High levels of vacant positions effect the timelines and ability to process the high volume of applications.	Do follow up/enquiries with departments on outstanding comments on weekly basis. Notify applicants of mistakes on building plan applications. Fill the 5 vacant positions in the Town and Regional Planning Section	2-Not Fully Effective

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator			Target Type-Nr (N/A, Range, %)	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
17	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage % compliance with SANS 241 Measured annually by 30 June 2022	Quality of potable water comply 99% with SANS 241	Director: Technical Services	Report form IRIS system by DWS	All	97.39% water compliance with SANS 241	Operational Budget	Outcome	%	99% water compliance with SANS 241 measured annually by 30 June 2022	30-Jun-22	90.25% water compliance with SANS 241	Aged infrastructure, water supply interruption affected the water quality	Replacement and upgrading of water lines	2-Not Fully Effective
18	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage (%) reduction of water losses by 30 June 2022	Monitoring and Implementing measures to reduce water losses based on financial figures as per previous losses recorded	Director: Technical Services	Invoices from Rand Water and Financial year Water Balance Report	All	-10,71 % Reduction achieved on water losses	Operational Budget	Outcome	%	50% x Reduction of Water losses by 30 June 2022	30-Jun-22	0% x Reduction of Water losses by 30 June 2022	No reduction due to: inaccurate billing, limited resources for meter replacement and leak repairs	Repacement of faulty water meters, repairs of water leaks, curb illegal connections	1-Unacceptable
19	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage (%) reduction of energy losses by 30 June 2022	Monitoring and Implementing measures to reduce Energy Losses based on Financial figures	Director: Technical Services	Invoices from Eskom and Financial year Energy Balance Report	All	0,74 % reduction of energy losses	Operational Budget	Outcome	%	50% x Reduction of energy losses by at 30 June 2022	30-Jun-22	9% x Reduction of energy losses by at 30 June 2022	63% distribution losses comprise both technical losses (10%) and non-technical losses (53%). Previous financial year distribution Losses were at 72% and Current Financial year 2021/2022 distribution Losses are at 63% Ghost vending, illegal connections, lack	Door to door change of SGC by the vending companies appointed, installation of meters, removal of ilegal connections.	1-Unacceptable

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator			Target Type-Nr (Max. Results)	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
																of meter, shortage of personnel			
20	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Number of Street Lights to be maintained 30 June 2022	Installation of new street lights, retrofitting of existing streetlights, maintenance of existing streetlights	Director: Technical Services	Job Cards / Monthly Reports on Street Lights Maintained	All	0x Street Lights installed	Operational Budget	Outcome	%	300X Street Lights to be maintained by 30 June 2022	30-Jun-22	161X Street Lights to be maintained	Shortage of material	Appointment a panel of services providers for repairs of street lighting, stores to have spares to repair street lights	2-Not Fully Effective
21	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Number of High mast Lights to be maintained by June 2022	Maintenance of highmast lights	Director: Technical Services	Close -out Reports on High Mast Lights Maintained	All	11 XHigh Mast lights and 0x Street Lights installed	4 2 000 000	Outcome	%	20 X High mast Lights to be maintained by June 2022	30-Jun-22	51 X High mast Lights to be maintained by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	4- Above Expectations
22	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Kilometres (KMs) of Roads rehabilitated by 30 June 2022	Roads rehabilitation	Director: Technical Services	Signed Monthly Report/ Photos	All	0.48 Kilometres (KMs) of Roads rehabilitated	Operational Budget	Output	#	3 km of Roads rehabilitated by 30 June 2022	30-Jun-22	0X Kilometres (KMs) of Roads rehabilitated	No budget and necessary equipment for road rehabilitation	Fastracking of Bid Process to appont a panel for road rehabilitation contractors	1- Unacceptable
23	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve	Physic.Infra.&Energy. Effic.	PI&EE2.1	Square metres (m2) of tarred roads repaired and maintained by 30 June 2022	Tarred roads repaired and maintained	Director: Technical Services	Signed Monthly Report/ Photos	All	13756 m2 of tarred roads repaired and maintained	Operational Budget	Output	#	10000m2 of tarred roads repaired and maintained by 30 June 2022	30-Jun-22	17814,08 m2 of tarred roads repaired and maintained	Target achieved	No Remedial Action and Corrective Measures required	5- Outstanding

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OVERALL PERFORMANCE REPORTING (SECTION 46, ANNUAL PERFORMANCE REPORTING)

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK			MUNICIPAL DELIVERY									TARGETS FY 2021/2022	Target Date	OVERALL PERFORMANCE STATUS FINANCIAL 2021/2022 APR REPORTING SECTION 46			Performance Legend Overall Performance 01 July 2021 - 30 June 2022
		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator	Target Type-Nr (Min./Max./Avg.)			Overall Performance for the Financial Year 2021/2022	Reasons for performance status	Remedial Action and Corrective Measures	
		customer care																	
24	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Kilometres (KMs) of Gravel Roads maintained 30 June 2022	Gravel Road maintenance	Director: Technical Services	Signed Monthly Report/ Photos	All	165.4Kilometres(Kms) of Gravel Roads maintained	Operational Budget	Output	#	200 Kilometres(Kms) of Gravel Roads maintained by 30 June 2022	30-Jun-22	290,35 Kilometres(Kms) of Gravel Roads maintained by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	4- Above Expectations
25	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage (%) of spending on INEP funds by 30 June 2022	Electrification of houses Embalenhle Ext 22 (INEP) {(Actual expenditure divided by the total approved budget) x 100}	Director: Technical Services	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed INEP projects identified in terms of INEP funds	All	new	18 580 668.00	Outcome	%	100% spending of INEP funds by 30 June 2022	30-Jun-22	75% spending of INEP funds by 30 June 2022	Target met	No Remedial action required	2-Not Fully Effective
26	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage (%) of spending on WSIG funds by 30 June 2022	Upgrade of Embalenhle Bulk Sewer Pipeline and Pumpstation (Ext 5) {(Actual expenditure divided by the total approved budget) x 100}	Director: Technical Services	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed WSIG projects identified in terms of WSIG funds	All	new	16 000 000	Outcome	%	100% spending of WSIG funds by 30 June 2022	31-Mar-22	8% spending of WSIG funds by 30 June 2022	Apply for roll-over on the 2021/2022 allocation	Apply for roll-over on the 2021/2022 allocation	1- Unacceptable

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27	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage (%) of spending on RBIG funds by 30 June 2022	Bulk Sewer Pipeline and {(Actual expenditure divided by the total approved budget) x 100} Pumpstation (Ext 24)	Director: Technical Services	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed RBIG projects identified in terms of RBIG funds	All	new	86 596 277.00	Outcome	%	90% spending of RBIG funds by 30 June 2022	30-Jun-22	49% spending of RBIG funds by 30 June 2022	No allocation of budget to proceed with the project	Apply for additional funding	2-Not Fully Effective
28	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Percentage (%) of spending on EEDMS funds by 30 June 2022	CAPEX:The percentage of a municipality's capital budget spent on capital projects identified in the IDP for the2021/2022 financial year in terms of EEDMS) Energy efficiency and demand management side) Funds	Director: Technical Services	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed EEDMS projects identified in terms of EEDMS funds	All	new	4 2 000 000	Outcome	%	90% spending of EEDMS funds by 30 June 2022	30-Jun-22	90% spending of EEDMS funds by 30 June 2022	Target met	No Remedial action required	3-Fully Effective

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29	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Energy. Effic.	PI&EE2.1	Number of Boreholes installed at Farms by 31 June 2022	Installation of Boreholes@Farms	Director: Technical Services	Monthly Report/ Completion certificates	All	new	3 000 000	Outcome	#	8X Boreholes installed at Farms by 30 June 2022	30-Jun-22	0X Boreholes installed at Farms by 30 June 2022	No allocation of budget	Proceed with procurement ASAP when national treasury gives go ahead for procurement	1- Unacceptable
KPA 3: ECONOMIC GROWTH AND DEVELOPMENT																			
30	PLANNING AND DEVELOPMENT	To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation	Econ.Grow.&Devel.	E&DEV4.1	Percentage (%) of Business Licenses finalised in terms of the set service standards by 30 June 2022	Finalisation of Business Licenses applications as per the service standard (30 days)	Director: Planning and Development	Copies of finalised Business Licenses	All	100% of Business Licenses finalised in terms of the set service standards	Operational Budget	Outcome	%	100% of Business Licenses finalised in terms of the set service standards by 30 June 2022	30-Jun-22	100% of Business Licenses finalised in terms of the set service standards by 30 June 2022	All Applications as received were finalised	No Remedial Action and Corrective Measures required	3-Fully Effective
31	PLANNING AND DEVELOPMENT	To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation	Econ.Grow.&Devel.	E&DEV4.1	Number of LED Summits held by 30 June 2022	Facilitate LED Summit	Director: Planning and Development	Minutes and Attendance registers	All	new	Operational Budget	Outcome	#	1x LED Summit held by 30 June 2022	30-Jun-22	0x LED Summit held by 30 June 2022	To be re- consider during new financial yer to incorporate green energy	Led Summit to be conducted during fy 2022/2023	1- Unacceptable

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32	COMMUNITY SERVICES	To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation	Econ.Grow.&Devel.	E&DEV4.1	Number of job opportunities to be created through EPWP by 30 June 2022	Recruitment and appointment of beneficiaries through EPWP	Director: Community Services	Appointment letters/ Reports	All	166x Job opportunities to be created through EPWP by 30 June 2020	1 677 000	Outcome	#	300 x Job opportunities to be created through EPWP by 30 June 2022	30-Jun-22	348 x Job opportunities to be created through EPWP by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	4- Above Expectations
KPA 4: INSTITUTIONAL TRANSFORMATION																			
33	OFFICE OF THE MUNICIPAL MANAGER/ Corporate Services	To enhance the capacity of human capital and deliver institutional transformation	Inst.Transform.	INST7.1	% Percentage of Approved vacancies filled within 6 months of approval by The Municipal Manager by 30 June 2022	Filling of approved vacancies within 6 months	Director: Corporate Services	Appointment Schedule	All	100% of approved vacancies	Operational Budget	Outcome	%	100% of approved vacancies filled within 6 months of approval by The Municipal Manager by 30 June 2022	30-Jun-22	75% of approved vacancies filled within 6 months of approval by The Municipal Manager by 30 June 2022	Appointments were made withing 6 months as well as outside 6 months	Ensure compliance to filling of vacancies within prescribed timelines	2-Not Fully Effective
34	OFFICE OF THE MUNICIPAL MANAGER/ Corporate Services	To enhance the capacity of human capital and deliver institutional transformation	Inst.Transform.	INST7.1	Number of Local Labour Forum Meetings supported by 30 June 2022	Support to the Local Labour Forum	Director: Corporate Services	Agenda and Minutes of LLF meetings	All	9 meeting Local Labour Forum supported	Operational Budget	Outcome	#	9 x Local Labour Forum Meetings supported by 30 June 2022	30-Jun-22	6x Local Labour Forum Meetings supported by 30 June 2022	LGE 2021 elections as well as delay in appointment of MMC's and committee members influence the seating of meetings	MMC's and committee members appointed. Meetings convened	2-Not Fully Effective

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator			Target Type-Nr (Min./Max./Range/Or)	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
35	OFFICE OF THE MUNICIPAL MANAGER / Corporate Services	To enhance the capacity of human capital and deliver institutional transformation	Inst.Transform.	INST7.1	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by 30 June 2022	Number of people employed (newly appointed) 'Appointments made in line with Employment Equity targets on the three highest levels of management	Director: Corporate Services	Employment Equity report /Employment Equity Plan and Workforce Profile	All	tbd at year end 100% None Compliance to Employment Equity targets	Operational Budget	Outcome	#	5x People from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by 30 June 2022	30-Jun-22	6 x People from employment equity target groups employed in the three highest levels of management by 30 June 2022	Positions:1x MM, 3x RM'S, 1x Chief of Staff and 1x Manager in the Office of the Speaker	No Remedial Action and Corrective Measures required	3-Fully Effective
36	CORPORATE SERVICES	To enhance the capacity of human capital and deliver institutional transformation	INST7.1	INST7.1	Submission of Workplace Skills Plan to LGSETA by 30 April 2022	WSP submitted annually to LGSETA by 30 April	Director: Corporate Services	WSP Acknowledgement Report	All	1 x Workplace Skills Plan submitted to LGSETA	Operational Budget	Output	#	1 x Workplace Skills Plan submitted to LGSETA by 30 April 2022	30-Apr-22	1 x Workplace Skills Plan submitted to LGSETA by 30 April 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
37	CORPORATE SERVICES	To enhance the capacity of human capital and deliver institutional transformation	INST7.1	INST7.1	Percentage (%) of allocated budget spent on the implementation of the Workplace Skills Plan by 30 June 2022	Monitor of training interventions/ training budgte as per the Workplace skills plan WSP	Director: Corporate Services	Financial and Training reports	All	99,67% % of allocated budget spent on the implementation of the Workplace Skill	Operational Budget	Output	%	100% of allocated budget spent on the implementation of the Workplace Skills Plan by 30 June 2022	30-Jun-22	23% of allocated budget spent on the implementation of the Workplace Skills Plan by 30 June 2022	SCM challenges and delays n appointment of services providers	Constant interventions with CFO to address challenges	2-Not Fully Effective
38	CORPORATE SERVICES	To enhance the capacity of human capital and deliver institutional transformation	INST7.1	INST7.1	Percentage % of Training Budget annually recovered from LGSETA by 30 June 2022	Recovering of Training Budget spent from the LGSETA	Director: Corporate Services	Financial and Training reports/ Confirmation report from LGSETA	All	new	Operational Budget	Output	%	40% of Training Budget recovered from LGSETA by 30 June 2022	30-Jun-22	46% of Training Budget recovered from LGSETA by 30 June 2022	No control over LGSETA allocations	indicator to be remove durin new financial year	4- Above Expectations

KPA 5: SPATIAL INTEGRATION AND SAFE PROTECTED ENVIRONMENT

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator			Target Type-Nr (MAX. 100%)	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
39	COMMUNITY SERVICES	To develop spatially integrated, safe communities and a protected environment	Safety&Env.	S&ENV5.1	Review the Disaster Management Plan and submit to Council for approval by 31 May 2022	Disaster Management Plan reviewed	Director: Community Services	Reviewed Disaster Management Plan and Council resolution	All	1X Reviewed Disaster Management Plan	Operational Budget	Output	%	1x Reviewed Disaster Management Plan to Council for approval by 31 May 2022	31-May-22	1x Disaster Management Plan reviewd for Council approval by 31 May 2022	Disaster management plan reviewed see Council resolution A072/05/2022	No Remedial Action and Corrective Measures required	3-Fully Effective
40	COMMUNITY SERVICES	To develop spatially integrated, safe communities and a protected environment	Safety&Env.	S&ENV5.1	Percentage (%) of fire fighting response attended to in compliance to Service Standards response time by 30 June 2022	Attend to fire fighting response in compliance to Service Standards response time	Director: Community Services	Quarterly report on response to fire fighting response	All	84% Adherence to fire fighting response	Operational Budget	Outcome	%	80% Adherence to fire fighting response on a Quarterly basis by 30 June 2022	30-Jun-22	84% Adherence to fire fighting response by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
KPA 6: GOVERNANCE AND STAKEHOLDER PARTICIPATION																			
41	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Percentage (%) of council resolutions implemented by 30 June 2022	Implementation of Council resolutions by Departments	Municipal Manager	Council resolution register and supporting documents	All	97% of council resolutions implemented	Operational Budget	Outcome	%	100% of council resolutions implemented in the specified timeframes by 30 June 2022	30-Jun-22	98% of council resolutions implemented in the specified timeframes by 30 June 2022	A total of 165 reports were tabled to council which 162 resoulutions were implemented . Management or administration have no control on council decision to either refer or withdraw reports especially where there is no legislative mandate to approve.	Resubmission of reports to council after having portfolio committees reconsidering the importance of reports.	3-Fully Effective

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42	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Percentage (%) Implementation of the Audit Plan by 30 June 2022	Execution of Audits as per the Audit plan 2021/2022	Municipal Manager	Quarterly Internal Audit Report and Minutes of Audit Committee meetings	All	100 % Implementation of All the audit activities were implemented as per the audit plan	Operational Budget	Output	%	100 % Implementation of the Audit Plan by 30 June 2022	30-Jun-22	60% Implementation of the Audit Plan by 30 June 202	(15 of 25 audits) of internal audit plans implemeted. 1. User departments requestd to shift the audit during the AGSA audit cycle, and 2. Internal audit received a number of ad-hoc audits from the office of the MM which let to lost time on planne activities.	Outstanding audit to be finalised and reported to the audit and performance committee.	2-Not Fully Effective
43	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of Strategic Risk registers reviewed by 30 June 2022	Reviewed the Strategic Risk Register by June annually	Municipal Manager	Reviewed Strategic Risk register / RMC minutes	All	1X Strategic Risk register	Operational Budget	Output	#	1X Strategic Risk register reviewed by 30 June 2022	30-Jun-22	1x Strategic Risk register has been reviewed and adopted by the RMC	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
44	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Percentage (%) Mitigation of Strategic Risk register by 30 June 2022	Monitoring Risk Register 2021/2022	Municipal Manager	Progress report on risk management and Minutes of Risk Committee	All	55% of Strategic Risk mitigated	Operational Budget	Output	%	80 % of Strategic Risk mitigated by 30 June 2022	30-Jun-22	50 % of Strategic Risk mitigated by 30 June 2022	Lack of financial resources to mitigate the risk	The Municipality needs to improve financial resources as to allocate resources adequately	2-Not Fully Effective

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45	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Percentage (%) of Audit Committee recommendations implemented by 30 June 2022	Implementation of Audit Committee Recommendations by departments	Municipal Manager	Minutes of Audit committee meetings, Audit Committee Recommendations register and supporting documents	All	76% of recommendations have been implemented	Operational Budget	Output	%	100% of Audit Committee recommendations implemented by 30 June 2022	30-Jun-22	75% Audit Committee recommendations implemented by 30 June 2022	Slow implementation of audit committee recommendations	Progress to be reported to the Audit and performance committee, municipla manager and later to council	2-Not Fully Effective
46	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of Signed performance agreements of S54A and Senior Managers, S56) finalised by 31 July 2021	Facilitate and ensure timeous development and signing of Performance agreements for Section 57 Managers as signed within 30 days in terms of section 57 of the MSA within prescribed timeframe	Municipal Manager	Signed performance greement 2021/2022 for S54A and S56 Managers	Facilitation Conclusion of Performance agreement 2017/2018 for S54 managers	6 X Signed Performance Agreements for appointed S54A and S56 Managers	Operational Budget	Output	#	6 x Signed Performance Agreements for S54A and S56 Manager finalised by 31 July 2021	31-Jul-21	6 x Signed Performance Agreements for S54A and S56 Manager finalised by 30 July 2021	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
47	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of formal performance reviews for section 57 employees conducted by 30 June 2022	Evaluate the performance of Section 57 managers in terms of their signed agreements Quarterly Performance reviews co- ordinated	Municipal Manager	Evaluation sheets completed and Attendance Register	Facilitation Conclusion of Performance agreement 2017/2018 for S54 managers	0x Formal Evaluation for S54A and S56 Managers	Operational Budget	Output	#	2x Formal performance reviews for section 57 employees conducted by 30 June 2022	30-Jun-22	1x Formal performance reviews for section 57 employees conducted by 30 June 2022	Evaluations were conducted at the Departmental level and not Individual level. Departmental SDBIP's Assessments conducted for each HOD. Quarter 4 and Overall Financial year 2021/2022 on 05 and 06 August 2021	Notify Office of the Municipal Manager on conducting of the PMS activity	1- Unacceptable

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48	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of informal performance reviews for section 57 employees conducted by 30 June 2022	Evaluate the performance of Section 57 managers in terms of their signed agreements Quarterly Performance reviews co- ordinated	Municipal Manager	Evaluation sheets completed and Attendance Register	Facilitation Conclusion of Performance Management	0x Formal Evaluation for S54A and S56 Managers	Operational Budget	Output	#	2x Informal performance reviews for section 57 employees conducted by 30 June 2022	30-Jun-22	2x Informal performance reviews for section 57 employees conducted by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
49	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of ward committee meetings held by 30 June 2022	Ward committee support	Municipal Manager	Agenda, Attendance Register and Minutes of each ward committee meeting held	All	232 x Ward Committee Meetings held	Operational Budget	Output	#	256 X Ward committee meetings held by 30 June 2022	30-Jun-22	61 X Ward committee meetings conducted by 30 June 2022	Some of the wards did notsubmit the minjutes some did not convene meeting, other councillors are new they don't know what to do	The Speaker of Council and the Whip should reprimad those councillors and we have assigned the PPOs to assist those who are struggling to convene meetings because of lack of knowledge	2-Not Fully Effective
50	FINANCE	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Review and updating of the Indigent register by 30 June 2022	Annual review and update of the Indigent Register (FY2021/2022)	Director: Financial Services (CFO)	Updated Reviewed Indigent Register and Council resolution	All	0 Indigent register reviewed and updated Rollover the indigent database for FY 2021	Operational Budget	Activity	#	1x Indigent register reviewed and updated by 30 June 2022	30-Jun-22	1x Indigent register reviewed by 30 June 2022	Indigent register reviewed , awaiting verification.	No Remedial Action and Corrective Measures required	2-Not Fully Effective
51	Municipal Manager	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Submit the Annual Financial statements (AFS) 2020/2021 to the Office of the Auditor-General by 31 August 2021	Submit the Annual Financial statements (AFS) to the Office of the Auditor- General annually by 31 August	Municipal Manager /CFO	Acknowledgement Letter by AG on submission of the Financial statement (AFS) 2020/2021	All	1XAnnual Financial statements (AFS)	Operational Budget	Output	#	1XAnnual Financial statements (AFS) 2020/2021 submitted to the office of the	31-Aug-21	1XAnnual Financial statements (AFS) submitted to the Auditor General by 31 August 2021	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator			Target Type-Nr (Max. 1000)	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
													Auditor General by 31 August 2021						
52	Municipal Manager	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Submit the Audited 2020/2021 Annual Report (Section 121 MFMA) to Council by 31 January 2022	Audited Annual Report (Section 121 of MFMA) submitted annually to Council by January	Municipal Manager / CFO	Audited Annual Report(Section 121 of MFMA) / Council resolution	All	1X Annual Report	Operational Budget	Output	#	1X Audited 2020/2021 Annual Report (Section 121 MFMA) submitted to Council by 31 January 2022	31-Jan-22	1X Audited 2020/2021 Annual Report (Section 121 MFMA) prepared and submitte don the 24 March 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
53	FINANCE	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Unqualified audit opinion on AFS by 30 November 2021	Prepared AFS for submission to the Auditor General annually by August	Director: Financial Services (CFO)	Auditor General Report 2020/2021	All	1 x Disclaimer Opinion for FY 2019/2020 obtained	Operational Budget	Outcome	#	1x Unqualified AFS Opinion for FY 2020/2021 by 30 November 2021	30-Nov-21	1x Qualified AFS Opinion 2020/2021	The audit outcome of the municipality has improved from disclaimer of opinion to qualified opinion.due to limited assurance and inadequately reviews of the AFS and annual performance report submitted for auditing, to ensure that are not free from material misstatements and compliance was not	An action plan has been prepared for implementation and monitoring thereof as per the audit findings issued	1- Unacceptable

GOVAN MBEKI MUNICIPALITY
MUNICIPAL HIGH LEVEL SCORECARD (TOP LAYER) SDBIP 2021-2022
PERFORMANCE STATUS :01 JULY 2021-30 JUNE 2022
OVERALL PERFORMANCE REPORTING (SECTION 46, ANNUAL PERFORMANCE REPORTING)

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK			MUNICIPAL DELIVERY									TARGETS FY 2021/2022	Target Date	OVERALL PERFORMANCE STATUS FINANCIAL 2021/2022 APR REPORTING SECTION 46			Performance Legend Overall Performance 01 July 2021 - 30 June 2022
		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator	Target Type-Nr (Min./Max./Range/Or)			Overall Performance for the Financial Year 2021/2022	Reasons for performance status	Remedial Action and Corrective Measures	
																	adequately monitored.		
54	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of ordinary council meetings agendas facilitated per annum by 30 June 2022	Effective functioning of council measured by the functionality on the number of ordinary council meetings per annum	Director: Corporate Services	Agenda, Attendance Register and Minutes of each council meetings held	All	new	Operational Budget	Outcome	%	10X Ordinary council meetings agendas facilitated per annum by 30 June 2022	30-Jun-22	9x Ordinary council meetings agendas facilitated by 30 June 2022	No council activites during December due to council being in resess.	n/a	3-Fully Effective
55	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of ExCo or Mayoral Executive meetings agendas facilitated held per annum by 30 June 2022	Effective functioning of the committee system measured by the functionality on the number of Exco or Mayoral meetings held per annum	Director: Corporate Services	Agenda, Attendance Register and Minutes of committee meeting held	All	new	Operational Budget	Outcome	%	10X ExCo or Mayoral Executive meetings agendas facilitated per annum by 30 June 2022	30-Jun-22	9 X ExCo or Mayoral Executive meetings agendas facilitated as per Council works programme	LGE 2022 elections as well as delay in appointment of MMC's and committee members influence the seating of meetings	MMC's and committee members appointed. Meetings are held	3-Fully Effective
56	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of MPAC meetings agendas facilitated per annum by 30 June 2022	Effective functioning of the committee system measured by the functionality on the number of MPAC committees meetings held to ensure oversight and accountability per annum	Director: Corporate Services	Agenda, Attendance Register and Minutes of committee meeting held	All	new	Operational Budget	Outcome	%	4 X MPAC meetings agendas facilitated per annum by 30 June 2022	30-Jun-22	5 x MPAC Meetings Held	Target achieved	No Remedial Action and Corrective Measures required	1-Unacceptable

GOVAN MBEKI MUNICIPALITY
MUNICIPAL HIGH LEVEL SCORECARD (TOP LAYER) SDBIP 2021-2022
PERFORMANCE STATUS :01 JULY 2021-30 JUNE 2022
OVERALL PERFORMANCE REPORTING (SECTION 46, ANNUAL PERFORMANCE REPORTING)

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK			MUNICIPAL DELIVERY								TARGETS FY 2021/2022	Target Date	OVERALL PERFORMANCE STATUS FINANCIAL 2021/2022 APR REPORTING SECTION 46			Performance Legend Overall Performance 01 July 2021 - 30 June 2022	
		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator			Target Type-Nr (MVA, Res, Org)	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
57	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Annual Adoption of Oversight report by Council by 31 March 2022	Oversight report 2020/2021 adopted annually by council by March (Section 129 of MFMA)	Municipal Manager	Council Resolution / Oversight report	All	1X Approved Oversight report	Operational Budget	Output	#	1 X Oversight report adopted by council by 31 March 2022	31-Mar-22	0X Oversight report adopted by 31 March 2022	The Oversight report is pending finalisation of the MPAC Committee Changes in MPAC affected the work of the committee as there was no hand over report prepared for the new chairperson.	Appointment of new MPAC Chairperson . MPAC must urgently consider the oversight report on the Annual Report for 2020/2021 and in future when there are changes in leadership, hand over reports be mandatory	1- Unacceptable
58	PLANNING AND DEVELOPMENT	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	New 5th Generation IDP compiled and approved by Council before the end of 30 June 2022	New 5th Generation IDP compiled and submitted to Council for consideration/ IDP 2022/2023-2026/2027 approved by the end of June annually	Director: Planning and Development	Council resolution/ Approved IDP	All	1X IDP approved by Council	Operational Budget	Output	#	1x New 5th Generation IDP 2022/2023-2026/2027 compiled and approved by Council before the end of 30 June 2022	31-May-22	1x New 5th Generation IDP 2022/2023-2027/2028 compiled and approved by Council before the end of 30 June 2022	Target met	No Remedial action required	3-Fully Effective
59	PLANNING AND DEVELOPMENT	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Submit the Annual Performance Report in terms of Section 46 of the Municipal Systems Act to Auditor General by 31 August 2021	Comply and Submit Annual Performance Report to the Auditor General by 31 August annually	Director: Planning and Development	Acknowledgement Letter by AG on submission of the Annual Performance Report (MSA Sec 46) report 2020/2021	All	1x Annual Performance Report	Operational Budget	Output	#	1X Annual Performance Report in terms of Section 46 of the Municipal Systems Act submitted to the Auditor General by 31 August 2021	31-Aug-21	1X Annual Performance Report in terms of Section 46 of the Municipal Systems Act submitted on 31 August 2021 to the Auditor General 2021	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

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

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

Human Resources Management within the municipal environment is responsible for the administration of the municipal workforce by ensuring that the Municipality maintains effective and efficient functionality of human resource processes and procedures which are legislatively required and complied to.

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The following table reflects on the workforce outlook with the municipality .

4.1.1 WORKFORCE OUTLOOK

Description	Employees				
	2020/2021	2021/2022			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water and Sanitation	109	167	106	61	36,53
Financial Services	122	216	119	97	44,91
Electricity	68	126	75	51	40,48
Solid Waste Management	185	207	182	25	12,08
Housing	24	26	21	5	19,23
HR Including OHS & IR	17	24	21	3	12,50
Roads and Stormwater	84	118	78	40	33,90
Transport - Fleet & Mech Workshop	34	27	15	12	44,44
Planning	28	41	26	15	36,59
Local Economic Development	4	4	4	0	0,00
ICT Services	9	13	9	4	30,77
Property, Risk, Procurement	18	27	21	6	22,22
Cemeteries, Bio Diversity, Open Spaces & Parks	92	145	86	59	40,69
Traffic and Security Services	71	97	72	25	25,77
Fire Services & Disaster Management	57	80	57	23	28,75
Law Enforcement (By-laws)	12	36	13	23	63,89
Libraries, Archives, Sport and Recreation	72	97	69	28	28,87
The Executive Council	21	44	25	19	43,18
Totals	1027	1495	999	496	

4.1.2 VACANCY RATE

Name of Municipality	Status of organogram (approval date)	Total no. of Posts	Total no. of Posts Filled	No. of Post Vacant	Vacancy Rate %	No. of Males	No. of Females	Employment of People with Disabilities in Municipality	People employed under the age of 35 years
Govan Mbeki Municipality	A072/05/2021 A103/08/2021	1 846	1 178	668	36.19%	713	465	17	112

VACANCY RATE PER ORGANIZATIONAL STRUCTURE				
DEPARTMENT	POSTS	FILLED	VACANT POSTS	
			Budgeted	Not Budgeted
Office of the Executive Mayor	27	16	Eighty (80) vacancies have been filled in the 2021/2022 financial year. GMM has an approved Recruitment Plan which prioritises the critical and service delivery vacancies.	11
Office of the Speaker	17	9		8
Office of the Municipal Manager	34	24		10
Department Corporate Services	162	117		45
Department Financial Services	216	119		97
Department Planning and Economic Development	72	51		21
Department Community Services	656	474		182
Department Civil Engineering	491	264		227
Department Electrical & Mechanical Engineering	171	104		67
TOTAL .	1 846	1 178		668

4.1.3 TURN-OVER RATE

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2015/2016	117	72	61%
2016/2017	239	92	38%
2017/2018	9	64	711%
2018/2019	46	59	128%
2020/2021	72	55	76%
2020/2021	72	55	76%
2021/2022	79	59	74,68

EXIT DESCRIPTION	TOTAL
Retirements	18
Resignations	6
Deaths	15
Dismissals	4
Medical Boarding	0
Status Change	0
Contract Expired	16
TOTAL	59

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 POLICIES

4.2.1 HR POLICIES AND PLANS

DEPARTMENT CORPORATE SERVICES POLICIES AND PLANS (ANNUAL REPORT)

NO	NAME OF POLICY	COMPLETE D %	REVIEWE D / VERSION (%)	DATE ADOPTED BY COUNCIL (Comments / Progress)
1	Affirmative Action	No	N/A	Covered under Employment Equity Policy
2	Succession & Retention Planning Policy	Yes - 100%	Version 2	Council Resolution A020/02/2020
3	Code of Conduct for Municipal employees	Yes - 100%	N/A	As per Municipal Systems Act - Covered in Induction Programme
4	Delegation Register	Yes - 100%	5th Review	Council Resolution A135/11/2021
5	Disciplinary Code and Procedures	Yes - 100%	N/A	Disciplinary Procedure Collective Agreement (SALGBC)
6	Minimum Services Agreement (MSA)	Yes - 100%	Version 1	Ratified by the CCMA on 22 May 2019
7	Employee Assistance / Wellness Policy	Yes - 100%	Version 1	Council Resolution A47/08/2010
8	Employment Equity Plan for 2022/2023	Yes - 100%	Annually	Council Resolution A090/07/2022
9	Employment Equity Policy	Yes - 100%	Version 3	Council Resolution A028/03/2021
10	Exit Management	No		
11	Grievance Procedures	Yes - 100%	N/A	Main Collective Agreement (SALGBC)
12	HR Management & Development Plan - 2021/2022	100%	Version 4	Approved by Director Corporate Services
13	ICT Security Policy	Yes - 100%		Council Resolution A069/05/2022
14	ICT Strategy Policy	Yes - 100%		Council Resolution A069/05/2023
15	ICT Framework Policy	Yes - 100%		Council Resolution A069/05/2024
16	Business Continuity & Disaster Recovery Plan	Yes - 100%		Council Resolution A069/05/2025
17	Laptop Management Policy	Yes - 100%		Council Resolution A069/05/2026
18	Job Evaluation	No		Using SALGA Framework & Guidelines
19	Leave Policy	Yes - 100%	Version 3	Council Resolution A028/03/2021
20	Occupational Health and Safety Policy Framework & Procedure	Yes - 100%	N/A	Approved by Municipal Manager
21	Emergency Awareness & Evacuation Plan	Yes - 100%		Approved by Municipal Manager in June 2016
22	Medical Surveillance Policy	No - 90%		Drafted - Policy requires budget
23	Official Housing Policy	No		
24	Travelling & Subsistence Policy (Finance)	Yes - 100%		Council Resolution A065/05/2022

DEPARTMENT CORPORATE SERVICES POLICIES AND PLANS (ANNUAL REPORT)

NO	NAME OF POLICY	COMPLETE D %	REVIEWE D / VERSION (%)	DATE ADOPTED BY COUNCIL (Comments / Progress)
25	Vehicle and Travelling Allowance Policy	Yes - 100%	Version 1	Council Resolution CA004/02/2020
26	Funeral Assistance Policy	Yes - 100%	Version 3	Council Resolution A028/03/2021
27	Official Working Hours	No		
28	Overtime Policy	Yes - 100%	Version 3	Council Resolution A028/03/2021
29	Acting Allowance Policy	Yes - 100%	Version 4	Council Resolution A089/07/2022
30	Organisational Rights Agreement	Yes - 100%	N/A	As per the SALGBC Agreement
31	Payroll Deductions	No		
32	Salaries, Payroll & Allowances Policy	No		
33	Performance Management	Yes - 100%	Version 1	Council Resolution A60/07/2016
34	Performance Management Policy Framework	Yes - 100%	Version 1	Council Resolution A092/07/2021
35	Recruitment & Selection Policy	Yes - 100%	Version 3	Council Resolution A089/07/2022
36	Remuneration Scales and Allowances	No		
37	Resettlement	No		
38	Sexual Harassment	Yes - 100%	Version 1	Council Resolution A47/08/2010
39	Internal Training & Development Policy	Yes - 100%	Version 2	Council Resolution A089/07/2022
40	Smoking Policy	Yes - 100%	Version 1	Council Resolution A72/08/2015
41	Special Skills	No		
42	Work Organisation Policy	No		
43	Personal Protective Equipment Policy	Yes - 100%	Version 3	Council Resolution CA005/02/2020
44	Dress Code Policy	Yes - 100%	Version 1	Council Resolution A47/08/2010

4.3 INJURIES, SICKNESS AND SUSPENSIONS

4.3.1 INJURIES, SICKNESS AND SUSPENSIONS/ DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

Number and Cost of Injuries on Duty 2021/2022					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	122 days	8	7%	15 days	Unknown (Highveld Medic Clinic, Physiotherapist & Ampath Laboratory)
Temporary total disablement	300 days	3	2%	3	Unknown
Permanent disablement	0	0	0%	0	N/A
Fatal	0	0	0%	0	N/A
Total	0	11		0	0

4.3.2 NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)

2021/2022 Number of days and Cost of Sick Leave (excluding injuries on duty)			
Leave Type	Number of	Sick Leave without Sick Notes	Proportion of sick leave without medical certification
	Days		%
Full Pay Sick Leave	5835	177	3.03
Half Pay Sick Leave	24	0	
Unpaid Sick Leave	0	0	
Total	5859	177	3.03

4.3.3 NUMBER AND PERIOD OF SUSPENSIONS

2021/2022 Number and Period of Suspensions				
Department	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Community Services	Sexual Harrssment	8/01/2020	Disciplinary Action taken, employee was dismissed	01-Feb-22

4.3.6 DISCIPLINARY ACTION TAKEN ON CASES OF FINANCIAL MISCONDUCT

2021/2022 Disciplinary Action Taken on Cases of Financial Misconduct			
Department	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Office of the Municipal Manager	Appointing service provider without following correct supply chain procedure.	Yes	16-Jul-21

4.4 PERFORMANCE REWARDS

None

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.5 SKILLS DEVELOPMENT AND TRAINING

4.5.1 SKILLS MATRIX

TRAINING REPORT: 2021 / 2022 : GOVAN MBEKI MUNICIPALITY										
Management level	Gender	No. of Employees trained per post category	Training Intervention Categories							
			Learnerships	Skills Programmes	Short Courses	Workshops & Conferences	TOTAL	Apprenticeships	Interns	Work Integrated Learning
		No.	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022	2021/2022
MM and Sec 56	Female	-	-	-	-	-	-	-	-	-
	Male	1	-	-	-	1	1	-	-	-
Councillors	Female	2	-	2	-	-	2	-	-	-
	Male	7	-	7	-	-	7	-	-	-
Deputy Directors	Female	-	-	-	-	-	-	-	-	-
	Male	3	-	2	-	1	3	-	-	-
Managers	Female	2	-	-	2	-	2	-	-	-
	Male	5	-	1	4	-	5	-	-	-
Professionals	Female	6	-	2	-	4	6	-	3	-
	Male	5	-	2	-	3	5	-	3	-
Technicians	Female	1	-	1	-	-	1	-	-	-
	Male	5	-	2	-	3	5	-	-	-
Skilled	Female	3	-	3	-	-	3	-	-	-
	Male	22	-	22	-	-	22	2	-	-
Administration & Clerical	Female	12	-	12	-	-	12	-	-	-
	Male	6	-	6	-	-	6	-	-	-
Unskilled	Female	41	-	41	-	-	41	-	-	4
	Male	52	-	52	-	-	52	-	-	5
TOTAL		173	0	155	6	12	173	2	6	9

4.5.2 FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT

FINANCIAL COMPETENCY DEVELOPMENT: PROGRESS REPORT 2020/2021						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting Officer</i>	1	0	0	0	0	1
<i>Chief Financial Officer</i>	1	0	0	0	0	1
<i>Senior Managers</i>	4	0	0	0	4	0
<i>Any other financial officials</i>	0	0	0	0	0	4
Supply Chain Management Officials						
<i>Heads of Supply Chain Management units</i>	1	0	0	0	0	0
<i>Supply Chain Management Senior Managers</i>	1	0	0	1	1	1
TOTAL	8	0	0	1	5	7
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

4.5.3 SKILLS DEVELOPMENT EXPENDITURE

TRAINING REPORT: EXPENDITURE: 2021/2022										
Management level	Gender	No. of Employees trained per post category	Training Intervention Categories							
			INTERNAL PARTICIPANTS				TOTAL	EXTERNAL PARTICIPANTS		
		No.	Learnerships	Skills Programmes	Short Courses	Workshops & Conferences	2020/2021	Apprenticeships	Interns	Work Integrated Learning
MM and Sec 56	Female	-	-	-	-	-	-	-	-	-
	Male	1	R49 450.00	-	-	-	R49 450.00	-	-	-
Councillors	Female	2	-	COGTA	-	-	-	-	-	-
	Male	7	-	COGTA	-	-	-	-	-	-
Deputy Directors	Female	-	-	-	-	-	-	-	-	-
	Male	3	R49 450.00	-	-	-	R49 450.00	-	-	-
Managers	Female	2	-	-	R46 902.00	-	R46 902.00	-	-	-
	Male	5	-	-	R23 451.00	R23 451.00	R46 902.00	-	-	-
Professionals	Female	6	-	R109 500.00	-	R9 866.00	R119 366.00	-	R899 999.64	-
	Male	5	-	R81 450.00	-	R4 943.00	R86 393.00	-	R899 999.64	-
Technicians	Female	1	-	R7 093.86	-	-	R7 093.86	-	-	-
	Male	5	-	R13 007.00	-	MISA	R13 007.00	-	-	-
Skilled	Female	3	-	R48 127.00	-	-	R48 127.00	-	-	-
	Male	22	-	R123 102.00	-	-	R123 102.00	MISA	-	-
Administration & Clerical	Female	12	-	R294 424.00	R25 212.00	-	R319 636.00	-	-	GS COLLEGE
	Male	6	-	R168 622.00	-	-	R168 622.00	-	-	GS COLLEGE
Unskilled	Female	41	-	R295 892.00	-	-	R295 892.00	-	-	-
	Male	52	-	R368 058.00	-	-	R368 058.00	-	-	-
TOTAL		173	R98 900.00	R1 509 275.86	R95 565.00	R38 260.00	R1 742 000.86	Amount Unknown	R1 799 999.28	Amount Unknown

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

4.6.1 WORK FORCE EXPENDITURE

MP307 Govan Mbeki - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		16 073	15 410	16 628	20 329	20 329	20 329	21 163	22 094	23 088
Pension and UIF Contributions		1 919	2 328	2 483	2 627	2 627	2 627	2 734	2 855	2 983
Medical Aid Contributions		340	412	373	458	458	458	476	497	520
Motor Vehicle Allowance		1 792	–	3 275	3 402	3 402	3 402	3 542	3 697	3 864
Cellphone Allowance		2 250	2 557	2 545	2 570	2 570	2 570	2 676	2 794	2 919
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		878	3 051	(1)	–	–	–	–	–	–
Sub Total - Councillors		23 253	23 759	25 303	29 386	29 386	29 386	30 591	31 937	33 374
% increase	4		2,2%	6,5%	16,1%	–	–	4,1%	4,4%	4,5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		3 018	3 833	5 200	7 039	8 959	8 959	7 579	8 879	9 519
Pension and UIF Contributions		1 000	613	603	1 121	1 320	1 320	1 375	1 626	1 743
Medical Aid Contributions		376	49	82	123	128	128	172	215	228
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	20	544	544	544	0	(627)	(655)
Motor Vehicle Allowance	3	256	355	507	786	900	900	504	185	209
Cellphone Allowance	3	66	40	94	163	176	176	155	(528)	(547)
Housing Allowances	3	–	–	–	–	–	–	0	(873)	(912)
Other benefits and allowances	3	1	0	5	309	309	309	96	211	224
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–

MP307 Govan Mbeki - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2017/18	2018/19	2019/20	Current Year 2020/21			2021/22 Medium Term Revenue & Expenditure Framework		
Sub Total - Senior Managers of Municipality		4 716	4 889	6 510	10 085	12 336	12 336	9 881	9 088	9 810
% increase	4		3,7%	33,1%	54,9%	22,3%	–	(19,9%)	(8,0%)	7,9%
Other Municipal Staff										
Basic Salaries and Wages		314 206	326 713	254 468	287 108	290 697	290 697	309 682	370 182	386 305
Pension and UIF Contributions		52 764	55 108	57 888	56 197	61 388	61 388	78 152	93 988	96 342
Medical Aid Contributions		27 560	28 468	32 904	33 856	35 548	35 548	66 836	96 728	100 693
Overtime		–	–	28 110	69 926	52 999	52 999	915	(61 168)	(63 644)
Performance Bonus		18 706	19 612	21 130	20 274	24 850	24 850	23 058	28 982	31 159
Motor Vehicle Allowance	3	15 025	14 731	14 503	13 218	16 242	16 242	19 044	21 561	23 104
Cellphone Allowance	3	1 834	1 814	2 142	2 147	2 338	2 338	2 827	2 128	2 311
Housing Allowances	3	1 374	1 309	1 537	1 628	1 730	1 730	16 654	31 915	33 877
Other benefits and allowances	3	24 991	24 080	85 850	133 341	124 688	124 688	114 154	119 606	125 106
Payments in lieu of leave		2 428	5 272	9 516	538	6 522	6 522	7 210	7 530	7 870
Long service awards		2 187	(218)	600	398	398	398	419	(1 416)	(1 478)
Post-retirement benefit obligations	6	7 811	9 238	(9 061)	229	229	229	720	751	785
Sub Total - Other Municipal Staff		468 884	486 127	499 588	618 860	617 629	617 629	639 671	710 788	742 429
% increase	4		3,7%	2,8%	23,9%	(0,2%)	–	3,6%	11,1%	4,5%
Total Parent Municipality		496 853	514 775	531 400	658 331	659 351	659 351	680 143	751 813	785 612
			3,6%	3,2%	23,9%	0,2%	–	3,2%	10,5%	4,5%
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		496 853	514 775	531 400	658 331	659 351	659 351	680 143	751 813	785 612
% increase	4		3,6%	3,2%	23,9%	0,2%	–	3,2%	10,5%	4,5%
TOTAL MANAGERS AND STAFF	5,7	473 600	491 016	506 097	628 945	629 965	629 965	649 552	719 876	752 239

4.6.2 NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THEIR POSITIONS BEING UPGRADED

None

4.6.3 EMPLOYEES WHOSE SALARY LEVELS EXCEED THE GRADE DETERMINED BY JOB EVALUATION

None

4.6.4 EMPLOYEES APPOINTED TO POSTS NOT APPROVED

None

CHAPTER 5 – FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter is comprised of three components:

Component A: Statement of Financial Performance

Component B: Spending Against Capital Budget

Component C: Other Financial Matters

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

The following sections provide an overview of the financial results of the Municipality for the year under review.

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand	Note(s)	2022	2021 Restated ^a
Assets			
Current Assets			
Inventories	11	31 938 723	25 856 298
Receivables from exchange transactions	12&15	272 960 668	197 851 405
Receivables from non-exchange transactions	13&15	77 746 332	63 430 510
VAT receivable	14	133 482 770	87 251 250
Long term receivables	9	3 187 895	6 025 105
Other receivables	10	48 749 389	42 194 886
Cash and cash equivalents	16	256 445 813	203 199 683
		824 511 590	625 809 135
Non-Current Assets			
Investment property	3	1 148 475 101	1 150 987 101
Property, plant and equipment	4	1 674 458 515	1 715 241 111
Intangible assets	5	236 184	351 762
Heritage assets	6	5 430 550	5 430 550
Other financial assets	7	14 588 011	13 811 858
Prepayments		-	9 238 076
Long term receivables	9	812 485	3 836 608
		2 844 000 846	2 898 877 066
Total Assets		3 668 512 436	3 524 686 201
Liabilities			
Current Liabilities			
Other financial liabilities		-	1
Finance lease obligation	17	294 842	(1)
Payables from exchange transactions	21	3 819 058 376	3 009 383 087
Trade payable from non-exchange)	22	21 819 301	19 170 707
Consumer deposits	23	29 017 252	27 334 172
Employee benefit obligation	8	2 701 294	3 477 717
Unspent conditional grants and receipts	18	81 828 917	100 789 119
Provisions	19	36 421 145	30 243 802
Long Service Awards	20	3 887 060	2 251 008
Payments received in advance		62 225 233	49 565 945
		4 057 251 420	3 242 215 557
Non-Current Liabilities			
Finance lease obligation	17	426 543	-
Employee benefit obligation	8	41 295 607	47 729 482
Provisions	19	293 198 286	274 038 111
Long Service Awards	20	34 519 336	33 518 290
		369 439 772	355 285 883
Total Liabilities		4 426 691 192	3 597 501 440
Net Assets		(758 178 756)	(72 815 239)
Accumulated surplus		(758 178 756)	(72 815 239)
Total Net Assets		(758 178 756)	(72 815 239)

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	25	1 312 130 088	1 258 672 512
Rental of facilities and equipment	26	9 024 392	5 764 166
Interest received - trading		118 780 539	63 785 626
Fees earned	28	7 521 158	6 737 471
Other income	29	1 673 747	80 562 005
Interest received - investment	30	9 052 338	7 607 849
Gain on disposal of assets and liabilities		3 774 021	-
Fair value adjustments	43	-	43 618 671
Actuarial gains		10 082 711	1 776 391
Dividends received - investment	30	228 085	-
Total revenue from exchange transactions		1 472 267 079	1 468 524 691
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	31	372 876 661	351 685 842
Interest - Taxation revenue		11 067 174	5 488 835
Transfer revenue			
Government grants and subsidies	33	461 821 379	491 167 240
Fines, penalties and forfeits	27	13 807 813	7 897 244
Insurance claims		3 274 846	405 591
Total revenue from non-exchange transactions		862 847 873	856 624 752
Total revenue		2 335 114 952	2 325 149 443
Expenditure			
Employee related costs	34	(565 160 347)	(561 283 638)
Remuneration of councillors	35	(24 398 129)	(24 873 470)
Depreciation and amortisation	36	(165 819 397)	(213 422 025)
Impairments assets	37	(2 533 263)	(24 244 405)
Finance costs	38	(195 339 781)	(111 189 529)
Debt impairment	39	(553 359 132)	(490 036 239)
Bulk purchases	40	(1 143 636 477)	(1 053 561 405)
Contracted services	41	(136 881 278)	(114 378 768)
Transfers and subsidies	32	(30 797 288)	(43 902 977)
Loss on disposal of assets and liabilities		-	(11 266 709)
Fair value adjustments		(105 409)	-
Inventories losses/write-downs		(1 247 024)	-
General expenses	42	(213 182 901)	(155 384 303)
Total expenditure		(3 032 460 424)	(2 803 543 468)
Deficit for the year		(697 345 472)	(478 394 025)

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2020	405 578 786	405 578 786
Changes in net assets		
Surplus for the year	(478 394 025)	(478 394 025)
Total changes	(478 394 025)	(478 394 025)
Opening balance as previously reported	(195 131 070)	(195 131 070)
Adjustments		
Correction of errors	134 297 786	134 297 786
Restated* Balance at 01 July 2021 as restated*	(60 833 284)	(60 833 284)
Changes in net assets		
Surplus for the year	(697 345 472)	(697 345 472)
Total changes	(697 345 472)	(697 345 472)
Balance at 30 June 2022	(758 178 756)	(758 178 756)
Note(s)		

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
2022											
Financial Performance											
Property rates	227 307 483	(227 307 483)	-	-		-	372 876 661		372 876 661	DIV/0 %	164 %
Service charges	1 461 859 214	(1 461 859 214)	-	-		-	1 312 130 088		1 312 130 088	DIV/0 %	90 %
Investment revenue	14 145 516	(14 145 516)	-	-		-	9 280 423		9 280 423	DIV/0 %	66 %
Transfers recognised - operational	363 884 678	(363 884 678)	-	-		-	369 055 514		369 055 514	DIV/0 %	101 %
Other own revenue	123 647 263	(123 647 263)	-	-		-	186 994 621		186 994 621	DIV/0 %	151 %
Total revenue (excluding capital transfers and contributions)	2 190 844 154	(2 190 844 154)	-	-		-	2 250 337 307		2 250 337 307	DIV/0 %	103 %
Employee costs	(636 900 442)	636 900 442	-	-	-	-	(565 160 347)	-	(565 160 347)	DIV/0 %	89 %
Remuneration of councillors	(30 590 571)	30 590 571	-	-	-	-	(24 398 129)	-	(24 398 129)	DIV/0 %	80 %
Debt impairment	-	-	-			-	(553 359 132)	-	(553 359 132)	DIV/0 %	DIV/0 %
Depreciation and asset impairment	(47 618 929)	47 618 929	-			-	(168 352 660)	-	(168 352 660)	DIV/0 %	354 %
Finance charges	(126 659 175)	126 659 175	-	-	-	-	(195 339 781)	-	(195 339 781)	DIV/0 %	154 %
Materials and bulk purchases	(874 550 338)	874 550 338	-	-	-	-	(1 143 636 477)	-	(1 143 636 477)	DIV/0 %	131 %
Transfers and grants	(26 045 705)	26 045 705	-	-	-	-	(30 797 286)	-	(30 797 286)	DIV/0 %	118 %
Other expenditure	(450 470 691)	450 470 691	-	-	-	-	(359 404 832)	-	(359 404 832)	DIV/0 %	80 %
Total expenditure	(2 192 835 851)	2 192 835 851	-	-	-	-	(3 040 448 644)	-	(3 040 448 644)	DIV/0 %	139 %
Surplus/(Deficit)	(1 991 697)	1 991 697	-	-		-	(790 111 337)		(790 111 337)	DIV/0 %	39 670 %

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	121 835 385	(121 835 385)	-	-		-	92 765 865		92 765 865	DIV/0 %	76 %
Surplus (Deficit) after capital transfers and contributions	119 843 688	(119 843 688)	-	-		-	(697 345 472)		(697 345 472)	DIV/0 %	(582)%
Surplus/(Deficit) for the year	119 843 688	(119 843 688)	-	-		-	(697 345 472)		(697 345 472)	DIV/0 %	(582)%
Capital expenditure and funds sources											
Total capital expenditure	184 300 872	(184 300 872)	-	-		-	360 798 734		360 798 734	DIV/0 %	196 %
Cash flows											
Net cash from (used) operating	-	-	-	-		-	178 282 782		178 282 782	DIV/0 %	DIV/0 %
Net cash from (used) investing	-	-	-	-		-	(125 719 470)		(125 719 470)	DIV/0 %	DIV/0 %
Net cash from (used) financing	-	-	-	-		-	682 819		682 819	DIV/0 %	DIV/0 %
Net increase/(decrease) in cash and cash equivalents	-	-	-	-		-	53 246 131		53 246 131	DIV/0 %	DIV/0 %
Cash and cash equivalents at the beginning of the year	-	-	-	-		-	203 199 683		203 199 683	DIV/0 %	DIV/0 %
Cash and cash equivalents at year end	-	-	-	-		-	256 445 814		(256 445 814)	DIV/0 %	DIV/0 %

5.1.2 OPERATIONAL INCOME AGAINST OPERATIONAL EXPENDITURE

Financial Performance of Operational Services						
R '000						
Description	2020/2021	2021/2022			2021/2022	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
-						
Water	454 896	410 265	404 630	681 481	39,80%	40,62%
Waste Water (Sanitation)	311 084	128 624	205 964	97 454	-31,98%	-111,34%
Electricity	979 925	733 496	749 034	1 095 084	33,02%	31,60%
Waste Management	136 471	109 874	162 126	153 977	28,64%	-5,29%
Housing	66 565	12 574	24 895	8 237	-52,66%	-202,25%
Component A: sub-total	1 948 941	1 394 833	1 546 649	2 036 233	31,50%	24,04%
Waste Water (Stormwater Drainage)	-	-	-	-	0,00%	0,00%
Roads	37 841	47 975	93 718	40 579	-18,23%	-130,95%
Transport	-	-	-	-	0,00%	0,00%
Component B: sub-total	37 841	47 975	93 718	40 579	-18,23%	-130,95%
Planning	27 968	39 353	70 966	22 860	-72,15%	-210,45%
Local Economic Development	-	-	-	-	0,00%	0,00%
Component B: sub-total	27 968	39 353	70 966	22 860	0,00%	0,00%
Planning (Strategic & Regulatory)					0,00%	0,00%
Local Economic Development					0,00%	0,00%
Component C: sub-total					0,00%	0,00%
Community & Social Services	65 908	75 251	150 809	55 480	-35,64%	-171,83%
Environmental Protection	-	-	-	-	0,00%	0,00%
Health	-	-	-	-	0,00%	0,00%
Security and Safety	81 359	36 193	35 871	79 444	54,44%	54,85%
Sport and Recreation	-	-	-	24	100,00%	100,00%
Other	645 850	899 024	615 633	797 842	-12,68%	22,84%
Component D: sub-total	793 117	1 010 468	802 313	932 789	-8,33%	13,99%
Total Expenditure	2 807 867	2 492 629	2 513 647	3 032 460	17,80%	17,11%
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

5.2 TRANSFERS AND GRANT EXPENDITURE 2021/2022

Grant Performance						
Description	2020/2021	2021/2022			2021/2022 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Energy Efficiency and Demand Management Grant	–	4 200	4 200	3 794	90,33%	90,33%
Integrated National Electrification Programme Grant	14 069	7 650	28 674	21 418	279,98%	74,70%
Municipal Infrastructure Grant	42 135	65 655	58 244	42 085	64,10%	72,26%
Water Services Infrastructure Grant	32 673	16 000	20 229	1 716	10,72%	8,48%
Regional Bulk Infrastructure Grant	13 404	40 000	46 596	22 877	57,19%	49,10%
Donations Grant	2 442	–	–	–	0,00%	0,00%
Gert Sibande District Municipality	1 925	900	275	–	0,00%	0,00%
Infrastructure Skill Development Grant	23 937	24 500	24 500	24 500	100,00%	100,00%
Financial Management Grant	1 620	2 100	2 480	2 407	114,61%	97,06%
EPWP - Public Works	1 000	1 677	1 677	1 677	100,00%	100,00%
Economic Development and Tourism	–	–	287	14	0,00%	0,00%
Rand Water	–	–	15 116	4 670	0,00%	0,00%
Equitable Share	357 958	331 028	331 028	331 028	100,00%	100,00%
National Treasury Grant	–	–	–	500	0,00%	0,00%
Electricity Management Grant	–	–	–	5 000	0,00%	0,00%
LG Seta	4	2 000	3 948	136	6,79%	3,44%
Total Operating Transfers and Grants	491 167	495 710	537 254	461 821	93,16%	85,96%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						

5.3 ASSET MANAGEMENT

5.3.1 ASSET MANAGEMENT

A comprehensive asset register is maintained and kept up to date for Govan Mbeki Municipality. Market Demand Asset Management was used by the Municipality for a period of three years from 1 July 2016 until 30 June 2019. As from 1 July 2019 a new asset management system Baud was procured thorough a competitive bidding for a three year period from 1 July 2019 until 30 June 2022.

All new assets are capitalized on Munsoft – Financial Management system and periodically reconciled to the fixed assets registers. The assets are classified according to the type of assets class within which they fall according to the various GRAP asset classes. Physical verification of assets is performed annually to ensure that assets are not lost or stolen and to ensure that the condition of the assets are adequately updated on the fixed register as required by GRAP

All municipal assets are adequately insured for damages and theft. The asset management unit has three critical vacancies which are yet to be filled, which are one Senior Accountant: Asset Management and two Senio Asset Practitioners. Currently, only the position of manager and three asset practitioners are filled

5.3.2 REPAIR AND MAINTENANCE

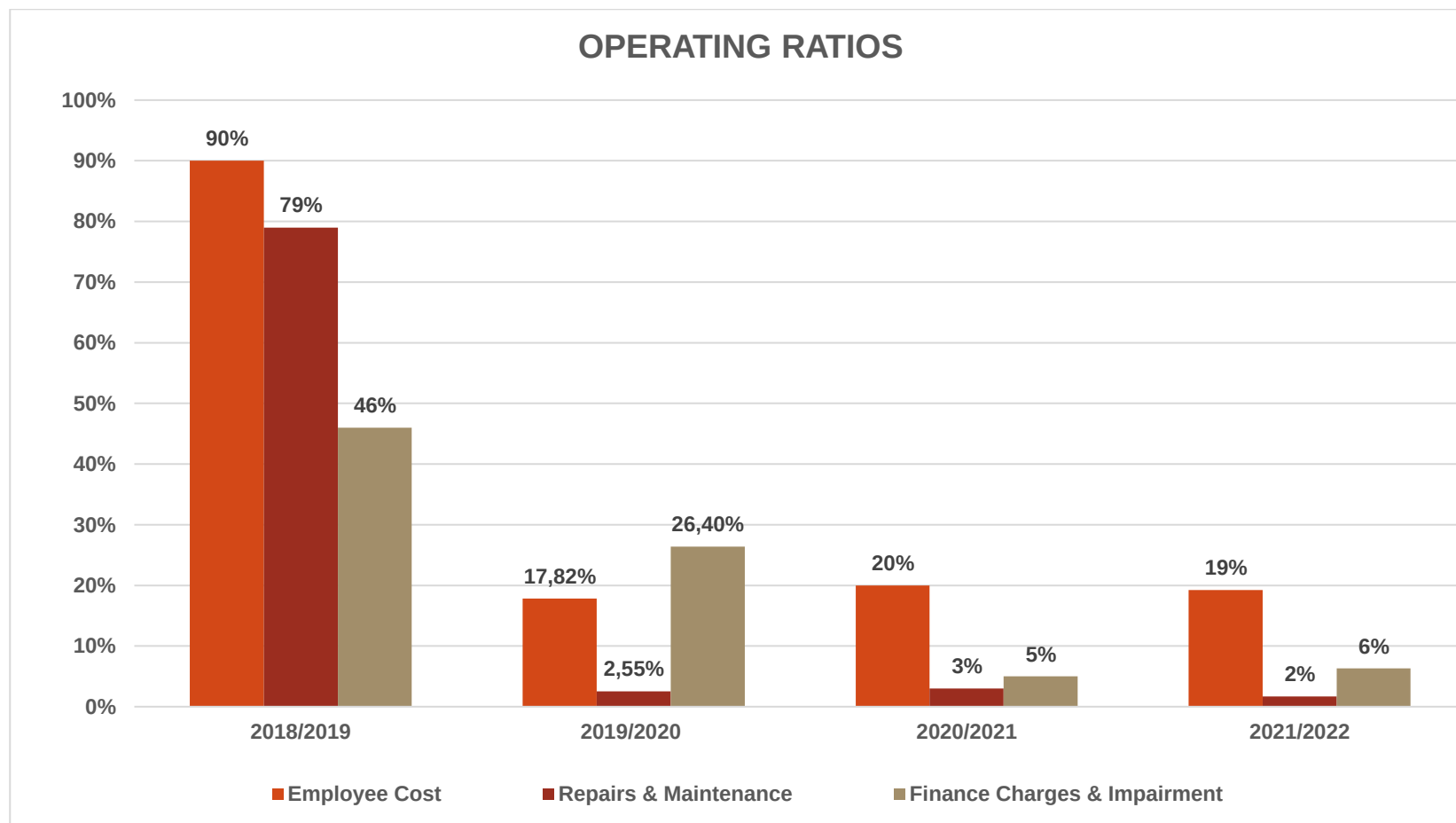
Repair and Maintenance Expenditure					
					R' 000
Financial Year	Repairs and Maintenance Expenditure	Original Budget	Adjustment Budget	Actual	Budget variance
2020/2021		123 967 816	130 190 260	63 759 004	49%
2021/2022		120 668 627	111 030 367	51 352 163	46%

5.3.3 TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2021/2022

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED AS AT .30 JUNE 2022				
Asset 1				
Name	Upgrade of Embalenhle Bulk Sewer Pipeline and Pumpstation (Ext 24)			
Description	Upgrade of Embalenhle Bulk Sewer Pipeline and Pumpstation (Ext 24)			
Asset Type	Infrastructure Asset			
Key Staff Involved	Water and Sanitation Management Staff			
Staff Responsibilities				
Asset Value				2021/2022
				40 000 000,00
Capital Implications	RBIG			
Future Purpose of Asset	Service Delivery			
Describe Key Issues				
Policies in Place to Manage Asset	Yes, There are policies in place for the management of the asset			
Asset 2				
Name	Electrical Network restructuring			
Description	Electrical Network restructuring			
Asset Type	Infrastructure Asset			
Key Staff Involved	Energy Management Staff			
Staff Responsibilities				
Asset Value				2021/2022
				20 000 000,00
Capital Implications	Own revenue			
Future Purpose of Asset	Service Delivery			
Describe Key Issues				
Policies in Place to Manage Asset	Yes, There are policies in place for the management of the asset			
Asset 3				
Name	Installation of Sewer Reticulation, Pump Station and Rising Main in Eendracht			
Description	Installation of Sewer Reticulation, Pump Station and Rising Main in Eendracht			
Asset Type	Infrastructure Asset			
Key Staff Involved	Water and Sanitation Management Staff			
Staff Responsibilities				
Asset Value				2021/2022
				19 806 070,00
Capital Implications	MIG			
Future Purpose of Asset	Service Delivery			
Describe Key Issues				
Policies in Place to Manage Asset	Yes, There are policies in place for the management of the asset			

5.4 RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.4.1 Operational Ratios



COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.5 CAPITAL AND OPERATIONAL EXPENDITURE

2021/2022 CAPITAL AND OPERATIONAL EXPENDITURE					
Original Budget	Adjustment Budget	Full Year Total	Original Budget variance	Adjusted Budget Variance	Adjusted Budget Variance
Capital Expenditure	264 380	136 675	136 675	48,3%	0,0%
	264 380	136 675	136 675	48,3%	0,0%
Operating Expenditure	2 492 629	2 515 024	3 065 044	(0)	-21,9%
	2 492 629	2 515 024	3 065 044	-23,0%	-21,9%
Total expenditure	2 757 009	2 651 699	3 201 719	-16,1%	-20,7%
Water and sanitation	69 030	69 030	778 276	-1027,4%	-1027,4%
Electricity	41 176	41 176	1 097 029	-2564,2%	-2564,2%
Housing	750	750	8 238	-998,4%	-998,4%
Roads, Pavements, Bridges and storm water	23 296	23 296	53 182	-128,3%	-128,3%
Other	130 128	130 128	1 128 319	-767,1%	-767,1%
	264 380	264 380	3 065 044	-1059,3%	-1059,3%
External Loans	-	-	-		
Internal contributions	141 839	177 720	43 909	69,0%	75,3%
Grants and subsidies	122 541	83 648	92 766	24,3%	-10,9%
Other					
	264 380	261 368	136 675	48,3%	47,7%
External Loans					
	-	-	-		
Salaries, wages and allowances	680 143	665 350	522 353	23,2%	21,5%
Cash and creditor payments					
Capital payments	142 188	142 188	89 130	37,3%	37,3%
Investments made	12 216	12 216	12 929	-5,8%	-5,8%
External loans repaid	22 242	22 242	1 372	93,8%	93,8%
Statutory Payments (including VAT)					
Other payments					
	856 789	841 996	625 784	27,0%	25,7%
Property rates	371 135	371 135	372 877	-0,5%	-0,5%
Service charges	1 580 076	1 580 076	1 313 517	1 183 059	16,9%
Other own revenue	274 647	801 790	633 404	-130,6%	21,0%
	2 225 858	2 753 001	2 319 798	-4,2%	15,7%
Employee related costs	649 552	634 705	568 554	12,5%	10,4%
Provision for working capital					
Repairs and maintenance	120 669	111 030	65 201	46,0%	41,3%
Bulk purchases	897 551	874 550	1 143 636	-27,4%	-30,8%
Other expenditure	824 858	930 530	553 838	32,9%	40,5%
	2 492 630	2 550 816	2 331 229	6,5%	8,6%

2021/2022 CAPITAL AND OPERATIONAL EXPENDITURE					
Original Budget	Adjustment Budget	Full Year Total	Original Budget variance	Adjusted Budget Variance	Adjusted Budget Variance
Service charges: Electricity	699 171	699 171	533 300	23,7%	23,7%
Grants & subsidies: Electricity	41 176	47 005	12 688	69,2%	73,0%
Other revenue: Electricity	12 526	12 526	65	99,5%	99,5%
	752 873	758 702	546 053	27,5%	28,0%
Employee related costs: Electricity	46 523	46 523	43 620	6,2%	6,2%
Repairs and maintenance: Electricity	39 100	25 601	17 807	54,5%	30,4%
Bulk purchases: Electricity	570 081	556 081	787 367	-38,1%	-41,6%
Other expenditure: Electricity	77 792	123 331	11 089	85,7%	91,0%
	733 496	751 535	859 883	-17,2%	-14,4%
Service charges: Water	577 597	577 597	505 711	12,4%	12,4%
Grants & subsidies: Water	16 000	20 229	1 716	89,3%	91,5%
Other revenue: Water	88 828	88 828	206	99,8%	99,8%
	682 425	686 654	507 632	25,6%	26,1%
Employee related costs: Water	30 152	30 152	29 095	3,5%	3,5%
Provision for working capital: Water					
Repairs and maintenance: Water	12 734	8 007	9 873	22,5%	-23,3%
Bulk purchases: Water	327 470	318 470	356 269	-8,8%	-11,9%
Other expenditure: Water	39 910	34 440	286 205	-617,1%	-731,0%
	410 265	404 630	682 333	-66,3%	-68,6%

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2021/2022							
R' 000							
Details		Details	Details				
		Actual	Budget	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	–	–	–	–	–	–
	Public contributions and donations	–	–	–	–	–	–
	Grants and subsidies	87 769	122 541	177 720	61 619	-65,33%	-49,72%
	Other	86 537	141 839	83 648	160	-99,81%	-99,89%
Total		174 306	264 380	261 368	61 779	-165,14%	-149,60%
<i>Percentage of finance</i>							
	External loans	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Public contributions and donations	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
	Grants and subsidies	50,4%	46,4%	68,0%	99,7%	20,2%	17,1%
	Other	49,6%	53,6%	32,0%	0,3%	30,9%	34,4%
Capital expenditure							
	Water and sanitation	76 339	69 030	85 029	21 588	-74,61%	-68,73%
	Electricity	25 052	41 176	72 215	28 493	-60,54%	-30,80%
	Housing	–	750	860	–		
	Roads and storm water	–	23 296	2 700	–	-100,00%	-100,00%
	Other	72 915	130 128	100 565	11 698	-88,37%	-91,01%
Total		174 306	264 380	261 368	61 779	-323,52%	-290,54%
<i>Percentage of expenditure</i>							
	Water and sanitation	43,7%	26,1%	32,5%	34,9%	23,1%	23,7%
	Electricity	9,8%	15,6%	27,6%	46,1%	18,7%	10,6%
	Housing	0,0%	0,3%	0,3%	0,0%	0,0%	0,0%
	Roads and storm water	3,6%	8,8%	1,0%	0,0%	30,9%	34,4%
	Other	43,0%	49,2%	38,5%	18,9%	27,3%	31,3%

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: 2021/2022			Variance: Current 2021/2022	
	Original Budget	Adjustment Budget	Original Budget	Adjustment Budget	Original Budget
Upgrade of Embalenhle Bulk Sewer Pipeline and Pumpstation (Ext 24)	40 000 000,00	60 000 000	13 403 723	66%	78%
Electrical Network restructuring	20 000 000,00	30 000 000	27 510 810	-38%	8%
Installation of Sewer Reticulation, Pump Station and Rising Main in Eendracht	19 806 070,00	22 586 000	14 069 332	29%	38%
Upgrade of Embalenhle Bulk Sewer Pipeline and Pumpstation (Ext 5)	16 000 000,00	19 679 608	13 454 290	16%	32%
Sakhisizwe Bridge	15 116 475,00	18 830 004	18 553 112	-23%	1%

COMPONENT C: CASHFLOW MANAGEMENT AND INVESTMENT

5.8 CASH FLOW 2021/2022

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 025 613 219	1 051 231 471
Grants		442 859 177	555 733 893
Interest income		138 900 051	73 350 653
Other receipts		46 848 475	21 279 639
		<u>1 654 220 922</u>	<u>1 701 595 656</u>
Payments			
Employee costs		(589 558 476)	(585 224 694)
Suppliers		(721 849 971)	(882 338 795)
Finance costs		(164 529 693)	(92 983 670)
		<u>(1 475 938 140)</u>	<u>(1 560 547 159)</u>
Net cash flows from operating activities	46	<u>178 282 782</u>	<u>141 048 497</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(133 727 343)	(115 988 525)
Proceeds from sale of property, plant and equipment	4	8 096 886	-
Purchase of investment property	3	(1 460 000)	-
Proceeds from sale of investment property	3	1 503 256	1 158 000
Purchase of other intangible assets	5	(132 270)	-
Net cash flows from investing activities		<u>(125 719 470)</u>	<u>(114 830 525)</u>
Cash flows from financing activities			
Movement in other financial liability		-	(1 170 125)
Finance lease payments		682 819	(418 458)
Net cash flows from financing activities		<u>682 819</u>	<u>(1 588 583)</u>
Net increase/(decrease) in cash and cash equivalents		<u>53 246 131</u>	<u>24 629 389</u>
Cash and cash equivalents at the beginning of the year		203 199 683	178 570 294
Cash and cash equivalents at the end of the year	16	<u>256 445 814</u>	<u>203 199 683</u>

5.9 BORROWING AND INVESTMENTS

Actual Borrowings: 2019-2020			
			R' 000
Instrument	2019/2020	2020/2021	2021/2022
Municipality			
Long-Term Loans (annuity/reducing balance)	1 170 124	–	–
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	1 170 124	–	–
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0

Choose name from list - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousand											
ASSETS											
Consumer debtors											
Consumer debtors		1 290 743	1 838 037	2 271 433	1 271 811	1 271 811	1 271 811	2 613 601	882 030	1 654 717	2 462 174
Less: Provision for debt impairment		(1 015 236)	(1 636 453)	(2 032 991)	(378 402)	(378 402)	(378 402)	(2 023 533)	(202 186)	(413 268)	(633 848)
Total Consumer debtors	2	275 506	201 585	238 442	893 408	893 408	893 408	590 067	679 844	1 241 449	1 828 326
Debt impairment provision											
Balance at the beginning of the year		–	(734 614)	(1 604 177)	(184 489)	(184 489)	(184 489)	(2 032 991)	–	(202 186)	(413 268)
Contributions to the provision		(1 015 236)	(901 915)	(428 813)	–	–	–	9 458	(202 186)	(211 082)	(220 581)
Bad debts written off		–	77	–	(193 913)	(193 913)	(193 913)	–	–	–	–
Balance at end of year		(1 015 236)	(1 636 453)	(2 032 991)	(378 402)	(378 402)	(378 402)	(2 023 533)	(202 186)	(413 268)	(633 848)
Inventory											
Water											
Opening Balance		–	–	719	719	719	719	612	22 878	22 878	22 878
System Input Volume		671	725	(107)	–	–	–	–	327 470	340 896	357 263
Water Treatment Works		655	655	–	–	–	–	–	–	–	–
Bulk Purchases		16	70	(107)	–	–	–	–	327 470	340 896	357 263
Natural Sources		–	–	–	–	–	–	–	–	–	–
Authorised Consumption	6	–	–	–	–	–	–	–	(327 470)	(340 896)	(357 263)
Billed Authorised Consumption		–	–	–	–	–	–	–	(327 470)	(340 896)	(357 263)
Billed Metered Consumption		–	–	–	–	–	–	–	(327 470)	(340 896)	(357 263)
Free Basic Water		–	–	–	–	–	–	–	–	–	–
Subsidised Water		–	–	–	–	–	–	–	–	–	–
Revenue Water		–	–	–	–	–	–	–	(327 470)	(340 896)	(357 263)

Choose name from list - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Closing Balance Water		671	725	612	719	719	719	612	22 878	22 878	22 878
Opening Balance		–	10 183	296	68 856	68 856	68 856	1 038	–	0	0
Acquisitions		–	18 153	1 316	9 128	9 128	9 128	36 978	15 937	13 146	15 799
Issues	7	–	(11)	(462)	(10 954)	(12 650)	(12 650)	–	(15 937)	(13 146)	(15 799)
Adjustments	8	–	5 681	(127)	–	–	–	(2 880)	–	–	–
Write-offs	9	–	(2 732)	15	–	–	–	–	–	–	–
Closing balance - Consumables Standard Rated		–	31 275	1 038	67 030	65 333	65 333	35 136	0	0	0
Zero Rated											
Opening Balance		–	(941)	297	(46 819)	(46 819)	(46 819)	106	–	0	(0)
Acquisitions		–	6 259	6 098	7 049	7 049	7 049	358	7 654	7 991	8 402
Issues	7	–	(19 288)	(6 289)	(8 459)	(8 857)	(8 857)	(28 389)	(7 654)	(7 991)	(8 402)
Adjustments	8	–	(3 421)	–	–	–	–	–	–	–	–
Write-offs	9	–	–	–	–	–	–	–	–	–	–
Closing balance - Consumables Zero Rated		–	(17 390)	106	(48 229)	(48 628)	(48 628)	(27 926)	0	(0)	(0)
Finished Goods											
Opening Balance		–	–	49	51	51	51	396	–	–	–
Acquisitions		–	–	896	1 417	1 417	1 417	99	–	–	–
Issues	7	–	–	(549)	(1 700)	(1 550)	(1 550)	(60)	–	–	–
Adjustments	8	–	–	–	–	–	–	2	–	–	–
Write-offs	9	–	–	(0)	–	–	–	–	–	–	–
Closing balance - Finished Goods		–	–	396	(232)	(82)	(82)	437	–	–	–
Materials and Supplies											

Choose name from list - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
Opening Balance		–	–	13 609	–	–	–	16 135	–	0	0
Acquisitions		–	28	36 567	11 640	11 640	11 640	1 880	38 326	43 342	40 564
Issues	7	–	(1)	(34 028)	(33 968)	(38 196)	(38 196)	(678)	(38 326)	(43 342)	(40 564)
Adjustments	8	–	–	1	–	–	–	–	–	–	–
Write-offs	9	–	(27)	(13)	–	–	–	–	–	–	–
Closing balance - Materials and Supplies		–	–	16 135	(22 328)	(26 556)	(26 556)	17 338	0	0	0
Correction of Prior period errors		–	–	–	–	–	–	–	–	–	–
Closing Balance - Land		–	0	0	0	0	0	0	–	–	–
Closing Balance - Inventory & Consumables		671	14 610	18 287	(3 040)	(9 213)	(9 213)	25 596	22 878	22 878	22 878
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		6 060 716	6 131 732	6 270 353	2 207 685	2 191 115	2 191 115	6 366 715	257 953	552 310	887 162
Leases recognised as PPE	3	5 464	784	714	956	956	956	714	1 964 203	1 965 243	1 966 325
Less: Accumulated depreciation		4 202 138	4 344 031	4 485 014	141 189	141 189	141 189	4 485 014	146 978	300 422	460 772
Total Property, plant and equipment (PPE)	2	1 864 042	1 788 485	1 786 054	2 067 452	2 050 883	2 050 883	1 882 416	2 075 179	2 217 131	2 392 715
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		109 012	109 012	110 183	109 012	109 012	109 012	110 183	–	–	–
Current portion of long-term liabilities		1 350	1 032	(119)	1 632	1 632	1 632	(119)	115 071	115 071	115 071
Total Current liabilities - Borrowing		110 363	110 044	110 064	110 645	110 645	110 645	110 064	115 071	115 071	115 071
Trade and other payables											
Trade Payables	5	993 263	1 982 229	2 724 243	2 695 327	2 694 288	2 694 288	2 940 640	3 006 418	3 091 818	3 179 556
Other creditors		(5)	(5)	(5)	(5)	(5)	(5)	(5)	–	–	–
Unspent conditional transfers		33 230	22 537	36 222	(60 038)	(69 488)	(69 488)	(14 757)	36 361	36 361	36 361

Choose name from list - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2017/18	2018/19	2019/20	Current Year 2020/21				2021/22 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
VAT		210 252	260 809	437 361	427 686	427 686	427 686	617 072	454 269	454 269	454 269
Total Trade and other payables	2	1 236 740	2 265 571	3 197 822	3 062 971	3 052 482	3 052 482	3 542 951	3 497 048	3 582 448	3 670 186
Non current liabilities - Borrowing											
Borrowing	4	2 780	1 213	(0)	(350)	(350)	(350)	(1 170)	–	–	–
Finance leases (including PPP asset element)		–	(108 614)	(109 411)	(109 516)	(109 516)	(109 516)	(109 411)	(114 261)	(114 261)	(114 261)
Total Non current liabilities - Borrowing		2 780	(107 401)	(109 411)	(109 866)	(109 866)	(109 866)	(110 581)	(114 261)	(114 261)	(114 261)
Provisions - non-current											
Retirement benefits		54 964	56 406	42 728	56 406	56 406	56 406	42 728	58 662	58 662	58 662
Refuse landfill site rehabilitation		82 293	105 466	181 138	105 466	105 466	105 466	181 138	–	–	–
Other		23 686	25 183	27 275	25 758	25 758	25 758	27 275	136 473	136 473	136 473
Total Provisions - non-current		160 943	187 055	251 142	187 630	187 630	187 630	251 142	195 135	195 135	195 135
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		1 838 433	1 744 919	956 672	995 754	995 754	995 754	294 399	983 350	1 204 776	1 342 358
GRAP adjustments											
Restated balance		1 838 433	1 744 919	956 672	995 754	995 754	995 754	294 399	983 350	1 204 776	1 342 358
Surplus/(Deficit)		(330 634)	(801 314)	(653 665)	228 634	209 010	209 010	369 524	221 426	137 582	149 164
Transfers to/from Reserves		(608)	–	–	–	–	–	–	–	–	–
Depreciation offsets		–	–	–	–	–	–	–	–	–	–
Other adjustments		222 140	(32 105)	(69 782)	228 634	209 010	209 010	–	221 426	137 582	149 164
Accumulated Surplus/(Deficit)	1	1 729 331	911 500	233 226	1 453 021	1 413 774	1 413 774	663 923	1 426 202	1 479 941	1 640 686
Reserves											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 729 331	911 500	233 226	1 453 021	1 413 774	1 413 774	663 923	1 426 202	1 479 941	1 640 686

5.10. MUNICIPAL AND ENTITY INVESTMENTS

Municipal and Entity Investments			
	R' 000		
Investment* type	2019/2020	2020/2021	2021/2022
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	12 270	13 048	13 702
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	638	763	886
Municipality sub-total	12 908	13 812	14 588
<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:	12 908	13 812	14 588

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 PUBLIC PRIVATE PARTNERSHIPS

The Municipality does not have Public Private Partnerships at present and has not had any date.

Refer to table SA 3

5.12 SUPPLY CHAIN MANAGEMENT (SCM)

The supply chain management unit has been established and it is centralized. The unit is within the office of the Chief Financial Officer (Department of Finance).

The Supply Chain Management Policy like any budget related policy is amended and approved with the Annual Budget. The Supply Chain Management Policy implementation and compliance is audited by the Office of the Auditor General on the yearly planned audit. The issues as raised by the Audit are fixed through the development and monitoring of the Audit Action Plan.

5.13 GRAP COMPLIANCE

The MFMA requires municipalities to comply with the Standards of Generally Recognised Accounting Practice (GRAP), in line with international practice.

The Govan Mbeki Municipality follow the directive from the Accounting Standards Board in order to adhere to GRAP compliance

GRAP is the acronym for Generally Recognised Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders.

Information on GRAP compliance is needed to enable the National Treasury to assess the pace of progress and consider the implications.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS PREVIOUS FINANCIAL YEAR 2020/2021

6.1 AUDITOR GENERAL REPORTS: 2020/2021

The audit outcome 2020/2021 for the municipality as revealed by the Auditor General of South Africa was **an Qualified opinion**.

COMPONENT B: AUDITOR-GENERAL OPINION YEAR FINANCIAL YEAR ENDING JUNE 2022.

6.2 AUDITOR GENERAL REPORT 2021/2022

The audit outcome 2021/2022 for the municipality as revealed and raised by the Auditor General of South Africa reflected on as an **Qualified opinion**.

Report of the Auditor-General to the Mpumalanga Provincial Legislature and the Council on the Govan Mbeki Local Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Govan Mbeki Local Municipality set out on pages **264 to 372**, which comprise the statement of financial position as at 30 June 2022, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible 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 Govan Mbeki Local Municipality as at 30 June 2022, and its financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for qualified opinion

Other receivables

3. I was unable to obtain sufficient, appropriate audit evidence for other receivables - prepaid. The municipality did not have adequate systems in place to maintain records of its other receivables - prepaid as supporting documents could not be provided. I was unable to confirm the other receivables by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to other receivables stated at R48,75 million (2020-21: R42,19 million) in note 10 to the financial statements.

Receivable from exchange transactions

4. The municipality did not account for consumer debtors as required by GRAP 104, *Financial Instruments*, as differences were identified in the prior year between the closing balances and the debtor statements for these consumer debtors. Consequently, consumer debtors were understated in the current and prior year by R237,82 million and service charges by the same amount. This also had an impact on the impairment allowances. I was unable to determine the full extent of this as it was impracticable to do so.
5. Furthermore, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as consumer debtors, as the municipality did not implement sufficient controls to ensure supporting records were available. I could not confirm consumer debtors by alternative means. I was unable to determine whether any further adjustments were required to the consumer debtors stated at R272,85 96 million (2020-21: R197,85 million) in note 12 to the financial statements.

Service charges

6. I was unable to obtain sufficient, appropriate audit evidence for the sale of electricity. The municipality did not have adequate systems in place to maintain records of its prepaid electricity sales, as supporting documents could not be provided. I was unable to confirm the sale of electricity by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the revenue from the sale of electricity stated at R532,38 million (2020-21: R476,38 million) in note 25 to the financial statements. Additionally, there was a consequential impact on the surplus for the period and on the accumulated surplus.
7. During 2021, the municipality did not account for the service charge revenue as required by GRAP 9, *Revenue from exchange transactions*. Differences were noted between rates per the statements and approved tariffs of the service charge revenue. Consequently, water, electricity and refuse service charges were understated by R161,93 million and receivables from exchange transaction by the same amount. My audit opinion on the financial statements for the period ended 2021 was modified accordingly. My opinion on the current year financial statement was also modified because of the possible effect of this matter on the comparability of the service charge revenue for the current period.

Property rates

8. During 2021, the municipality did not recognise property rates as required by GRAP 23, *Revenue from non-exchange transactions*. The properties market value as per the valuation roll did not agree to the statements and the approved rates. I was unable to determine the full extent of the understatement of property rates stated at R351,69 million in note 31 to the financial statements and the related receivables from non-exchange transactions stated at R63,43 million in note 13 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. My audit opinion on the financial statements for the period ended 2021 was modified accordingly. My opinion on the current year financial statement was also modified because of the possible effect of this matter on the comparability of the property rates revenue for the current period.

Debt impairment

9. The municipality did not account for debt impairment in accordance with the requirements of GRAP 104, *Financial Instruments*. Debt impairment was not always recorded at the correct amounts and allocated appropriately. This resulted in an overstatement of R37,85 million to debt impairment, and allowance for impairment in receivable from exchange transactions in note 15 to the financial statements were also overstated by the same amount. This also had an impact on the surplus for the period, the accumulated surplus, cash generated from operations reported in the statement of cash flows, as well as risk management as disclosed in note 51 to the financial statements.

Furthermore, the municipality did not present bad debts written off on the face of the statement of financial performance in accordance with the requirements of GRAP 1, *Presentation of*

financial statements. Bad debts written off have been included under debt impairment instead of being shown separately, as it is relevant to the understanding of the municipality's financial performance. This resulted in an overstatement of debt impairment by R173,88 million and understatement bad debts written off by the same amount.

Bulk purchases

10. During 2021, I was unable to obtain sufficient appropriate audit evidence for the electricity bulk purchases, as the municipality did not have adequate systems to record these purchases. I was unable to confirm these electricity bulk purchases by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the electricity bulk purchases stated at R713,04 million as disclosed in note 40 to the financial statements. My audit opinion on the financial statements for the period ended 2021 was modified accordingly. My opinion on the current year financial statement was also modified because of the possible effect of this matter on the comparability of the electricity bulk purchases for the current period.

Irregular expenditure

11. I was unable to obtain sufficient, appropriate audit evidence for the restated opening balance of irregular expenditure in the prior year. This was due to the municipality not conducting an investigation to determine the full extent of the irregular expenditure incurred in the previous year. I was unable to confirm irregular expenditure by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the irregular expenditure amount disclosed at R180,73 million (2020-21: R79,61 million) in note 55 to the financial statements.

Distribution losses

12. During 2021, I was unable to obtain sufficient appropriate audit evidence for the electricity distribution losses. Supporting documents for inputs into the electricity losses calculation were not provided. I was unable to confirm these electricity distribution losses by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to distribution losses in the current and prior year as disclosed in note 40 to the financial statements. My audit opinion on the financial statements for the period ended 2021 was modified accordingly. My opinion on the current year financial statement was also modified because of the possible effect of this matter on the comparability of the distribution losses for the current period.

Related parties

13. The municipality did not disclose related parties in accordance with the requirements of GRAP 20, *Related Party Disclosures*. Suppliers that do not meet the related parties definition were recognised in note 49 to the financial statements for both prior and current year. Consequently related parties disclosure note was misstated by R8,7million (2020-21: R18,43 million).

Context for the opinion

14. 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.
15. 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.
16. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

17. I draw attention to the matter below. My opinion is not modified in respect of this matter.
18. As disclosed in note 52, the financial statements indicate that the municipality incurred a net loss of R697,35 million during the year ended 30 June 2022 and, as of that date, the municipality's total liabilities exceeded its total assets by R758,18 million. These events or conditions, along with other matters set forth in note 52, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue as a going concern.

Emphasis of matter

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

Material losses - Electricity

20. As disclosed in note 40 to the financial statements, material electricity losses of 358 311 683 units (2020-21: 350 072 518 units) were incurred, which represented 63% (2020-21: 61%) of the total electricity purchased. Technical losses were estimated at 57 236 039 units (2020-21: 57 083 425 units). Non-technical losses were 301 075 644 units (2020-21: 292 989 093 units) and were mainly due to illegal connections.

Other matter

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

Unaudited disclosure notes

22. 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

23. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act (DORA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
24. 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

25. 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.
26. 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

27. 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 key performance areas presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

28. 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.
29. 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 key performance area presented in the municipality's annual performance report for the year ended 30 June 2022:

Key performance area	Pages in the annual performance report
Key performance area 2 – Sustainable physical infrastructure and improve customer care services	24-30

30. 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.
31. The material findings on the usefulness and reliability of the performance information of the selected key performance area are as follows:

KPA 2 – Sustainable physical infrastructure and improve customer care services

Various indicators

32. The achievements below were reported in the annual performance report for the listed indicators. However, some supporting evidence provided materially differed from the reported achievement, while in other instances I was unable to obtain sufficient appropriate audit evidence. 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.

No	Indicator description	Reported achievement
1	Percentage (%) of land development applications (land use management and spatial planning) finalised within 3 month by 30 June 2022	70.50%
2	Percentage (%) of building plans finalised within 30 days for residential submissions and 60 days for business submissions by 30 June 2022	61%

Number of indigent households provided with access to basic services 30 June 2022

33. The achievement of 15 515 indigent households provided with access to basic services was reported against target 15 000 indigent households in the annual performance report. However, the supporting evidence provided materially differed from the reported achievement.

Percentage of proclaimed erven/stands receiving weekly refuse removal services, quarterly by 30 June 2022

34. I was unable to obtain sufficient appropriate audit evidence for the achievement of 100% of proclaimed erven stands receiving weekly refuse removal services reported against target 100% of proclaimed erven stands in the annual performance report, due to the lack of accurate and complete records. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement.

Other matter

35. I draw attention to the matter below.

Achievement of planned targets

36. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the reliability of the reported performance information in paragraphs 33 to 35 of this report.

Report on the audit of compliance with legislation

Introduction and scope

37. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipality's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
38. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

39. 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 of current assets, revenue, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material

misstatements and or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

- 40. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of supply chain management (SCM) Regulation 17(1)(a) and (c).
- 41. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM Regulation 22(1) and 22(2).
- 42. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM Regulation 5.

Expenditure Management

- 43. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
- 44. Steps were not taken to prevent irregular expenditure amounting to R 60 283 109 as disclosed in note 5 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by non-compliance with the procurement precesses.
- 45. Steps were not taken to prevent fruitless and wasteful expenditure amounting to R 157 005 779, as disclosed in note 54 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest that has been charged to the long outstanding creditors.
- 46. Steps were not taken to prevent unauthorised expenditure amounting to R786 277 355, as disclosed in note 53 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending of the approved budget.

Revenue Management

- 47. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.

Asset Management

- 48. Investments were made that were affected by fluctuations in the value of the Rand against any foreign currency, in contravention of municipal investment regulation 7.

Consequence Management

49. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
50. 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.
51. 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.

Conditional grants

52. Performance in respect of programmes funded by the regional bulk infrastructure grant (RBIG) was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).
53. Performance in respect of programmes funded by the water services infrastructure grant (WSIG) was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).
54. Performance in respect of programmes funded by the Local Government Financial Management Grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).
55. Performance in respect of programmes funded by the expanded public works programme (EPWP) integrated grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).
56. Performance in respect of programmes funded by the integrated national electrification programme (INEP) grant was not evaluated within two months after the end of the financial year, as required by section 12(5) of the Division of Revenue Act (Act 9 of 2021).

Other information

57. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development priorities presented in the annual performance report that have been specifically reported in the auditor's report.
58. 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.

59. 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.
60. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact.
61. I have nothing to report in this regard.

Internal control deficiencies

62. 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.
63. Management did not implement adequate recordkeeping controls to ensure there are no significant delays in providing the required information and to ensure that all expected information is available.
64. The controls over the daily, weekly and monthly processing and reconciling activities were not adequately monitored. As a result, misstatements in the financial statements and annual performance report, and non-compliance with laws and regulations were detected
65. Management did not implement adequate controls to ensure that the annual financial statements and annual performance report submitted for audit are free of material misstatements.
66. Management did not implement adequate monitoring controls to ensure that compliance with applicable laws and regulations is monitored, the non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored.

Material irregularities (MIs)

67. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit. Material irregularities identified during the audit
68. The material irregularities identified are as follows:

Full and proper records not kept

69. Reasonable steps were not taken in the 2019-20 financial year to ensure that full and proper records were kept of service charges, receivables from exchange and non-exchange transactions, electricity distribution losses and trade payables, as required by section 62(1)(b) of the MFMA. The non-compliance contributed to a disclaimed audit opinion as I could not obtain sufficient appropriate audit evidence to support the amounts and disclosures in the financial statements. The lack of full and proper records is likely to result in substantial harm to the municipality as it contributed to the material uncertainty regarding its ability to continue operations. This, in turn, is likely to have a negative impact on the municipality's ability to discharge its service delivery mandate.
70. I notified the accounting officer (AO) of the material irregularity on 13 July 2021 and invited the AO to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded on 10 August 2021 with the actions taken to resolve the material irregularity. My assessment is that the actions taken are not appropriate to resolve the material irregularity. I notified the AO of the following recommendations, which should be implemented by 15 December 2022:
- The non-compliance with section 62(1)(b) of the MFMA should be investigated to determine the reasons and circumstances that led to the non-compliance for the purpose of taking appropriate corrective actions and to address control weaknesses.
 - Based on the reasons and circumstance, appropriate action should be taken to develop and commence with the implementation of the action plan to address poor record keeping so that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards, as required by 62(1)(b) of the MFMA. The plan should include anticipated timeframes and address the following key area as a minimum:
 1. Payment vouchers, creditor statements and creditor reconciliations for purchases. The expenditure incurred should be supported by sufficient evidence that goods and services paid for were received.
 2. I further recommend that the AO should take appropriate action to commence with the implementation of the action plan of the strategies below, to address the financial problems of the municipality, as required by section 135(1) and 135(3)(a) of the MFMA, by 30 November 2022:
 - a) Increase the collection of revenue;
 - b) Efficiently manage the available resources of the municipality;
 - c) Repair and maintain infrastructure assets; and
 - d) Negotiate reasonable payment arrangements with suppliers.
71. The above timeframes for the implementation of the recommendations will run concurrently.

Eskom not paid within 30 days of receiving the invoice or relevant statement

72. The municipality failed to ensure that the payments due to Eskom was made within 30 days of receiving the relevant invoice or statement, in contravention of section 65(2)(e) of the MFMA. The municipality incurred interest as a result of the late payments of R160,55 million in the 2019-20 financial year, which was disclosed as fruitless and wasteful expenditure in note 45 of

the 2019-20 annual financial statements. The non-compliance was likely to result in a material financial loss when the interest expense is paid.

73. The accounting officer was notified of this material irregularity on 8 April 2021 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded on 5 May 2021 with the actions taken to resolve the material irregularity. My assessment is that the actions taken are appropriate to resolve the material irregularity.
74. I will follow up on the implementation of actions during my next audit.

Rand Water not paid within 30 days of receiving the invoice or relevant statement

75. The municipality failed to ensure that the payments due to the Rand Water were made within 30 days of receiving the relevant invoice or statement, in contravention of section 65(2)(e) of the MFMA. The municipality incurred interest as a result of the late payments of R12,78 million in the 2019-20 financial year, which was disclosed as fruitless and wasteful expenditure in note 45 of the 2019-20 annual financial statements. The non-compliance was likely to result in a material financial loss when the interest expense is paid.
76. The accounting officer was notified of this material irregularity on 8 April 2021 and was invited to make a written submission on the actions taken and that will be taken to address the matter. The accounting officer responded on 5 May 2021 with the actions taken to resolve the material irregularity. My assessment is that the actions taken are appropriate to resolve the material irregularity.
77. I will follow up on the implementation of actions during my next audit.

Auditor-General

Mbombela

20 December 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-General’s responsibility for the audit

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

Financial statements

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

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

Communication with those charged with governance

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

I also provided the accounting officer with a statement that I have complied with all relevant ethical requirements regarding independence, and communicated with them all relationships and other

matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Post audit action plan for the 2021/2022 financial year.

The Municipality received a qualified audit opinion in the 2021/22 financial year with 9 qualification paragraphs or findings affecting the audit report.

NO	QUALIFICATION PARAGRAPHS/COMPONENT	COMMENTS
1	OTHER RECEIVABLES	Prepaid electricity reports submitted late to GMM & AGSA
2	RECEIVABLES FROM EXCHANGE TRANSACTIONS	Consumer debtors not accounted in terms of GRAP104
3	SERVICE CHARGES (Prepaid electricity)	Prepaid electricity reports submitted late to GMM & AGSA. Reports obtain through court processes
4	PROPERTY RATES	Market values per valuation rolls does not agree to statements
5	DEBT IMPAIRMENT	Debt impairment not accounted for in line with GRAP104
6	BULK PURCHASES	Check meters (connection supply) not monitored/installed to measured electricity received from Eskom
7	IRREGULAR EXPENDITURE	Investigations of Irregular expenditure not conducted
8	DISTRIBUTION LOSSES	Evidence for inputs into electricity losses were not provided to AGSA.
9	RELATED PARTIES	Related parties not disclosed

CHALLENGES NOTED DURING THE AUDIT PROCESS:

- Audit report received on the 20 December 2022 which is outside the legislated timeframe. Legislatively, the report must be issued on the 30th of November 2022.
- Prepaid electricity reports not submitted to GMM on time by service provider.
- GMM engaged the courts to source the reports from service provider.
- GMM lodged a dispute with AGSA on prepaid reports in line with the engagement letter, such dispute was not accepted.
- Finance Department not fully resourced (i.e., DD Revenue, Manager Expenditure and Reporting)

ACTION TAKEN OR TO BE TAKEN TO ADDRESS THE FINDINGS AFFECTING THE AUDIT REPORT.

The municipality will take the following actions to address audit findings affecting the audit report (opinion), refer to below table for the action:

NO	ACTION	TIME FRAME
1	Request & process monthly prepaid electricity reports	Monthly
2	Install check meters at point of supply (Electricity supply)	March 2023
3	Perform monthly reconciliation between Installed check meters & Eskom statement	Monthly
4	Reconcile ageing analysis and statements	Quarterly & Year end
5	Reconcile valuation roll (property values) and the billing system	March & June
6	Calculate distribution losses and maintain supporting documents.	March & June
7	Refer Irregular expenditure to MPAC/Disciplinary Board for investigation.	March
8	Account for related party in line with GRAP20.	March/June
9	Resource Finance – Fill DDs and Manager position.	31 March 2023
10	Request Munsoft to assist with reconciliations and generating reports on the financial system.	March/June
11	- Develop and Implement Audit Action Plan - Submit audit action plan to the Provincial Treasury and Audit Committee for review	Jan/Feb 2023
12	Submit draft annual financial statements to the Audit Committee, Internal Audit and Provincial Treasury for a review before submission to AGSA.	

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

2021/2222 COUNCIL MEETINGS RETURN OF ATTENDANCE																				
Council Member	Full Time /Part Time: FT/PT	Ward / PR	Party Represented	Gender	Committee Allocation	Council Meetings held (12)														
						22 November 2021	26 November 2021	06 January 2022	27 January 2022	03 February 2022	07 February 2022	07 March 2022	31 March 2022	13 April 2022	28 April 2022	31 May 2022	14 June 2022	Percentage Council Meeting	Percentage Apologies for Non-	
Mariaan Chamberlain	PT	Ward 5	DA	F	Civil Engineering Portfolio Committee Electrical& Mechanical Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	A	75	66	
Emmanuel Wilson Chauke	PT	PR	EF F	M	Civil Engineering Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	0	92	
Gideon Rudolph De Vries	PT	PR	FF+	M	Corporate Services Portfolio Committee	✓	✓	✓	A	✓	A	✓	x	A	✓	A	✓	80	58	
					Financial Services Portfolio Committee															
					Electrical& Mechanical Portfolio Committee															
Desiré Erasmus	PT	Ward 28	DA	F	Planning & Economic Development Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	✓	0	83	
Louise Jonker	PT	PR	FF+	F	Geographical Names Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100	
Ciska Jordaan	PT	Ward 25	DA	F	Municipal Public Accounts Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	✓	0	83	
Daniel Khoza	PT	PR	EF F	M	Corporate Services Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100	
					Local Labour Forum															
					Human Resource Development															
Terry-Lee Kleynhans	PT	Ward 30	DA	F	Financial Services Portfolio Committee	✓	✓	A	✓	✓	x	A	A	✓	x	x	✓	50	50	
Masobode Alfred Kubheka	PT	Ward 20	AR P	M	Rules Ethics & By-Laws Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100	
Tonny Mkhethwa Mabizela	PT	PR	DA	M	Civil Engineering Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	✓	0	83	
					Electrical& Mechanical Portfolio Committee															
Nkululeko Raymond Madonsela	PT	Ward 22	AN C	M	Financial Services Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100	
Faith Fikile Magagamela	PT	Ward 11	AN C	F	Speaker	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100	
Mtshelwa John Mahlangu	PT	PR	AR P	M	Geographical Names Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100	
Solomon Vusi Mahlangu	PT	Ward 01	AN C	M	Municipal Public Accounts Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100	
Thivhusiwi Calvin Makhado	PT	Ward 13	AN C	M	Corporate Services Portfolio Committee	✓	✓	✓	✓	✓	x	A	✓	✓	✓	✓	✓	50	83	
					Financial Services Portfolio Committee															
					Local Labour Forum															
					Human Resource Development															

2021/2222 COUNCIL MEETINGS RETURN OF ATTENDANCE																			
Council Member	Full Time /Part Time: FT/PT	Ward / PR	Party Represented	Gender	Committee Allocation	Council Meetings held (12)													
						22 November 2021	26 November 2021	06 January 2022	27 January 2022	03 February 2022	07 February 2022	07 March 2022	31 March 2022	13 April 2022	28 April 2022	31 May 2022	14 June 2022	Percentage Council Meeting	Percentage Apologies for Non-
Judas Magazini Maluka	PT	Ward 23	AN C	M	Planning & Economic Development Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Suhla James Masango	PT	PR	DA	M	Financial Services Portfolio Committee	✓	✓	✓	✓	✓	x	✓	✓	✓	x	x	A	25	67
Nongoloza Amos Masina	PT	PR	DA	M	Public Participation Committee	✓	✓	x	✓	✓	x	x	✓	✓	x	x	✓	0	58
Mahlashwani Marius Masinga	PT	Ward 31	AN C	M	Geographical Names Committee (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Joseph Mfanafuthi Maseko	PT	Ward 02	AN C	M	Community Services Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Sibongile Brenda Mathebula	PT	PR	DA	F	Community Services Portfolio Committee	A	x	x	✓	✓	✓	x	✓	✓	x	x	✓	17	50
Sibusiso Johan Mazibuko	PT	Ward 19	AN C	M	Planning & Economic Development Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	100	92
Thabisile Evelyn Mazibuko	PT	Ward 26	AN C	F	Civil Engineering Portfolio Committee Electrical& Mechanical Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Aaron Vusumuzi Mbokazi	FT	Ward 29	AN C	M	Electrical& Mechanical Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Sylvia Mpho Mkhwanazi	PT	PR	EF F	F	Municipal Public Accounts Committee Geographical Names Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Zodwa Annitah Mkwebane	PT	PR	DA	F	Geographical Names Committee Public Participation Committee	✓	✓	✓	✓	✓	✓	✓	✓	x	x	x	✓	0	83
Mlungisi Dennis Mnyukana	PT	Ward 03	AN C	M	Geographical Names Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Thabiso Simon Mofokeng	PT	PR	EF F	M	Rules Ethics & By-laws Committee (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/	100
Botaki Daniel Moloto	PT	PR	EF F	M	Civil Engineering Portfolio Committee	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	0	92
Alina Nthabeleng Mtahane	PT	PR	EF F	F	Financial Services Portfolio Committee	✓	✓	x	✓	✓	✓	A	✓	x	✓	✓	✓	33	75
Bafana Elphius Mthembu	PT	Ward 32	AN C	M	Public Participation Committee (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Julia Lindiwe Mtombeni	PT	PR	EF F	F	Corporate Services Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Philemon Doctor Mtshali	PT	Ward 27	AN C	M	Mayoral Committee Civil Engineering Portfolio Committee (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Mabusa Joseph Mtsweni	FT	Ward 15	AN C	M	Whip	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	100	92
Thandi Portia Mtsweni	FT	Ward 24	AN C	F	Mayoral Committee Corporate Services Portfolio Committee (Chair) Local Labour Forum Human Resource Development (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100

2021/2222 COUNCIL MEETINGS RETURN OF ATTENDANCE																			
Council Member	Full Time /Part Time: FT/PT	Ward / PR	Party Represented	Gender	Committee Allocation	Council Meetings held (12)													
						22 November 2021	26 November 2021	06 January 2022	27 January 2022	03 February 2022	07 February 2022	07 March 2022	31 March 2022	13 April 2022	28 April 2022	31 May 2022	14 June 2022	Percentage Council Meeting	Percentage Apologies for Non-
Celubuhle Muntowangenza Mtungwa	PT	PR	IFP	M	Public Participation Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Thomas Mtololo Mazibuko	PT	PR	DA	M	Rules Ethics & By-Laws Committee Municipal Public Accounts Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	✓	0	83
Petronela Nathiswa Ndwanyaza	PT	PR	DA	F	Community Services Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	✓	0	83
Aranda Donel Nel-Buitendag	PT	PR	FF+	F	Rules Ethics & By-Laws Committee Municipal Public Accounts Committee Public Participation Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	100	92
Lucky Patrick Ngwenya	PT	Ward 10	AN C	M	Public Participation Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Yvonne Thandiwe Ngxonono	FT	PR	AN C	F	Mayoral Committee Planning & Economic Development Portfolio Committee (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Johannes Banele Nkabinde	PT	PR	DA	M	Planning & Economic Development Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	✓	0	83
Esther Rose Nkabinde	PT	Ward 16	AN C	F	Rules Ethics & By-Laws Committee Municipal Public Accounts Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Mlungisi Nkosi	PT	PR	EF F	M	Municipal Public Accounts Committee Public Participation Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Martha Maria Nkuna	PT	PR	EF F	F	Electrical& Mechanical Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Simangaliso Emmanuel Nkwanyana	PT	Ward 07	AN C	M	Community Services Portfolio Committee Corporate Services Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Mavis Emmelinah Nsibande	FT	PR	EF F	F	Mayoral Committee Community Services Portfolio Committee (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Vusi Lawrence Petterson	PT	PR	EF F	M	Community Services Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Sonto Margareth Masiteng	PT	Ward 08	AN C	F	Community Services Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Mduduzi Sidney Sehlalo	PT	Ward 12	AN C	M	Rules Ethics & By-Laws Committee Municipal Public Accounts Committee Public Participation Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Tracy Seimela	PT	PR	EF F	F	Planning & Economic Development Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Sifiso Isaac Sibanyoni	FT	Ward 06	AN C	M	MPAC Chair	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Given Conway Sierana	PT	PR	EF F	M	Electrical & Mechanical Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100

2021/2222 COUNCIL MEETINGS RETURN OF ATTENDANCE																			
Council Member	Full Time /Part Time: FT/PT	Ward / PR	Party Represented	Gender	Committee Allocation	Council Meetings held (12)													
						22 November 2021	26 November 2021	06 January 2022	27 January 2022	03 February 2022	07 February 2022	07 March 2022	31 March 2022	13 April 2022	28 April 2022	31 May 2022	14 June 2022	Percentage Council Meeting	Percentage Apologies for Non-
Simpiwe Sindelo	PT	Ward 04	ANC	M	Civil Engineering Portfolio Committee Electrical & Mechanical Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Jacobus Tesner	PT	Ward 17	DA	M	Corporate Services Portfolio Committee	✓	✓	A	✓	✓	x	✓	✓	✓	x	x	✓	25	67
Kenneth Siprian Thukwane	PT	PR	DA	M	Geographical Names Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	✓	0	83
Nicholaas Cornelius Van Huyssteen	PT	PR	DA	M	Rules Ethics & By-Laws Committee Municipal Public Accounts Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	A	33	75
Hester Elizabeth Van Marle	PT	Ward 18	DA	F	Community Services Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	✓	0	83
Engela Johanna Van Rooyen	PT	Ward 21	DA	F	Corporate Services Portfolio Committee Local Labour Forum Human Resource Development	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	x	✓	0	83
Philimon Vilakazi	PT	Ward 09	ANC	M	Municipal Public Accounts Committee Geographical Names Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	0	92
Lwandile Ziwele	PT	PR	ATM	M	Planning & Economic Development Portfolio Committee Civil Engineering Portfolio Committee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	n/a	100
Nhlakanipho Guybourn Zuma	FT	PR	ANC	M	Executive Mayor Mayoral Committee (Chair)	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	92
Petrus Jabu Zwane	PT	Ward 14	ANC	M	Rules Ethics & By-Laws Committee	✓	✓	A	✓	✓	✓	x	✓	✓	✓	✓	✓	50	83

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

GOVAN MBEKI MUNICIPALITY SECTION 79 AND 80 COMMITTEES	
COMMITTEE	PURPOSE
RULES ETHICS & BY-LAWS COMMITTEE	To assist the Speaker with the implementation of the Council's Standing Orders and enforcement of the Code of Conduct for Councillors.
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	1. The committee shall report to the Council on its activities; 2. The committee shall review municipal quarterly and annual reports and report on such reviews to Council and shall develop a comprehensive oversight report on the annual report. 3. The committee shall monitor the implementation of the IDP and SDBIP and submit reports thereto. 4. The committee shall oversee policy formulation and implementation. 5. The committee shall ensure that Council comply with external reporting requirements. 6. The committee shall examine the financial statements and audit reports of the municipality and consider improvements from previous statements and reports and must evaluate the extent to which recommendations from the AG and Audit Committee has been implemented. 7. The committee shall promote good governance, transparency and accountability. 8. The committee shall examine the midyear review in line with the IDP. 9. The committee shall consider SDBIP reports. 10. The committee shall recommend any investigation in its area of competence to the Council. 11. The committee shall request information from Councillors through the Office of the Speaker and from employees through the Office of the Municipal Manager and the relevant MMC Councillor be informed accordingly. 12. The committee shall perform any other function assigned to it by the Council.
PUBLIC PARTICIPATION COMMITTEE	• To be the accountable body for public participation within the Govan Mbeki Municipality.

**GOVAN MBEKI MUNICIPALITY
SECTION 79 AND 80 COMMITTEES**

COMMITTEE	PURPOSE
	• To ensure the co-ordinated and coherent implementation and establishment of ward participatory process to encourage the involvement of communities and organizations in matters of local government. • To promote and demonstrate achievement of public involvement and engagement in the affairs of the Govan Mbeki Municipality through the following key focus areas: - Ensure an effective ward committee system to deepen participatory democracy; - Conduct public participation programmes <u>by councillors</u>; - Effective early warning systems and updated ward profiles; - Implementation of ward operational plan; and - Ward committees to identify a set of basic concerns of citizens in their wards for attention. • To identify any areas where public involvement and engagement should be improved. • To play an oversight role over the ward committee system and public participation in the affairs of the municipality in terms of Chapter 4 for the Local Government: Municipal Systems Act, Act 32 of 2000. • To play an oversight role over the adherence to Chapter 4 for the Local Government: Municipal Systems Act, Act 32 of 2000, and the implementation of the following: - Mechanisms, processes and procedures related to public participation; - Communication of information concerning public participation; - Public notices of meetings of Council; - Admission of public to meetings; - Communications to local community; - Documents to be made public; - Official website; and - Regulations and guidelines. • To play an oversight role over Council and its committees on matters related to public participation.
GEOGRAPHICAL NAMES COMMITTEE	- Responsible for advising the municipality on possible name changes. - Apply the principles of the SAGNC to the names under its jurisdiction. - Consult all stakeholders on name changes. - Make recommendation to Province Geographic Name Committee (PGNC). - Liaises with the PGNC on promoting research and ensuring that unrecorded names are collected.
COMMUNITY SERVICES PORTFOLIO COMMITTEE	To assist the Executive Mayor / Mayoral Committee on issues related to: - Environmental Services - Sport, Recreation, Arts and Culture - Emergency and Disaster Management Services

**GOVAN MBEKI MUNICIPALITY
SECTION 79 AND 80 COMMITTEES**

COMMITTEE	PURPOSE
	- Safety and Security Services - Waste
CORPORATE SERVICES PORTFOLIO COMMITTEE	To assist the Executive Mayor / Mayoral Committee on issues related to: - Human Resources Management and Development (HR) - Legal and Contract Management - Information Communication Technology - Administration and Secretariat Services
FINANCE PORTFOLIO COMMITTEE	To assist the Executive Mayor / Mayoral Committee on issues related to: - Revenue and Fund Management - Supply Chain Management - Budget and Expenditure Management - Asset Management
PLANNING AND DEVELOPMENT PORTFOLIO COMMITTEE	To assist the Executive Mayor / Mayoral Committee on issues related to: - Local Economic Development - IDP, Public Participation and Performance Management - Land Use Management and Spatial Development - Human Settlements
TECHNICAL SERVICE PORTFOLIO COMMITTEE	To assist the Executive Mayor / Mayoral Committee on issues related to: - Roads And Storm Water - Fleet and Facilities Management - Water and Sanitation Services - Energy
GMM APPEAL AUTHORITY	To hear town planning objections in accordance with SPLUMA and GMM SPLUM By-Law.
LOCAL LABOUR FORUM	To consult on matters of mutual interest to the Employers and Employees in the Govan Mbeki Municipality.
HUMAN RESOURCES DEVELOPMENT COMMITTEE	The main purpose of this committee is to determine the strategic direction of education, training and development in alignment with the corporate vision, mission and values of the organization. To promote and drive organizational transformation to ensure elimination of unfair discrimination and to ensure equitable representation of employees in all occupational levels of the workforce.

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

That the following committees has been established as at the end of the 2021/2022 financial year in terms of Section 79 of the Local Government: Municipal Structures Act, Act 117 of 1998:

NAME OF COMMITTEE	MEMBERS
RULES ETHICS & BY-LAWS COMMITTEE	1. Thabiso Simon Mofokeng (Chairperson) (EFF) 2. Petrus Jabu Zwane (ANC) 3. Esther Rose Nkabinde (ANC) 4. Aranda Donel Nel-Buitendag (FF+) 5. Masobode Alfred Kubheka (ARP) 6. Nicholaas Cornelius van Huyssteen (DA) 7. Thomas Mtololo Mazibuko (DA) 8. Mduduzi Sidney Sehlalo (ANC)
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	1. Sifiso Isaac Sibanyoni (Chairperson) (ANC) 2. Solomon Vusi Mahlangu (ANC) 3. Philimon Vilakazi (ANC) 4. Mduduzi Sidney Sehlalo (ANC) 5. Esther Rose Nkabinde (ANC) 6. Nicholaas Cornelius Van Huyssteen (DA) 7. Ciska Jordaan (DA) 8. Thabiso Simon Mofokeng (EFF) 9. Mlungisi Nkosi (EFF) 10. Sylvia Mpho Mkhwanazi (EFF) 11. Aranda Donel Nel-Buitendag (FF+) 12. Sibongile Brenda Mathebula (DA) 13. Thomas Mtololo Mazibuko (DA)
PUBLIC PARTICIPATION COMMITTEE	1. Bafana Elphius Mthembu (Chairperson) (ANC) 2. Lucky Patrick Ngwenya (ANC) 3. Mduduzi Sydney Sehlalo (ANC) 4. Zodwa Annitah Mkwebane (DA) 5. Nongoloza Amos Masina (DA) 6. Mlungisi Nkosi (EFF) 7. Aranda Donel Nel-Buitendag (FF+) 8. Celubuhle Muntowangenza Mtungwa (IFP)
GEOGRAPHICAL NAMES COMMITTEE	1. Mahlashwani Marius Masinga (Chairperson) (ANC) 2. Mlungisi Dennis Mnyukana (ANC) 3. Philimon Vilakazi (ANC) 4. Kenneth Siprian Thukwane (DA) 5. Louise Jonker (FF+) 6. Sylvia Mpho Mkhwanazi (EFF) 7. Mtshelwa John Mahlangu (ARP) 8. Zodwa Annitah Mkwebane (DA)

The following committees has been established as at the end of the 2021/2022 financial year in terms of Section 80 of the Local Government: Municipal Structures Act, Act 117 of 1998:

NAME OF COMMITTEE	MEMBERS
COMMUNITY SERVICES PORTFOLIO COMMITTEE	1. Mavis Emmelinah Nsibande (Chairperson) (EFF) 2. Sonto Margareth Masiteng (ANC) 3. Joseph Mfanafuthi Maseko (ANC) 4. Hester Elizabeth van Marle (DA) 5. Sibongile Brenda Mathebula (DA) 6. Vusi Lawrence Petterson (EFF) 7. Simangaliso Emmanuel Nkwanyana (ANC) 8. Petronela Nathiswa Ndwanyaza (DA)
CORPORATE SERVICES PORTFOLIO COMMITTEE	1. Thandi Portia Mtsweni (Chairperson) (ANC) 2. Thivhusiwi Calvin Makhado (ANC) 3. Simangaliso Emmanuel Nkwanyana (ANC) 4. Daniel Khoza (EFF) 5. Julia Lindiwe Mthombeni (EFF) 6. Engela Johanna Van Rooyen (DA) 7. Jacobus Tesner (DA) 8. Gideon Rudolph De Vries (FF+)
FINANCE PORTFOLIO COMMITTEE	1. Nhlakanipho Guybourn Zuma (Chairperson) (ANC) 2. Nkululeko Raymond Madonsela (ANC) 3. Thivhusiwi Calvin Makhado (ANC) 4. Terry-Lee Kleynhans (DA) 5. Suhla James Masango 6. Alina Nthabeleng Mtahane (EFF) 7. Gideon Rudolph De Vries (FF+)
PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE	1. Thandiwe Yvonne Ngxonono (Chairperson) (ANC) 2. Maluka Judas Magazini (ANC) 3. Sibusiso Johan Mazibuko (ANC) 4. Johannes Banele Nkabinde (DA) 5. Desire Erasmus (DA) 6. Tracy Seimela (EFF) 7. Lwandile Ziwela (ATM)
CIVIL ENGINEERING (Water & Sanitation) PORTFOLIO COMMITTEE	1. Philemon Doctor Mtshali (Chairperson) (ANC) 2. Simpiwe Sindelo (ANC) 3. Thabisile Evelyn Mazibuko (ANC) 4. Tonny Mkhethwa Mabizela (DA) 5. Mariaan Chamberlain (DA) 6. Emmanuel Wilson Chauke (EFF) 7. Botaki Daniel Moloto (EFF) 8. Lwandile Ziwela (ATM)
ELECTRICAL& MECHANICAL (Energy Roads & Storm Water) PORTFOLIO COMMITTEE	1. Aaron Vusimuzi Mbokazi (Chairperson) (ANC) 2. Simpiwe Sindelo (ANC) 3. Thabisile Evelyn Mazibuko (ANC) 4. Mariaan Chamberlain (DA) 5. Tonny Mkhethwa Mabizela (DA) 6. Given Conway Sierana (EFF) 7. Martha Maria Nkuna (EFF) 8. Gideon Rudolph De Vries (FF+)
LOCAL LABOUR FORUM	1. Thandi Portia Mtsweni (ANC) 2. Thivhusiwe Calvin Makhado (ANC) 3. Engela Johanna Van Rooyen (DA) 4. Daniel Khoza (EFF)
HUMAN RESOURCES DEVELOPMENT COMMITTEE	1. Thandi Portia Mtsweni (Chairperson) (ANC) 2. Thivhusiwe Calvin Makhado (ANC) 3. Engela Johanna Van Rooyen (DA) 4. Daniel Khoza (EFF)

GOVAN MBEKI MUNICIPAL DISCIPLINARY BOARD ESTABLISHED THROUGH COUNCIL RESOLUTION A025/04/2019 ON TUESDAY, 30 APRIL 2019	
MEMBERS	PURPOSE
- The Chief Audit Executive, Mr. I Makola; - The Chairperson of the Audit Committee, Ms. SF Molokoane-Machika; - The Deputy Director Human Resources, Development, Legal & Municipal Court, Mr. H Ramolela. - A representative from the Provincial Treasury	To investigate allegations of financial misconduct in the municipality and to monitor the institution of disciplinary proceedings against an alleged transgressor.
GOVAN MBEKI AUDIT COMMITTEE ESTABLISHED THROUGH COUNCIL RESOLUTION A89/11/2016 ON FRIDAY, 2 DECEMBER 2016	
MEMBERS	PURPOSE
Ms. GC Dlamini Mr. LD Kamokadika Ms. APV Mangoma Mr. SP Simelane Mr. SD Mahlasela	- The Audit Committee must report and make recommendations to the Council, through the Accounting Officer, but the Council retains responsibility for the implementation of the relevant recommendations which were passed as resolutions by the Council after consideration of the minutes of an Audit Committee meeting. - The Audit Committee is to provide, advise support to the Council on the risk profile and the risk management of the municipality and its entity or entities. - The Audit Committee is to assist the Council in the discharge of its responsibilities with regard to safeguarding the municipality's, and that of its entity or entities, assets, maintenance of accounting records and maintenance of an effective system of control. - The Audit Committee is to assist Council to comply with the provision of Section 40 of the Local Government: Municipal System Act, Act 32 of 2000 and the provisions of the Performance Management System Policy of the municipality approved through resolution A6/02/2013.
GOVAN MBEKI AUDIT COMMITTEE ESTABLISHED THROUGH COUNCIL RESOLUTION A091/10/2019 ON THURSDAY, 31 OCTOBER 2019	
MEMBERS	PURPOSE
Ms. APC Mangoma Ms GC Dlamini Ms. SFS Makhathini Mr. TR Tshabalala Mr. SP Simelane	- The Audit Committee must report and make recommendations to the Council, through the Accounting Officer, but the Council retains responsibility for the implementation of the relevant recommendations which were passed as resolutions by the Council after consideration of the minutes of an Audit Committee meeting. - The Audit Committee is to provide, advise support to the Council on the risk profile and the risk management of the municipality and its entity or entities. - The Audit Committee is to assist the Council in the discharge of its responsibilities with regard to safeguarding the municipality's, and that of its entity or entities, assets, maintenance of accounting records and maintenance of an effective system of control. - The Audit Committee is to assist Council to comply with the provision of Section 40 of the Local Government: Municipal System Act, Act 32 of 2000 and the provisions of the Performance Management System Policy of the municipality approved through resolution A6/02/2013.

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director (Title and Name)
Community Services	Mrs. EK Shabalala
Corporate Services	Advocate TM Gininda
Finance (Acting)	Mrs. VB Nkhata
Planning & Development (Acting)	Mr. S Vilakazi
Technical Services	Mr. TJ Maphuthu

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY (N/A)

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	No	
Building regulations	Yes	
Child care facilities	No	
Electricity and gas reticulation	Yes	
Fire Fighting services	Yes	
Local tourism	Yes	
Municipal airports	Yes	
Municipal planning	Yes	
Municipal health services	No	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	

Municipal / Entity Functions

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Stormwater management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
Beaches and amusement facilities	No	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes - only cemeteries	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	Yes	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	Yes	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities	Yes	
Local sport facilities	Yes	
Markets	No	
Municipal abattoirs	No	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	
Pounds		Yes - SPCA
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
* If municipality: indicate (yes or No); * If entity: Provide name of entity		

APPENDIX E – WARD REPORTING- WARD COUNCILLORS

2021/2022 Functionality of Ward Committees / Established					
Ward No	Name of ward councillor	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speaker's office on time	Number of quarterly public ward meetings held during the year
1	Solomon Vusi Mahlangu	Yes	2	2	1
2	Joseph Mfanafuthi Maseko	Yes	3	3	1
3	Mlungisi Dennis Mnyukana	Yes	2	2	0
4	Simpiwe Sindelo	Yes	1	1	1
5	Mariaan Chamberlain	Yes	2	2	0
6	Sifiso Isaac Sibanyoni	Yes	3	3	1
7	Simangaliso Emmanuel Nkwanyana	Yes	3	3	1
8	Sonto Margareth Masiteng	Yes	2	2	1
9	Philimon Vilakazi	Yes	1	1	0
10	Lucky Patrick Ngwenya	Yes	2	2	0
11	Fikile Faith Magagamela	Yes	3	3	1
12	Mduduzi Sydney Sehlalo	Yes	1	1	1
13	Thivhusiwi Calvin Makhado	Yes	1	1	0
14	Jabu Petrus Zwane	Yes	0	0	0
15	Mabusa Joseph Mtsweni	Yes	0	0	0
16	Esther Rose Nkabinde	Yes	0	0	0
17	Jacobus Tesner	Yes	0	0	0
18	Hester Elizabeth Van Marle	Yes	3	3	0
19	Sibusiso Johan Mazibuko	Yes	2	2	0
20	Masobode Alfred Kubheka	Yes	2	2	1
21	Engela Johanna Van Rooyen	Yes	2	2	0
22	Nkululeko Raymond Madonsela	Yes	2	2	0
23	Judas Magazini Maluka	Yes	2	2	0
24	Thandi Portia Mtsweni	Yes	4	4	1
25	Ciska Jordaan	Yes	3	3	1

2021/2022 Functionality of Ward Committees / Established					
Ward No	Name of ward councillor	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to Speaker's office on time	Number of quarterly public ward meetings held during the year
26	Thabisile Evelyn Mazibuko	Yes	2	2	1
27	Philemon Doctor Mtshali	Yes	1	1	0
28	Desire Erasmus	Yes	3	3	0
29	Aaron Vusimuzi Mbokazi	Yes	2	2	0
30	Terry-Lee Kleynhans	Yes	2	2	0
31	Mahlashwani Marius Masinga	Yes	3	3	0
32	Bafana Elphius Mthembu	Yes	2	2	1

LIST OF WARD COMMITTEES

WARD 01

NO	NAME & SURNAME		PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Mike Mofokeng		2851 Ext. 13	M	082424 5351	501174	
2.	Martha Shongwe		2919 Ext. 13	F	0769279332	501323	
3.	Christopher Sunboy Mahlangu		2643 Ext. 13	M	0761745874	501177	
4.	Nokuthula Prudence Memba		Strehla Farm	F	0729150573	501173	
5.	Mathapelo Anna Mahlangu		Moedverloren Farm	F	0795372508	501176	
6.	Mangazo Joseph Phala		Witbank Farm (Madolo)	M	0823991712	501311	
7.	Sibongile Faith Mbuyisa		48 Moodie Str Eendracht	F	0765617024	501017	
8.	Loveness Manini Maseko		33 Drieplaas Fakude Street	F	0729246525	500483	
9.	Johannah Nomaswazi Masilela		05 Tokka Grobler Street	F	0715666304	500840	
10.	Danisile Elizabeth Mahlangu		2643 Ext. 13	F	0791324189	501175	

WARD 02

NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Nokuthula Sweetness Sibande		Ekuthuleni informal	F	0797907113	501319	
2.	Sibongile Dudee Nkosi		5495 Ext. 16 Phase 1	F	0664988291	501282	
3.	Kenang Leonard Mokoena		9828 Ext. 16 Phase 2	M	0724319830	500834	
4.	Hleziphi Ruth Mabaso		7522 Ext. 18	F	0835492820	501168	
5.	Priscilla Maseko (Rato)		7843 Ext. 19	F	0713400180	501171	
6.	Lebohang Octavia Tsotetsi		8099 Ext. 20	F	0720149686	501348	
7.	Esther Senzani Skosansa		8588 Ext. 21	F	0728089444	501322	
8.	Nelson Menelisi Mnyukana		8939 Ext. 22	M	0829394534	501158	
9.	Freddie Lawrence Mitchell		9178 Ext. 23	M	0712440087	501172	
10.	Dlambili Johan Masilela		Marikana	M	0796447772	501170	

WARD 03							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Boyboy Madolo		2351 Ext. 12 Eric	M	0721323792	501234	
2.	Thandiwe Julia Sibiya		Ext. 12 Scrapyard	F	0731043386	501337	
3.	Bafana Abel Maseko		1888 Ext. 12 Mayisa	M	0760782111	501224	
4.	Sandile Philip Maseko		198 Ext. 02	M	0842450041	501226	
5.	Sihpiwe Vincent Mazibuko		316 Ext. 04	M	0822183415	501225	
6.	Buti Thomas Simelane		3679 Ext. 10	M	0794410240	501336	
7.	Gini Abegail Bongi Makhetha		Ext. 07/01	F	0733966086	501227	
8.	Mpho Collen Mpatlanyane		505 Ext. 06	M	0729917820	501228	
9.	Dithabo Joshua Ditshego		354 Ext. 05	M	0782765595	501113	
10.	Michel Lindiwe Mtsweni		1022 Ext. 11	F	0713746471	501223	

WARD 04							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Steven Nzama		EXT 25 20546	M	0827617780	501294	
2.	Maseko Abel		EXT 6 269	M	0726204384	501370	
3.	Inocent Sibisi		EXT 26 27102	M	0799334266	501335	
4.	Nelisiwe Mbonani		EXT 25 26238	M	0714110250	501243	
5.	Patrick Duma		EXT 2 512	M	0766062874	501114	
6.	Hlengiwe Maseko		EXT 12 9005	M	0843888899	501219	
7.	Mnguni Pinkie		EXT 1 173	F	0822216639	501218	
8.	Nininda Unathi		EXT 25 2054/40	F	0607549759	501292	
9.	Thabisile Mkhize		EXT 2 898	F	0762821740	501245	
10.	Fezile Nogwanya		EXT 25 25989	M	0730734199	501293	

WARD 05							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Fiona Pelman		23 olifants rivier street	F	0662796069	501272	
2.	Engela Carolina Booyse		7 magaliesb ext8	F	0827393014	501100	
3.	Drikus Booyse		7 magalies ext 8	M	0844042245	501097	
4.	Joan Kotze		13 blouberg stre	F	0824665757	501125	
5.	Caroline Davel			F		501108	
6.	Marien Uckermann		25 selati street	F	0829677835	501356	
7.	Brian Wickens		36 drakensburg street	M	0824905368	501357	
8.	Pam Kotze		13 blouberg street	F	0824665757	501125	
9.	Sharon Wickens		36 drankensburg street	F	0845109609	501358	
10.	Johan Botha		7 unie street	M	0836576511	501099	

WARD 06							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Doctor Elijah Mavimbela		6744 Ext. 17	M	0781554662	501236	
2.	Lindiwe Beatrice Mtshali		1400 Ext. 09	F	0766736653	500874	
3.	Nomvula Elsie Masilela		1363 Ext. 09	F	0782270351	500875	
4.	Shadrack Mojalefa Mokoena		1634 Ext. 09	M	0711755718	501149	
5.	Mfanukhona Jan Mayisa		3675 Ext. 10	M	0727644059	501237	
6.	Zanele Skosana		3311 Ext. 10	F	0768756750	501340	
7.	Ntombifuthi Nhlapho		1440 Ext. 09	F	0724065197	501298	
8.	Sibusiso Genius Cisana		3552 Ext. 10	M	0792867753	501106	
9.	Senzenzeni Rebate Kubheka		1160 Ext. 10	F	0712424302	501140	
10.	Bhuti Mthombeni		Highland Ext. 17	M	0796445360	501246	

WARD 07							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Nonhlanhla Masango		5451 Ext 9	F	0715068775	501215	
2.	Betty Mofokeng		5522 Ext 9	F	0729085230	501217	
3.	Hercules Kgapula		4773 Ext 9	M	0790281826	501139	
4.	Thabo Petros Tholo		2622 Ext 4	F	0677428127	501141	
5.	Halio Theresia Lenkoe		2665/103 Ext 4	M	0847412323	501421	
6.	Lolo Sebulele		4967 Ext 9	M	0794336080	501367	
7.	Comfort Sihlangu		5272 Ext 9	M	0797004525	501320	
8.	Thabang Tsotetsi		3041 Ext 4	M	0798589579	501347	
9.	Thabiso Lichaba Sekonyela		2750 EXT 4	M	0657279874	501422	
10.	Tshepo Chabalala		4618 Ext 9	M	0764878409	501105	

WARD 08							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Sithole Khumbuzile		1541 Ext 14	M	0767076042	501327	
2.	Gugu Lukhele		11379 Ext 14	M		501148	
3.	Mkhululi Hezekia Nzima		14284 Ext 15	M	0764088981	501193	
4.	Phumzile Pretty Nyembezi		11377 Ext 14	F	0714291734	501287	
5.	Nkosi Kesaiah		11639 Ext 14	M	0834366008	501286	
6.	Lucky Makhosi Sithole		10864 Ext 14	M	0727846017	501328	
7.	Mkhwambi Nondumiso		108610 Ext 14	F	0638944831	501194	
8.	Khumalo Nkosinathi		11485 Ext 14	M	0783665120	501135	
9.	Magrate Msomi		10846 Ext 14	M	0714398360	501160	
10.	Eunice Hlatshwayo		14362 Ext 15	F	0823641685	501119	

WARD 09							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Kubheka Bongani		26417/138 Ext 18	M	07665864920	501134	
2.	Siyabonga Mthembu		2950	M	0766185162	501192	
3.	Mhleleka Jeremiah		20040 Ext 18	M	0722109377		
4.	Thwala Vusi		2287/55 Ext 8	M	0797383909	501352	
5.	Moshani Ncedo		1623 Ext 22	M	0731871508	501191	
6.	Nomatshila Sandile		724 Ext 22	M	0769898067	501188	
7.	Motolo Andries Phello		683 Haniville Witshoek	M		501189	
8.	Lucky Phillemon Nkosi		Ext 22 1828	M	0790282470	501273	
9.	Teboho Piet Moloi		23139 Ext 21	M	0822962258	501190	
10.	Thabiso Molefe		Roodebank farm	M	0836218132	501187	

WARD 10							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Sindane Jerry		17672 Ext 17	M	0760794450		
2.	Sibeko Prudence		15949 Ext 15	M	0720698033	501334	
3.	Hartzberg Bridge Prince		15828 Ext 15	M	0782491973	501122	
4.	Radebe Zinhle Dorcus		22288 Ext 20	F	0765473261	501315	
5.	Khumalo Sandile		17869 Ext 17	M	0663455255	501129	
6.	Ngwenya Michael		276 Jooste Street, Charl Cilliers	M	0722991129	501281	
7.	Pooe Evy Thandi		22209 Ext 20	F	0764428153	501310	
8.	Mahlangu Marriam		147 Charl Cilliers	F	0838647183	501167	
9.	Princes Molofe		Irenedale Farm	F	0760950699		
10.	Tumelo Tsotetsi		Irenedale Farm	M	0782143157	501369	

WARD 11							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Mahlangu Nompumelelo		3813 Ext25	F	0763973242	501164	
2.	Masilela Richard Michael		Ext 2	M	0721396243	501165	
3.	Moagi Doctor		94 Ext 5	M	0726733687	501166	
4.	Lungisani Zinti		2418 Ext 7	M	0765177912	501363	
5.	Ngwenya Smangaliso		25491 Ext 24	M	0799457811	501297	
6.	Dladla Patrick		25372 Ext 24	M	0729007780	501111	
7.	Nkululeko Mahlangu		856 Ext 2	M	0824796898	501162	
8.	Ntombenhle Myeke		4296 Ext5	F	0824372276	501163	
9.	Motsoari Sakoane		Ext 24 2488	M	0765177912	501341	
10.	Noluthando Zozo		Ext 5 4413	F	0798133255	501364	

WARD 12							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Elizabeth Siwela		19650 Ext 18	F	0799603413	501318	
2.	Marx Mokoena		19763 Ext 18	M	07943667	501235	
3.	Bheki Tshabalala		19554 Ext 18	M	0763385391	501317	
4.	Simon Kodisang		18997 Ext 19	M	0793692032	501127	
5.	Rich Mlangeni		19052 Ext 19	M	0791085031	501155	
6.	Thuli Nkosi		18497 Ext 18	M	0695398921	501286	
7.	Jabulile Mazibuko		20323 Ext 18	F	0715876510	501161	
8.	Jimmy Mthimunya		20323 Ext 18	M	0793692032	501244	
9.	Thulani Khumalo		21294 Ext 20	M	0792138204	501124	
10.	Sannah Ndyolwana		19567 Ext 18	M	0739047124	501279	

WARD 13							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Monareng Mankepe		23067 Ext 21	M	0732851631	501195	
2.	mtsaliswano Zikhona		Ext 21	F	0714348481	501261	
3.	Cebekhulu Thulani		Ext 14 10187	M	0721723799	501107	
4.	Khanye Oupa Jeremia		Ext 21 22567	M	0731891873	501143	
5.	Mduduzi Henry Mahlangu		Ext 21	M	0827863179	501260	
6.	Mngomezulu Sipho		Ext 14 10442	M	0728885496	501259	
7.	Dhladhla Johnny		Ext 21 22466	M	0728104028	501115	
8.	khaba John Mathews		Ext 21	M	0636513719	501138	
9.	Mtsweni Emelie Nurse		Ext 21 23193	F	0790625484	501262	
10.	Moloi Mainah Tswaki		Ext 21 23141	F	0818796462	501214	

WARD 14							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Majola Bongani		Ext 18 20226	M	0794588340	501255	
2.	Nkabinde Velaphi		Ext 14 11158	M	0786762643	501304	
3.	Khaba Maphepha		Ext 21 22547	M	0826323809	501142	
4.	mokoena Philip		Ext 21 22552	M	0722088006	501258	
5.	lucky Msiza		Ext 18 26418	M	0766384630	501257	
6.	Mathebula Mathapelo		Ext 18 20060	F		501256	
7.	Zwane Nkuntu		Ext 18 19653	M	0761716071	501365	
8.	zwane Thandi		Ext 18 20875	F	0710716380880	501373	
9.	mtsweni Joel phillemon		Ext 14 10173	M	07222799846	501254	
10.	Bokang Motloun		Ext 14 10966	M	0797628802	501253	

WARD 15							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	John Buti Ngwenya		Naudesfontein farm bethal	M	0780619460	501277	
2.	Phumzile Jane Mhlanga		Geluk farm	F	0725907783	501375	
3.	Nkululeko Ndlela		Schuurverkop Farm	F	0729875830	501278	
4.	Elah Ntuli		Mcebo Village	F	0823645428		
5.	Rose Bioourah Mdebele		13 Witcht Street	F	0828354593	501157	
6.	Sbongile Mary Simango		Aangewys farm	F	0829531021	501376	
7.	Jabulani Johannes Nkosi		Vlakspruit farm	M	0640827995 0726583453	501276	
8.	Timothy Mazibuko		KA- Mkhonto	M	0660757664	501156	
9.							
10.							

WARD 16							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Elliot Delise Magazi		Grootpan Farm	M	0791409879	501240	
2.	Makhosazane Masilela		Langsloot farm	F	0766894950	501241	
3.	Mboneni Jeffrey Ngubani		1/3357 Ext. 25	M	0799373607	501295	
4.	Nompumelelo Princess Ndinisa		14 Thys Str. Ext. 25	F	0715151947	501300	
5.	Thembokwakhe Chippa Mathenjwa		Ext. 25	M	0710384482	501222	
6.	Andisiwe Cornelia Magudu		6919 Ext. 33	F	0795368784	501221	
7.	Andries Noorman		16 Hadedda Street	M	0746051712	501299	
8.	Sibonelo Theodolph Mcaca		4211 Ext. 25	M	0685021480	501220	
9.	Bhuti Petros Masuku		4560 Ext. 25	M	076922030	501242	
10.	Margaret Nokuthula Mbonani		5008 Ext. 25	F	0768671823	501243	

WARD 17							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Phopho Samson Masuku		29 Kingfisher Street	M	0827492665	500688	
2.	Bruno Ellis Kakora		11 Sysie Street	M	0613095310	501145	
3.	Bhekani Emmanuel Ngema		13 Roosol Malek Street	M	0715105414	501305	
4.	Duduzile Maseko		11 Bosnia Street	F	0637651457	500687	
5.	Dinah Dingase Mbule		31 Ella Street	F	0730765179	501267	
6.	Emelina Thalitha Nyamane		55 Munchen Road	F	0817730601	501306	
7.	Mashela Amanda Khumalo		42 Munchen Street	F	0769579229	501144	
8.	Johanna Sphiwe Mtsweni		36 Wilton Nkwayi	M	0838228124	501268	
9.	Nhlanhla Repinga			M	0764055473	501406	
10.	Jabulile Makhoba		Winkelhaak Farm	F	0721237140	501266	

WARD 18							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Neels Van Marle		Bramfischer Street 100 Evander	M	0835503314	501371	
2.	Elna Van Der Walt		34 Dublin Road Evander	F	0828798455	501412	
3.	P W Van Zyl		6 Sydney Road Evander	M	079517 0503	501383	
4.	Eric Hagemaan		Bologna Street 15 Evander	M	0713065595	501414	
5.	Leon Potgieter		9 Buchanan Street Secunda	F	0761756454	501415	
6.	Nathi Khumalo		12 Coron Plaza Strret Evander	M	0825387466	501411	
7.	Tielman De Villiers		1 Sable Street Secunda	M	0824777629	501408	
8.	Ciska Lezar		N Gainsbarough Str Evander	F	0723861412	501407	
9.	Herman Marais		17 Frans Oeder Street Evander	F	0795770307	501405	

10.	Maryna Prinsloo		Kudu Street 5 Sunset Park Secunda	F	0823208038	501413	

WARD 19							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Nompumelelo Sibeko		Ext 25 26275	F	0646171043	501343	
2.	Vusi NKOSI		EXT 12 1578	M	0728003315	501302	
3.	Bheki Nhlapho		Ext 1 347	M	0761693497	501285	
4.	Themba Sindane		Ext 1 232	M	0606421126	501345	
5.	Sfiso Ndimande		Ext 1 223	M	0825330297	501303	
6.	Thuli Molefe		Ext 25 2064	M	0664916642	501252	
7.	Vusi Sibiya		Ext 25 26275	M	0739850371	501344	
8.	Stanley Molefe		Ext 25 2064/71	M	0661636896	501251	
9.	Phalha Thabiso		Sakhisizwe Farm	M	0735147015	501314	
10.	Moloi Joyce		Leeupan Farm Embanhle	F	0766652573	501250	

WARD 20							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	JONGILHLATHI NTOMBETLE		EXT 16 23509	M	0719066317	501124	
2.	RAMPHENG MASABAT		EXT 16 23869	F	079423600	501316	
3.	MOTAUNG BONGANI		EXT 1012338	M	0794326066	501247	
4.	SIBEKO FANA		EXT 16 24248	M	0646785268	501342	
5.	MOSIA POTSHO		EXT 16 24481	F	0738580039	501249	
6.	PHOLO COMPUTOR		EXT 1623816	M	0648588721	501313	
7.	TSHABALALA FANIE		EXT 1012814	M	0713933723	501354	
8.	NJABULO FAKUDE		EXT 1012968	M	0726850488	501117	
9.	TIMA MADONSELA		EXT 10	M	0783948787	501196	
10.	TSHEDISO JOHN MOLAPO		EXT 10 10024	M	0648588721	501248	

WARD 21							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Anna Madijara Nhlonipho		10 Joe Slovo Str Secunda	F	082 966 7861	501384	
2.	Teboho Abram Sekaledi		41 Kwandokuhle Court Secunda	M	074 566 9510	501386	
3.	Marlize Esterhuizen		41 Joe Slovo Street Secunda	F	076 613 1255	501385	
4.	Elise Labuschagne		Menell Street 12 Secunda	F	082 462 1299	501387	
5.	Joseph Higgins		32 Okavango Str Secunda	M	083 490 4490	501388	
6.	Hermanus Adraan Louw		52 Danie Theron Secunda	M	083 234 7867	501403	
7.	Louisa Maria Cathrina		12 Nicol Str. Secunda	F	082 812 8605	501396	
8.	Colin William Thomas		22 Okavango Str. Secunda	M	082 467 1323	501398	
9.	Luntu Litha Bottoman		24 Nicol Str. Secunda	M	068 552 9975	501397	
10.	Madeleine Cronje		52 Danie Theron Secunda	F	073 034 0415	501389	

WARD 22							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Thulisile Mavis Nkosi		4993 Ext 5	F	0725131304	501274	
2.	Dumsani Schoolboy Mahlangu		7134 Ext 5	M	0799923771	501150	
3.	Lindiwe Ngubeni		5536 Ext 5	M	0792588297	501275	
4.	Thulani Elias Manana		7057 Ext 5	M	0723209661	501151	
5.	Musawenkosi Excellent Ndaba		7557 EXT 5	M	0799966884	501153	
6.	Mpisendlini Fanny Sithebe		7225 Ext 5	M	0729379804	501339	
7.	Moses Jeremiah Sibande		5374 Ext 5	M	0606814500	501338	
8.	Mdibanie Absaloni Masilela		6721 Ext 5	M	0724516735	501229	

9.	Alice Linda Mahlangu		5901 Ext 5	F	0795782582	501230	
10.	Sanele Richard Ngwenya			M	0767677089	501296	

WARD 23							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Thandi Paulina Mthombeni		K 149 Kanana	F	079 359 5689	501374	
2.	Goodman Joseph Msimango		6914 Ext 4	M	0716188345	501231	
3.	Nompumelelo Goodness Ngwenya		4914 Ext 4 Mzinoni	F	0727775325	501297	
4.	Thabo Ephraim Mohlope		4562 Ext 4	M	0766107071	501232	
5.	Sipho Roberth Thwala		3822 Ext 4 Mzinoni	M	0636730215	501353	
6.	Vusi Daniel Mpoli		A86/1 Ext 4	M	0720562675	501233	
7.	Mkhohlisi Piet Phiri		4151 Ext 4	M	0828601928	501312	
8.	Nelly Anele Dlamine		J17 Ext 4 Bethal	F	0763917771	501109	
9.	Mandla David Mahlangu		A96 Ext	M	0725931434	501152	
10.	Landi Prudence Masilela		4030 Ext 4 Mzinoni	F	0796912181	501154	

WARD 24							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Stanley Solomon Mlambo		EH 250 mzinoni	M	0721753327	501201	
2.	Sipho Simon Motha		EH 305 mzinoni	M	07929998307/0674074286	501213	
3.	Ntokozo Melvin Mathebula		P54 eMzinoni	M	0790400909	501208	
4.	Tuesday Trusty Magagula		T282 mzinoni	F	0728931840	501200	
5.	Lucky Matibela		3271 ext 2	M	0726536993	501209	
6.	Gugu Petronella Mahlangu		EH 65	F	0724187494	501382	
7.	Zweli Praise Simelane		3265 ext 2	M	0766236403	501333	
8.	Sdudla Linah Mthimunye		1394 Cowvillage	F	0711759683	501211	
9.	Richard Shalimane Nkosi		2920 Cowvillage	M	0713873342	501291	
10.	Lucky Vusumuzi Mahlangu		T201	M	0653497575	501212	

WARD 25							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Matome Moses Makwela		47 Schantler Trichardt	M	072 929 1364	501410	
2.	Khumbulani Mondli Ngema			M	079 115 0877	501400	
3.	Matshidiso Mavis Tjatja		Holfontein farm	F	078 990 7288	501399	
4.	Andrew McDonald		10 Colarado Street Trichardt	M	076 706 6119	501394	
5.	Anita Mashiane		6 Van Bruggen Street Secunda	F	072 261 0586	501404	
6.	Deliwe Dlamini			F	083 758 1848	501392	
7.	Nomusa Rose Mbatha		Genl Kemp Street 30	F	079 899 6223	501393	
8.	Khumbuzile Precious Mthembu		Klipkraal farm	F	071 038 6669	501409	
9.	Rudi Pretorius		13 Janson Street Secunda	M	063 603 4893	501391	
10.	Anna Kriek			F	079 907 2744	501390	

WARD 26							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Hendry Andries Chipeta		3015 Cowvillage	M	0721151486	501104	
2.	Nelisiwe Getrude Masilela		1171 Cowvillage, Mzinoni	F	0788413400	501206	
3.	Nkosana Zephania Madlala		C130, Mzinoni	M	0647044976	501202	
4.	4. Siyabonga Ntokozo Sikhosana		1148 Cowvillage	M	0663636048	501331	
5.	Phumlan Sydney Masina		4463 Ext 23	M	0795467728	501205	
6.	Monica Zandile Fakude		4058 Ext 23,	M	0834848257	501116	
7.	Constance Nomsa Sibiya		Ext 11 Informal Settlement,	F	0820650283	501332	
8.	Jan Abram Mtswene		4284 Ext 23,	M	0825711899	501207	
9.	Sibusiso Gift Mokwena		4641 Ext 23	M	0721001974	501203	
10.	Thulane Simon Mokoena		1202 Cowvillage	M	0615129676	501204	

WARD 27							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Priscilla Sibongile Hlanze		2292 12 Str Mzinoni	F	0738014078	501120	
2.	Lindokuhle Shabangu		2198 11 th Street, Mzinoni	F	0795372665	501330	
3.	Lindokuhle Ndinisa		D10 Mzinoni	F	0797377161	501288	
4.	Lerato Nkambule		2142/63 Mzinoni	F	0839864671	501289	
5.	Bonginkosi John Mlotshwa		1593 2 nd Str Mzinoni	M	0713578122	501199	
6.	Mandla Cyril Maseko		2495 -14 th Street	M	0715008508	501198	
7.	Andile Witney Nkosi		2750 New Stand Mzinoni	M	0725006370	501290	
8.	Sihle Lawrence Maseko		2699 – 16 th Street	M	0659139551	501197	
9.	Getrude Sibongile Sibande		1512 – 2 nd Street	F	0713578122	501329	
10.	Raining Boy Skhosana		1855 6 Str Mzinoni	F	0725025083	501377	

WARD 28							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Christopher Thokozane Maseko		3863 Ext 23, Mzinoni	M	0822310222	501269	
2.	Patrick Bonokwakhe Sikhakhane		3030 Ext 22	M	0783441193	501346	
3.	Lungelo Simphiwe Thembo		3399 Ext 22	M	0728442035	501355	
4.	Johannes Elias Nkosi		22 Virgo Street mzinoni	M	0763664511	501308	
5.	Mandla Simon Mlotshwa		2979 ext 22 mzinoni	M	0796147819	501270	
6.	Sam Mandu Beula		7A DU PLOOY STREET	M	0790866151	501102	
7.	Charmain Coetzee		3281 Ext 22	F	0608136659	501103	
8.	Jeremia Ngwenya		2840 Ext 22	M	0721122680	501277	
9.	Leendert Kruger		20A MarketAve	M	0824586561	501137	

10.	Nhlanhla Mtsweni		52 Simon Street	M	0783353267	501262	

WARD 29							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	PULENI KILANI PHIKHONA		EXT 12 8744	F	0796740016		
2.	TSOTETSI TSHEPO PRINCE		EXT 12 8999	M	0673446539	501369	
3.	SELEPE TEBHOHO		EXT 12 9435	M	0720571671	501325	
4.	TSWENEGAE CLEMENT		EXT 12 9186	M	0714018683	501349	
5.	GENERAL THOKOANE		EXT 12 8889	M	0792108438	501350	
6.	SIBEKO SIBONGISENI		EXT 12 9102	M	0724248081	501368	
7.	JABULILE KGALA		EXT 129316	F	0783851889	501133	
8.	SIKHOSANA SAMUEL		EXT 12 9573	M	0761363316	501331	
9.	BUKALI SIZENI		EXT 12 8930	F	0833626429	501101	
10.	JOUBERT KHASEBE		EXT 12 9365	M	0724114464	501136	

WARD 30							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Jaco Potgieter		6 Seder Str. Secunda	M	0825739182	501309	
2.	Francis Gibson		8 Bergendal Str Secunda	F	0829008216	501098	
3.	Maria Burger		9 Hoogenhout Str Secunda	F	0826147666	501378	
4.	Dean Wringley		29 Tsistsikama Str Secunda	M	0725366100	501359	
5.	Inus Labuschagne		2 Drakensberg Str Secunda	M		501146	
6.	Julian Kummins		34 Marais Str Secunda	F	0767708930	501126	
7.	Judith Wessels		6 John Tate Str. Secunda	F	0833316002	501360	
9.	Mariska Lubbe		27 Houtberg Str Secunda	F	0828511747	501147	

10.	Jan Davis		12 Bellin Str. Secunda	M	0824122021	501110	

WARD 31							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	ACC NUMBER
1.	Dlamini Lucky		EXT 15 14297	M	0827392381	501112	
2.	Mahlangu Thembinkosi		EXT 15, 14616	M	0767736437	501182	
3.	Nhlapho Thabisile		Ext 15,165579	F	0762526079	501285	
4.	Msiza Paul		Ext 15 16500	M	0765065138	501183	
5.	Xaba Bongane		Ext 17 16789	M	0792155193	501362	
6.	Kwata Serumula		Ext 17 17438	F	0720330887	501131	
7.	Mtsweni Daniel Thulani		Ext 17, 17467	M	07995134456	501184	
8.	Malindisa Grace		Ext 17 1789	F	0712018647	501181	
9.	Mavimbela Maria		EXT 21891	F	0795843860	501186	
10.	1mkhwebane Jabulane		Ext 15 15075	M	0724695351	501185	

WARD 32							
NO	NAME & SURNAME	ID NUMBER	PHYSICAL ADDRESS	GENDER	CONTACTS	MEMBER NO	
1.	Sibongile Simelane		Ext 26, 27231	F	0733462200		
2.	Khethi Nhlapho		Ext 26, 27380	F	0727458086	501284	
3.	Nkabinde Innocent		Ext 11, 8223	M	0726660505	501284	
4.	Hlatshwayo Simon		Ext 26, 26863	M	0829336584	501121	
5.	Motaung Abel		Ext 26, 26692	M	0715176626	501178	
6.	Mnisi Fano Thomas		Ext 11, 8074	M	0721027345	501179	
7.	Khumalo Sizwe		Ext 11, 8363	M	0762775638	501129	
8.	Mathe Ntombifuthi		Ext 11, 7566	F	0728066378	501180	
9.	Mdletshe Ndumiso		Ext 11, 7510	M	0606732091	501159	
10.	Kwinana Notyatyambo		Ext 26, 26825	F	07808788119	501128	

APPENDIX F – WARD INFORMATION

WARD INFORMATION	
WARD NAME/ AREA	WARD NAME/ AREA
1 Lebohang	17 Evander
2 Lebohang	18 Evander
3 Lebohang	19 Embalenhle
4 Embalenhle	20 Secunda
5 Secunda town	21 Secunda
6 Lebohang	22 Bethal
7 Embalenhle	23 Bethal
8 Embalenhle	24 Bethal
9 Embalenhle	25 Secunda and Trichardt
10 Embalenhle	26 Bethal
11 Embalenhle	27 Bethal
12 Embalenhle	28 Bethal
13 Embalenhle	29 Embalenhle
14 Embalenhle	30 Secunda
15 Bethal	31 Embalenhle
16	32 Embalenhle

AUDIT AND PERFORMANCE COMMITTEE REPORT FOR THE YEAR ENDED 30 JUNE 2022

1. Introduction

We are pleased to present the Annual Audit Committee Report for Govan Mbeki Local Municipality for the financial year ended 30 June 2022. As required by section 166(2) of the Municipal Finance Management Act, 56 of 2003, the Audit Committee report is prepared as prescribed by section 166(2) of the MFMA and in line with the recommendations of the King III report on Corporate Governance for South Africa 2009 and its Code of Governance Principles. The Audit Committee is an independent statutory body committee appointed by the Municipal Council. Further duties are delegated to the Audit Committee by Council and are in line with the approved Audit Committee Terms of Reference. The Terms of Reference are set out in the Audit Committee Charter, which is reviewed and approved by Council annually. This report includes both such duties.

2. Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 166 of the Municipal Finance Management Act. The Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs during the past financial period in accordance with these terms of reference/Charter and has discharged all its responsibilities as contained therein.

The terms of reference are set out in the Audit Committee Charter, which is approved by Council and it's continuously reviewed and updated for changes in legislation, business circumstances, and corporate governance practices. The Audit Committee confirms that, it has complied with its statutory obligations and has discharged its duties in accordance with the Charter.

The role of the Audit Committee as defined by section 166 of the Municipal Finance Management Act is as follows:

- To advise Council municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to:
 - Interim financial control and internal audits;
 - Risk management;
 - Accounting policies;
 - The adequacy, reliability and accuracy of financial reporting and information;
 - Performance management
 - Effective governance
 - Compliance with Municipal Finance Management Act, the annual Division of Revenue Act and any other applicable legislation
 - Performance evaluation; and
 - Any other issues referred to it by the municipality

2. Audit Committee Members and Attendance

The Audit Committee consist of five members who collectively have sufficient qualifications and experience to fulfil their duties. The composition is as follows:

1. Mr. S Simelane (CA) SA

2. Mr. TR Tshabalala (CA) SA
3. Ms. Princess Mangoma
4. Ms. Sijabulile Makhathini (CA) SA
5. Ms. Sophie Molokoane-Machika (Chairperson)

None of the above members are officials of the Municipality. All the members of the Committee are independent, with no interests in the management or conduct of the business of the Municipality. Council should note that Ms. Sophie Molokoane-Machika (Chairperson) serves as a board member of Rand Water and this fact has been declared in all audit committee meetings.

The Audit Committee held three (5) meetings during the period which is in accordance with the charter. Attendance at these meetings is shown in the table below:

Name of Member	Attendance	Apology	Total of meetings held	Percentage attendance
Ms. Ms Sophie Molokoane-Machika (Chairperson)	5	0	5	100%
Ms. Princess Mangoma*	2	0	5	40%
Mr. Thokozani Tshabalala	5	0	5	100%
Ms. Sijabulile Makhathini	5	0	5	100%
Mr. Siyakhula Simelane	5	0	5	100%

* The membership of Ms Princess Mangoma expired on the 2nd of December 2021.

The Auditor-General South Africa has a standing invitation to attend Audit Committee meetings. The Municipal Manager, Chief Financial Officer, Chief Risk Officer, Chief Audit Executive, and All Directors are required to attend the meetings of the Committee. The Chief Audit Executive, Auditor-General, and Management are afforded individual closed sessions with the Committee.

3. Summary of the main activities (Recommendations) undertaken by the Audit Committee

3.1 Effectiveness of Internal Controls

The committee has considered the work performed by Internal Audit on a quarterly basis and has reviewed the internal controls findings raised for the year ending 30 June 2022.

The majority of audit findings reported to the committee related to the control environment, control activities, information and communication, and monitoring.

The results of the audits performed indicated either a lack of proper implementation of Council policies, lack of inadequacy of existing policies and non-compliance with legislation.

3.2 Internal Audit Activity

3.2.1 Review of draft annual financial statements

The committee and Internal audit activity reviewed draft annual financial statements that was submitted to AGSA on the 31 August 2022. Below are the challenges noted and recommendations made during the review are stated below:

- Audit report of 2020/21 was issued late in February of 2022. The normal legislated timeline is 30

November of each financial year.

- That the draft financial statements incorporate findings raised by Internal auditing.
- That the Committee and Senior management REVIEW the AFS process plan and IDENTIFY gaps to improve on the preparation of the annual financial statements

3.2.2 Internal controls, Performance Information, Audit Action Plan

The committee considered various reports from internal audit which included the following auditable areas:

- Supply chain management
- Quarterly performance management system
- Internal audit follow-up report
- External audit findings follow up
- Town Planning

The committee advised management as follows:

- That the municipality **ASSESS** emerging risk on vandalism and theft of municipal assets.
- That the strategic risk assessment register BE TABLED to council for consideration
- That management should REVIEW and ASSESS the control effectiveness on the strategic risk assessment.
- That the annual internal audit plan for 2022/23 financial year BE APPROVED with the inclusion of the LED audit in the current year.
- That the typical risks on revenue audit activity BE DOCUMENTED in the Internal audit plan for 2021/22 financial year.
- The municipality **APPLY** for roll overs of grants where underspending was recorded.
- That the municipality report irregular expenditure to treasury in line with legislation.
- That member of management DOCUMENT progress on the audit action plan and REVISE implementation date where the dates has passed.
- That the quality assurance program **BE IMPROVED** to incorporate timelines on the report.

3.3 AGSA engagement

The committee considered the engagement letter and audit strategy from the Office of the Auditor General for approval. The committee resolved as follows:

Recommendations:

- It was resolved that management submit the final annual report to the Office of the Auditor General before it is published for further review
- That the Office of the Auditor General communicate in writing with GMM indicating the challenges in completing the audit within the timelines provided by MFMA.

3.4 Internal audit - Rolling three-year strategy plan

The Committee considered the three-year internal audit strategy and annual internal audit plans and it was approved.

Recommendations:

- That internal audit aligns the internal audit on covid 19 audit with the processes to be followed by the Office of the Auditor General
- That the internal audit plan be approved

3.5 Risk Management

The Audit Committee notes that an Independent Risk Management Chairperson attended audit committee meetings and presented risk management reports.

Conclusion

The Committee is concerned with the overall progress made on mitigating the strategic risks.

This report is submitted to Council for consideration. Our recommendations are meant to assist with the improvement of control environment and internal controls in general. Council is urged to support the implementation of the Audit Committee recommendations by management.

Ms. Sophie Molokoane-Machika

Chairperson: Audit Committee

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

2021/2022 LONG TERM CONTRACT R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
None					
The Municipality don't have contracts that are longer than three (3) years.					
Public Private Partnerships Entered into during 2021/2022					
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	R' 000 Value
None					
The municipality does not have an entity					

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

2021/2022 CURRENT OPERATIONAL TENDER REGISTER							
Project Name	Escalation clause	Contract available	Date of Award	Contract start date	Contract end date	Total Contract amount	Type of Contract
Supply, Delivery, Implementation & Commissioning of Vehicle Tracking & Online Fleet Management Software for 36 months	Non	Yes	28-Sep-18	10-Oct-18	09-Oct-21	R 4 143 091,20	Long-Term 3-year Contract
Provision of Short-Term Insurance for a period of 3-years	Non	Yes					
Operation & Maintenance of Secunda Landfill Site for a period of 36 months	Non	Yes	08-Apr-19	01-May-19	30-Apr-22	R13 363 161,00	Long-Term 3-year Contract
Supply and Installation of MSCOA Compliant Financial Management System	Non	Yes	24-May-18	10-Oct-18		R20 139 884,48	Long-Term 2-year Contract
Provision of Security Guards for Region 1 for a period of 36 months	Non	Yes	15-May-19	01-Sep-19	31-Aug-22	R26 125 613,42	Long-Term 3-year Contract
Provision of Security Guards for Region 2 for a period of 36 months	Non	Yes	15-May-19	01-Sep-19	31-Aug-22	R38 733 921,25	Long-Term 3-year Contract
Provision of Security Guards for Region 3 for a period of 36 months	Non	Yes	15-May-19	01-Sep-19	31-Aug-22	R 573 389,46	Long-Term 3-

2021/2022 CURRENT OPERATIONAL TENDER REGISTER

Project Name	Escalation clause	Contract available	Date of Award	Contract start date	Contract end date	Total Contract amount	Type of Contract
							year Contract
Provision of Banking Services for a period of 5-years	Non	Yes		01-Sep-19	31-Aug-24	Rate Based	Long-Term 5-year Contract
Compilation and Maintenance of General Valuation Roll 2020-2025	Non	Yes	08-Apr-19	01-Jun-19	30-May-24	R 9 763 690,00	Long-Term 5-year Contract
Emzinoni Township Establishment	Non	Yes		01-Jul-20			
Professional for Vat Recovery Review Services to GMM	Non	Yes	22-Nov-19	01-Dec-19	30-Nov-22	7,47%	Long-Term 3-year Contract
Provision of an Electronic Document Management	Non	Yes	19-Nov-19	19-Nov-19	18-Nov-22	R 3 383 587,50	Long-Term 3-year Contract
Operation & Maintenance of Leandra Landfill Site for a period of 36 months	Yes	Yes	12-Aug-19	01-Nov-19	31-Oct-22	R 10 225 800,00	Long-Term 3-year Contract
Supply Traffic contravention Software for Govan Mbeki Municipality for 36 Months	Yes	Yes	19-May-20	01-Jul-20	30-Jun-23	R 111 195,80	Long-Term 3-year Contract
Appointment of a suitably qualified service provider of internet services and WAN support for a period pf 36 months	Yes	Yes	01-Dec-20	01-May-21	30-Apr-24	R 66 215,85	Long-Term 3-year Contract
Supply, Installation, Commission and maintenance of a telephony sytem for 36 months	Yes	Yes	03-May-21	01-Jul-21	30-Jun-24	R 5 760 150,61	Long-Term 3-year Contract
Provisison of Asset Management Support for GMM for a period of 36 months	Yes	Yes	01-Jun-21	01-Jul-21	30-Jun-24	R 6 387 403,47	Long-Term 3-year Contract
Provision and Licensing of Prepaid Electricity Vending System for a Period Of 36 Months	Yes	Yes	15-Oct-21	01-Nov-21	31-Oct-24	R 2 760 000,00	Long-Term 3-year Contract
Provision of short term insurance and risk management services for a period of 36 months	Yes	Yes	28-Oct-21	01-Nov-21	31-Oct-24	R11 990 181,28	Long-Term 3-year Contract

ONCE OFF CONTRACTS

Project Name	Escalation clause	Contract available	Contract start date	Contract end date	Total Contract amount	Type of Contract
Fencing of the Leandra Landfill Site	None	Not Yet	08-Jun-20	Once off	R 1 734 602,50	Once off
Emzinoni Township Establishment	None	Yes	02-Jun-20	Once off	R 5 132 331,00	Once off
Compilation and Development of Water and Sanitation Master Plan	None	Yes	01-Jul-20	31/01/2021	R 2 976 246,43	Once off
MFMP Training for Govan Mbeki Finance Officials and Interns	None	Yes	29-Jun-20	Once off	R 495 075,00	Once off
Appointment of a suitably qualified service provider for provision of Land Audits within GMM	None	Yes		Once off	R 2 875 000,00	Once off
Appointment of a service provider to re-write the GMM Spatial Development Plan	None	Yes		Once off	R 450 000,00	Once off
Supply and Delivery of a Bulldozer for GMM	None	Yes	2021/01/07	Once off	R 5 160 000,00	Once off

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS BY:-

POLITICAL LEADERSHIP

1. Executive Mayor : Cllr NG Zuma
2. Speaker of Council : Cllr FF Magagamela
3. Chief Whip of Council : Cllr MJ Mtsweni
4. Member of Mayoral Committee : Cllr PD Mtshali
5. Member Of Mayoral Committee : Cllr ME Nsibande
6. Member Of Mayoral Committee : Cllr TS Zulu
7. Member Of Mayoral Committee : Cllr YT Ngxonono
8. Member Of Mayoral Committee : Cllr V Mbokazi

Top Management

1. The Accounting officer : Mr Maseko E.N
2. Acting Chief Financial officer : Ms Nkhata VB
3. Director: Corporate Services : Mr Gininda TM
4. Director: Technical & Engineering : Mr Maphuthu TJ
5. Director: Community Services : Ms Tshabalala EK
6. Acting Director: Planning : Mr Vilakazi S

All other councillors and officials of the municipality were also required to submit the declaration forms available in the Office of the Municipal Manager.

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Performance by Vote						
R' 000						
Description	2020/2021	Current: 2021/2022			2021/2022 Variance	
	Actual	Budget	Adjustment	Actual	Original Budget	Adjustments Budget
Vote 1 - EXECUTIVE COUNCIL	42 135	61 043	99 611	42 085	31%	58%
Vote 2 - CORPORATE SERVICES	23 928	24 500	24 500	24 812	-1%	-1%
Vote 3 - PLANNING AND DEVELOPMENT	7 929	9 950	9 950	14 328	-44%	-44%
Vote 4 - COMMUNITY SERVICES	178 075	214 088	214 088	154 107	28%	28%
Vote 5 - FINANCIAL SERVICES	826 970	748 537	748 917	755 802	-1%	-1%
Vote 6 - TECHNICAL SERVICES	1 246 111	1 655 937	1 655 937	1 343 980	19%	19%
Total Revenue by Vote	42 135	61 043	99 611	42 085	31%	58%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						

APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000						
Description	2020/2021	2021/2022			2021/2022 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	351 686	371 135	371 135	372 877	0%	0%
Service Charges - electricity revenue	476 377	699 171	699 171	532 376	-24%	-24%
Service Charges - water revenue	525 644	577 597	577 597	511 460	-11%	-11%
Service Charges - sanitation revenue	127 193	147 785	147 785	133 367	-10%	-10%
Service Charges - refuse revenue	129 460	155 523	155 523	134 927	-13%	-13%
Service Charges - other	–	–	–	–	–	–
Rentals of facilities and equipment	5 764	4 922	4 922	9 024	83%	83%
Interest earned - external investments	5 469	14 146	14 146	11 067	-22%	-22%
Interest earned - outstanding debtors	63 786	204 169	204 169	118 781	-42%	-42%
Dividends received	–	22	22	228	937%	937%
Fines	7 897	36 077	36 077	13 808	-62%	-62%
Licences and permits	–	–	–	–	–	–
Agency services	–	–	–	–	–	–
Transfers recognised - operational	491 167	363 505	363 885	461 821	27%	27%
Other revenue	140 708	15 311	15 311	31 605	106%	106%
Gains on disposal of PPE	–	–	–	3 774	–	–
Total Revenue (excluding capital transfers and contributions)	2 325 149	2 589 363	2 589 743	2 335 115	-10,89%	-10,90%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

None

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

None

APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

None

APPENDIX N – CAPITAL PROGRAMME 2021/2022

Capital Programme by Project: 2021/2022					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Governance and administration	26 592	21 167	35 948	170%	135%
Executive and council	6 525	2 900	–	0%	0%
Finance and administration	19 517	17 717	35 948	203%	184%
Internal audit	550	550	–		0%
Community and public safety	16 185	7 195	391	5%	2%
Community and social services	1 650	1 050	391	37%	24%
Sport and recreation	1 800	–		#DIV/0!	0%
Public safety	11 985	5 285	–	0%	0%
Housing	750	860	–	0%	0%
Health	–	–	–		
Economic and environmental services	92 397	80 329	37 230	46%	40%
Planning and development	62 206	56 518	33 886	60%	54%
Road transport	23 296	17 816	3 344	19%	14%
Environmental protection	6 895	5 995	–	0%	0%
Trading services	129 206	182 034	90 401	50%	70%
Energy sources	41 176	47 005	37 302	79%	91%
Water management	4 780	4 100	7 174	175%	150%
Waste water management	64 250	120 929	44 992	37%	70%
Waste management	19 000	10 000	933	9%	5%
Other	–	–	–		
	264 380	290 725	163 970	56%	62%

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2021/2022

Refer to Appendix N

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

None

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

None

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

None

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

None

GOVAN MBEKI MUNICIPALITY

ANNUAL PERFORMANCE

REPORT

2021/2022



A Model City of Excellence

Audited

Compiled in terms of Section 46 of the Municipal Systems Act, 32 of 2000

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LIST OF ACRONYMS AND ABBREVIATIONS			
IDP	: Integrated Development Plan	#	: Number
KPA	: Key Performance Areas	BSD	: Basic Service Delivery
KPI	: Key Performance Indicators	EPWP	: Extended Public Works Programme
LED	: Local Economic Development	IT	: Information Technology
MFMA	: Municipal Financial Management Act	kWh	: Kilowatt-hour
MSA	: Municipal Systems Act	LED	: Local Economic Development
MTEF	: Medium Term Economic Framework	R&M	: Repairs and Maintenance
PDP	: Personal Development Plan	MIG	: Municipal Infrastructure Grant
PMS	: Performance Management System	SANS	: South African National Standards
POE	: Portfolio of Evidence	SO	: Strategic Objective
SDBIP	: Service Delivery and Budget Implementation Plan	WWTW	: Waste Water Treatment Works
SMART	: Specific, Measurable, Achievable, Realistic, Time-frame		
TL SDBIP	: Top Layer Service Delivery Budget Implementation Plan		
WPSP	: Work Place Skills Plan		
MEC	: Member of the Executive Council		

GLOSSARY

Adjustments Budget: Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations: Money received from Provincial or National Government or other municipalities.

Budget: The financial plan of the Municipality.

Budget Related Policy: Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital Expenditure: Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Equitable Share: A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

IDP: Integrated Development Plan. The main strategic planning document of the Municipality

KPI: Key Performance Indicators. Measures of service output and/or outcome.

MFMA: The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF: Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating Expenditure: Spending on the day to day expenses of the Municipality such as salaries and wages.

Quarterly: Period made up of three months July - September, October - December, January - March and April - June.

Rates: Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP: Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives: The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Vote: One of the main segments into which a budget is divided, usually at directorate / department level.

CHAPTER 1: INTRODUCTION & OVERVIEW OF PERFORMANCE MANAGEMENT

This Annual Performance Report is drafted in terms of Section 46 of the Municipal Systems Act, 32 of 2000.

The Annual Performance Report 2021/2022 is based on reported information only, and un-audited. The report is subject to change during and after the audit from the Auditor-General (AG) of South Africa.

The Annual Performance Report is hereby submitted to the Govan Mbeki Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 on annual reporting.

This report covers the performance information from **01 July 2021 to 30 June 2022** and focuses on the implementation of the Service Delivery and Budget Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP) for the year under review.

The format of the report will reflect on the overall municipal performance as per the Six (6) Municipal Key Performance Areas (KPA's) as adopted in the Integrated Development Plan (IDP).

1.1 LEGISLATIVE REQUIREMENTS

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government".

The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the following principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community,
- and to facilitate a culture of public service and accountability amongst staff.

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows:

(1) A municipality must prepare for each financial year a performance report reflecting—

(a) the performance of the municipality and each external service provider during that financial year;

(b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and

(c) measures taken to improve performance.

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."

Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities.

1.2 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP)

The Performance Management System implemented at Govan Mbeki Municipality is intended to provide a comprehensive, step by step planning system that helps the municipality to manage the process of performance planning and measurement effectively. The PMS serves as primary mechanism to monitor, review and improve the implementation of the municipal IDP and eventually the budget.

The performance management policies, as approved by Council provides for performance implementation, monitoring and evaluation at organisational as well as individual levels. The Executive Mayor in consultation with the Municipal Manager identify and prioritise Key Performance Indicators, which will be monitored during the year and forming part of the Performance Agreements /Departmental SDBIP's of each Section 56 Manager.

For financial year 2021/2022, a total of 59 indicators were identified for the High-level Scorecard on which reporting was done.

1.3 PERFORMANCE MANAGEMENT AT ORGANISATIONAL LEVEL

The organisational performance is evaluated by means of a High-level Municipal Scorecard (Top Layer SDBIP) at organisational level and through the Departmental Service Delivery Budget and Implementation Plan (SDBIP) at Departmental levels. The SDBIP is a plan that converts the IDP and Budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the Municipality is implemented. It also allocates responsibility to Departments to deliver the services in terms of the IDP and Budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The municipal scorecard (High- level SDBIP) consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. The departmental SDBIP capture the performance of each defined department which reflects on the strategic priorities of the municipality. The SDBIP provides detail of each outcome for which the senior management is responsible for, in other words a comprehensive picture of the performance of that department/sub-section

Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the departmental SDBIP provide detail of each outcome for which top management are responsible for, in other words a comprehensive picture of the performance of that departments/sub sections. Departmental scorecards are compiled by senior managers for their directorate and consists of objectives, indicators and targets derived from the approved High-level SDBIP, the approved budget and measurable service delivery indicators related to each functional area.

1.4 PERFORMANCE MANAGEMENT AT INDIVIDUAL LEVEL

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s56-employees and that performance agreements must be reviewed annually.

The process and the format are further regulated by Regulation 805 (August 2006).

The Municipal Manager and Managers directly accountable to the Municipal Manager signed performance agreements for the financial year 2020/2021 as legislatively required. The signed performance agreements were loaded on the municipal website and also sent to National Treasury and Provincial departments.

This has led to a specific focus on service delivery and means that:

- ❖ Each Sec 56 manager has to develop a performance plan informed by the IDP and the top layer SDBIP of the organization.
- ❖ At the beginning of each financial year all the senior managers (Section 56 employees) sign Performance Agreements.
- ❖ All managers reporting to Section 56 employees are also reporting on their specific sections and evaluations are done accordingly on performance per subsection.

1.5 LINK BETWEEN THE ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE

The linkage of the organisational and individual performance management is reflected in the diagram below:



CHAPTER 2: EXECUTIVE SUMMARY

The Annual Performance report as compiled reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2021/2022

The following summarises the performance activities for the year under review 2021/2022 :

- ❑ The Municipal Scorecard 2021/2022 , which consist of a total of 65 indicators were developed and approved by the Mayor on 23 June 2021 .
- ❑ An Amended Municipal Scorecard 2021/2022 was adopted by council as per council meeting dated 13 April 2022, thus the amended total of indicators currently reported on as per the Amended Municipal Scorecard 2021/2022 are 59 indicators which were measured and reported on as at 30 June 2022.
- ❑ The Municipal Scorecard indicators are spread and linked across Six (6) Key Performance Areas (KPA's) for the 2020/2021 financial year.
- ❑ Six (6) Performance agreements were signed for section 56 managers as required legislatively.
- ❑ The signed performance agreements were loaded on the municipal website and also sent to National treasury.
- ❑ Quarterly Departmental Performance assessments were conducted for departments during 2021/2022 financial year.

The detailed performance of the overall the Municipal performance for the financial year 2021/2022 as per the High level SDBIP 2021/2022 are included as **APPENDIX A** to provide an overall picture of performance in the municipality. The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

PERFORMANCE ASSESSMENT LEGEND	
COLOR	CATEGORY
1	Unacceptable
2	Not Fully Effective
3	Fully Effective
4	Above Expectations
5	Outstanding
N/A	Not Applicable

GOVAN MBEKI MUNICIPALITY MUNICIPAL SCORECARD OVERALL PERFORMANCE STATUS FINANCIAL YEAR 2021/2022 PERIOD : 01 JULY 2021-30 JUNE 2022		
Annual Performance Legend Rating	TOTAL INDICATORS	Percentage of total indicators
1- Unacceptable	11	18,6%
2-Not Fully Effective	18	30,5%
3-Fully Effective	25	42,4%
4- Above Expectations	4	6,8%
5- Outstanding	1	1,7%
N/A Not Applicable	0	0,0%
TOTAL INDICATORS MEASURED	59	
TOTAL INDICATORS	59	100%

CHAPTER 3: OVERALL PERFORMANCE HIGH- LEVEL SCORECARD SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (SDBIP) 2021/2022

This report endeavours to report on the performance assessment status and progress made by Govan Mbeki Municipality in terms of its Performance System (PMS) on the 2021/2022 High level Scorecard SDBIP, period 01 July 2021 -30 June 2022.

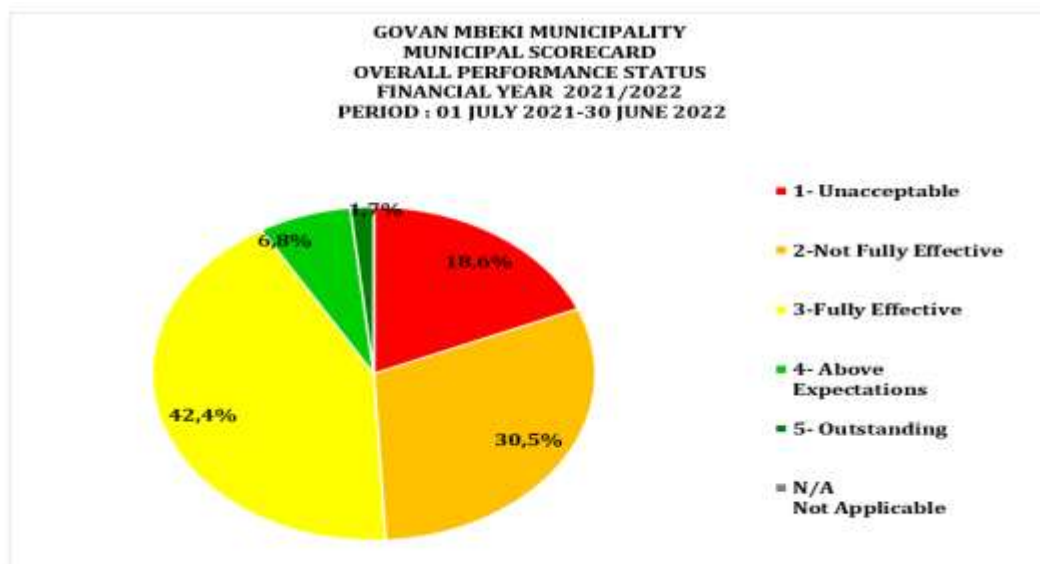
3.1 SNAPSHOT OF OVERALL PERFORMANCE HIGHLEVEL SCORECARD 2021/2022 FINANCIAL YEAR

Achievement of targets measured are as follows:

- **50,80 %** of targets were fully effective
- **30,5 %** of targets were not fully achieved
- **18,6%** were unacceptable

The chart and table below demonstrate the abovementioned achievements as follows:

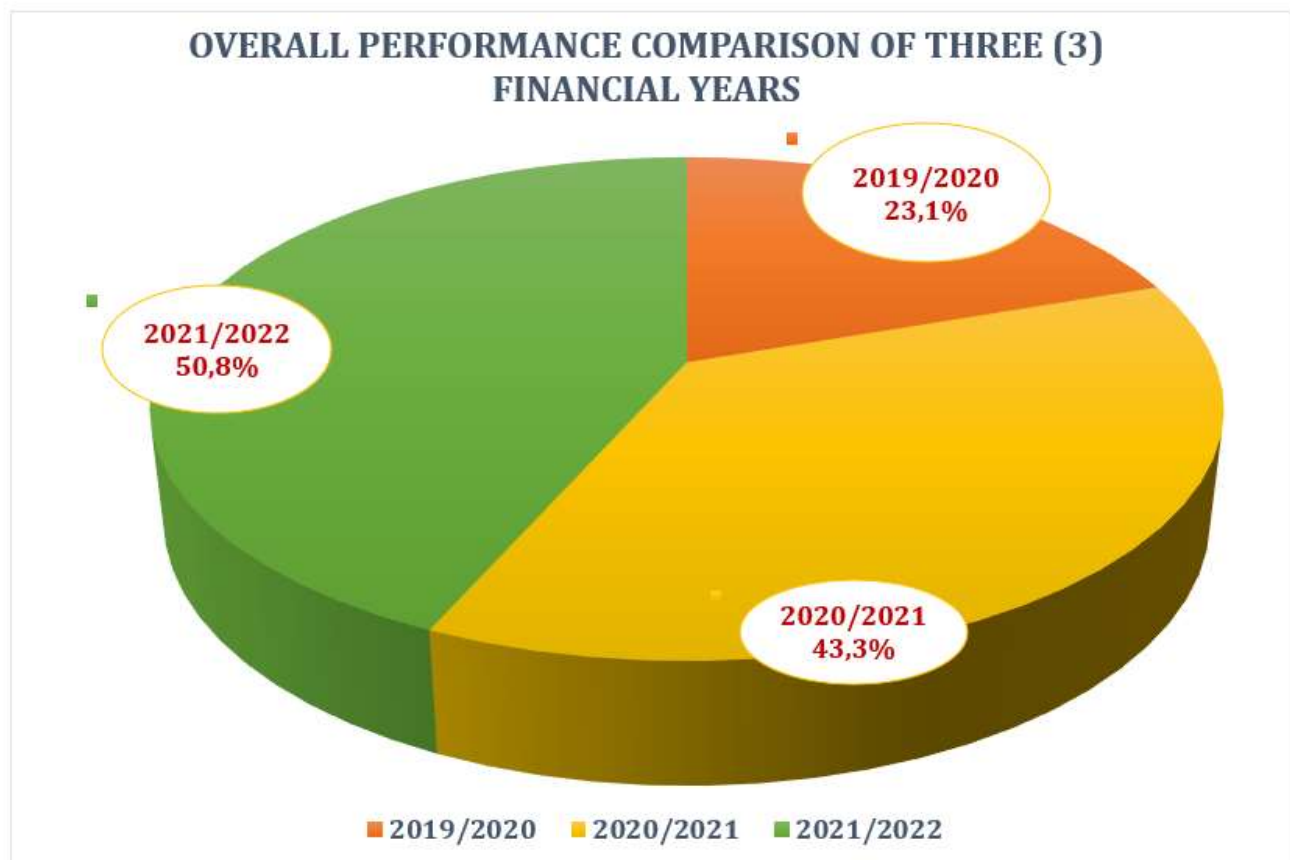
GOVAN MBEKI MUNICIPLAITY OVERALL PERFORMANCE MUNICIPAL SCORECARD FINANCIAL YEAR 2021/2022 PERIOD :01 JULY 2021-30 JUNE 2022 TOTAL INDICATORS ACHIEVED		
3-Fully Effective	25	42,4%
4- Above Expectations	4	6,8%
5- Outstanding	1	1,7%
TOTAL INDICATORS ACHIEVED	30	50,8%
GVAN MBEKI MUNICIPLAITY OVERALL PERFORMANCE MUNICIPAL SCORECARD FINANCIAL YEAR 2021/2022 PERIOD :01 JULY 2021-30 JUNE 2022 TOTAL INDICATORS NOT ACHIEVED		
1- Unacceptable	11	18,6%
2-Not Fully Effective	18	30,5%
TOTAL INDICATORS NOT ACHIEVED	29	49,2%



3.2 COMPARISON OF OVERALL PERFORMANCE HIGHLEVEL SCORECARD FOR PAST THREE (3) FINANCIAL YEARS

A comparison of the year under review 2021/2022 is reflect as per below table and chart in relation to the previous financial year.

OVERALL PERFORMANCE COMPARISON OF THREE (3) FINANCIAL YEARS			
MUNICIPAL PERFORMANCE	2019/2020	2020/2021	2021/2022
OVERALL PERFORMANCE PER FINANCIAL YEAR	23,1%	43,3%	50,8%
INDICATORS	52	60	59

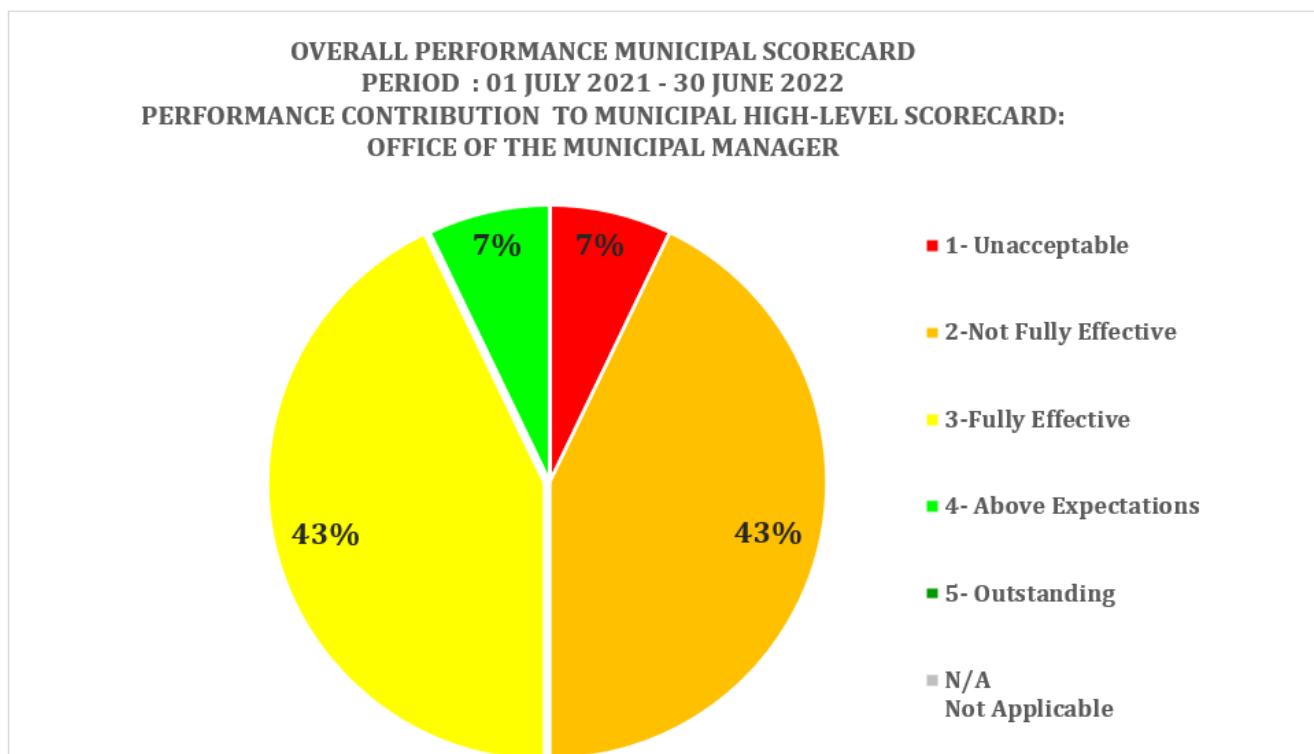


3.3 SNAPSHOT OF OVERALL PERFORMANCE CONTRIBUTION PER DEPARTMENT ON HIGHLEVEL SCORECARD PER DEPARTMENT 2021/2022

The following graphs reflect on each **departmental contribution** towards the performance of the 60 measured indicators contain in the Municipal Scorecard for **Financial Year 2021/2022**

Office of the Municipal Manager

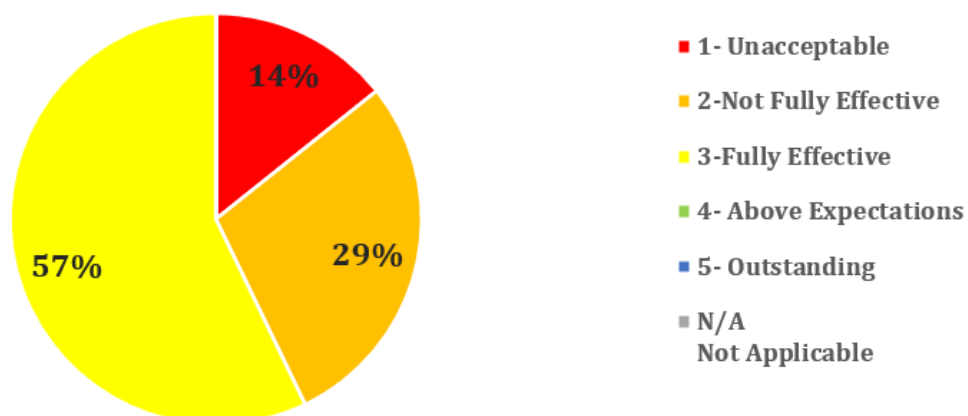
GOVAN MBEKI MUNICIPALITY MUNICIPAL SCORECARD OVERALL PERFORMANCE MUNICIPAL SCORECARD PERIOD : 01 JULY 2021- 30 JUNE 2022 PERFORMANCE PER DEPARTMENT: OFFICE OF THE MUNICIPAL MANAGER		
1- Unacceptable	1	7%
2-Not Fully Effective	6	43%
3-Fully Effective	7	50%
4- Above Expectations	0	0%
5- Outstanding	0	0%
N/A Not Applicable	0	0%
TOTAL INDICATORS	14	100%



**GOVAN MBEKI MUNICIPALITY
MUNICIPAL SCORECARD
OVERALL PERFORMANCE MUNICIPAL SCORECARD
PERIOD : 01 JULY 2021 - 30 JUNE 2022
PERFORMANCE PER DEPARTMENT:
FINANCIAL SERVICES**

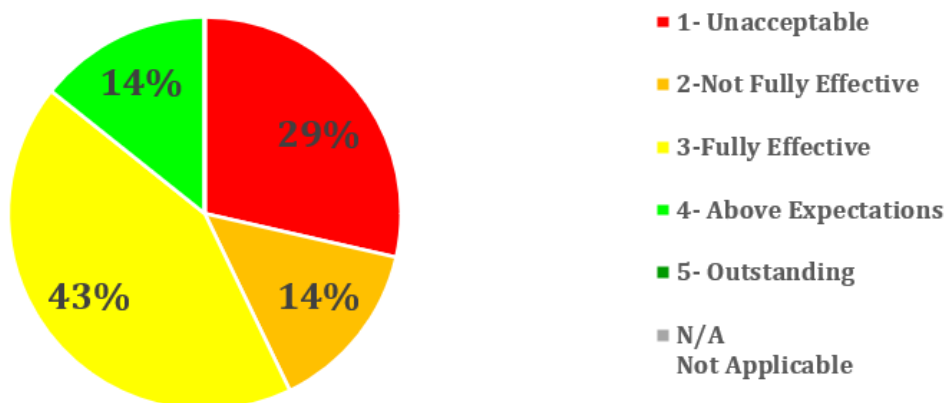
1- Unacceptable	2	14%
2-Not Fully Effective	4	29%
3-Fully Effective	8	57%
4- Above Expectations	0	0%
5- Outstanding	0	0%
N/A Not Applicable	0	0%
TOTAL INDICATORS	14	100%

**OVERALL PERFORMANCE MUNICIPAL SCORECARD
PERIOD : 01 JULY 2021 - 30 JUNE 2022
PERFORMANCE CONTRIBUTION TO MUNICIPAL HIGH-LEVEL SCORECARD:
FINANCIAL SERVICES**



GOVAN MBEKI MUNICIPALITY MUNICIPAL SCORECARD OVERALL PERFORMANCE MUNICIPAL SCORECARD PERIOD : 01 JULY 2021 - 30 JUNE 2022 PERFORMANCE PER DEPARTMENT: CORPORATE SERVICES		
1- Unacceptable	2	29%
2-Not Fully Effective	1	14%
3-Fully Effective	3	43%
4- Above Expectations	1	14%
5- Outstanding	0	0%
N/A Not Applicable	0	0%
TOTAL INDICATORS	7	100%

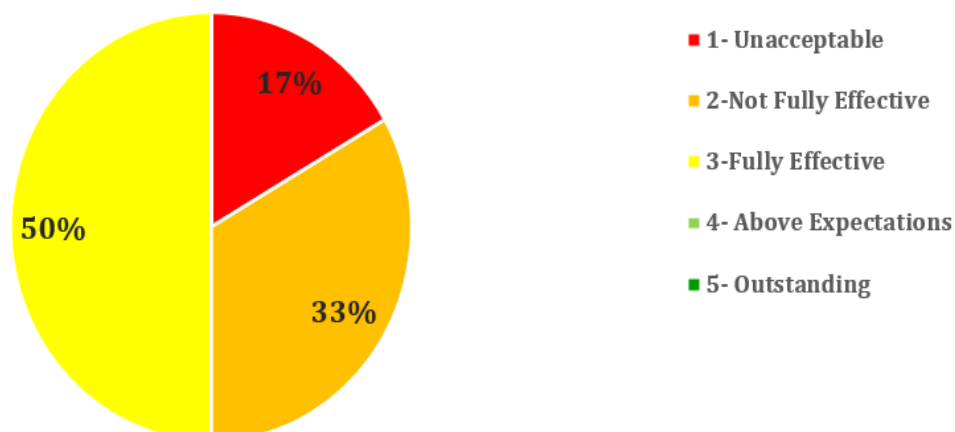
OVERALL PERFORMANCE MUNICIPAL SCORECARD
PERIOD : 01 JULY 2021 - 30 JUNE 2022
PERFORMANCE CONTRIBUTION TO MUNICIPAL HIGH-LEVEL SCORECARD:
CORPORATE SERVICES



**GOVAN MBEKI MUNICIPALITY
MUNICIPAL SCORECARD
OVERALL PERFORMANCE MUNICIPAL SCORECARD
PERIOD : 01 JULY 2021- 30 JUNE 2022
PERFORMANCE PER DEPARTMENT:
PLANNING AND ECONOMIC DEVELOPMENT**

1- Unacceptable	1	17%
2-Not Fully Effective	2	33%
3-Fully Effective	3	50%
4- Above Expectations	0	0%
5- Outstanding	0	0%
N/A Not Applicable	0	0%
TOTAL INDICATORS	6	100%

**OVERALL PERFORMANCE MUNICIPAL SCORECARD
PERIOD : 01 JULY 2021- 30 JUNE 2022
PERFORMANCE CONTRIBUTION TO MUNICIPAL HIGH-LEVEL SCORECARD:
PLANNING AND ECONOMIC DEVELOPMENT**

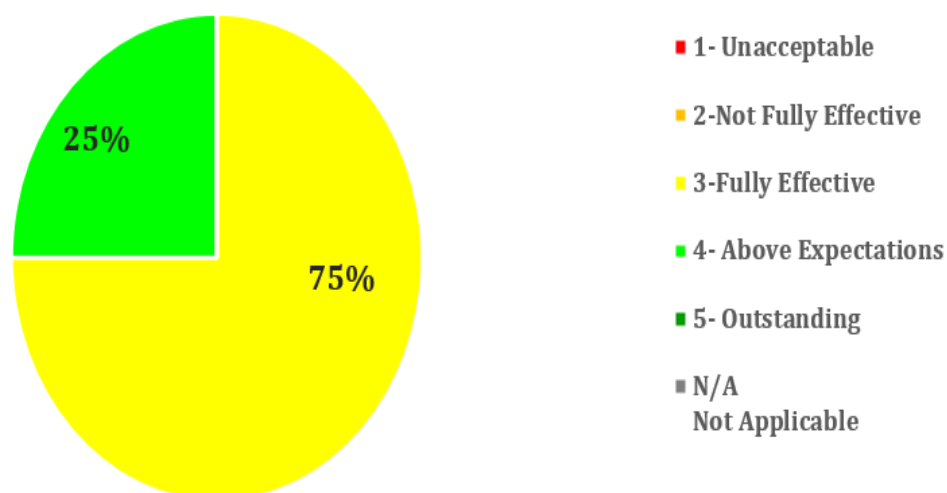


Department Community Services

**GOVAN MBEKI MUNICIPALITY
MUNICIPAL SCORECARD
OVERALL PERFORMANCE MUNICIPAL SCORECARD
PERIOD : 01 JULY 2021 - 30 JUNE 2022
PERFORMANCE PER DEPARTMENT:
COMMUNITY SERVICES**

1- Unacceptable	0	0%
2-Not Fully Effective	0	0%
3-Fully Effective	3	75%
4- Above Expectations	1	25%
5- Outstanding	0	0%
N/A Not Applicable	0	0%
TOTAL INDICATORS	4	100%

**OVERALL PERFORMANCE MUNICIPAL SCORECARD
PERIOD : 01 JULY 2021- 30 JUNE 2022
PERFORMANCE CONTRIBUTION TO MUNICIPAL HIGH-LEVEL SCORECARD:
COMMUNITY SERVICES**

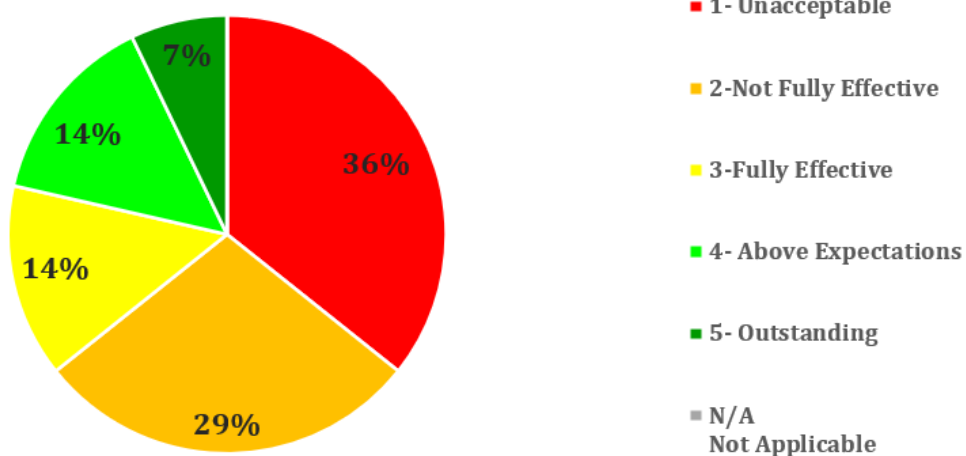


Department Technical Services

**GOVAN MBEKI MUNICIPALITY
MUNICIPAL SCORECARD
OVERALL PERFORMANCE MUNICIPAL SCORECARD
PERIOD : 01 JULY 2021 - 30 JUNE 2022
PERFORMANCE PER DEPARTMENT:
TECHNICAL SERVICES**

1- Unacceptable	5	36%
2-Not Fully Effective	4	29%
3-Fully Effective	2	14%
4- Above Expectations	2	14%
5- Outstanding	1	7%
N/A Not Applicable	0	0%
TOTAL INDICATORS	14	100%

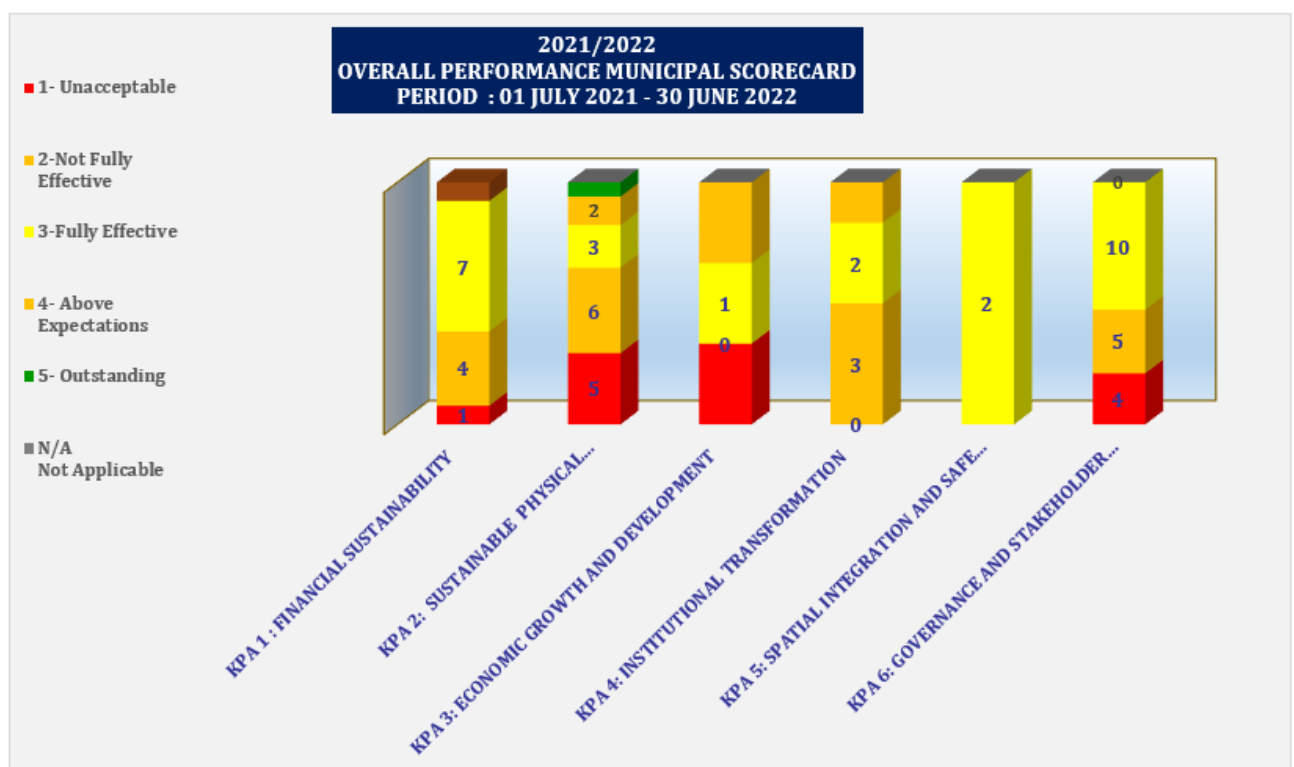
**OVERALL PERFORMANCE MUNICIPAL SCORECARD
PERIOD : 01 JULY 2021 - 30 JUNE 2022
PERFORMANCE CONTRIBUTION TO MUNICIPAL HIGH-LEVEL SCORECARD:
TECHNICAL SERVICES**



3.4 OVERALL PERFORMANCE HIGHLEVEL SCORECARD PER MUNICIPAL KEY PERFORMANCE AREAS

This section of the Annual Performance Report provides for an overview of the performance of each municipal key performance area for the 2021/2022 financial year.

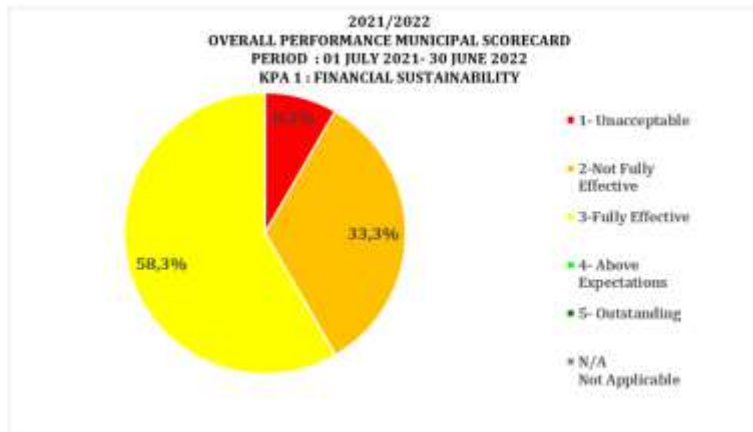
2021/2022 OVERALL PERFORMANCE MUNICIPAL SCORECARD PERIOD : 01 JULY 2021 - 30 JUNE 2022: PERFORMANCE PER MUNICIPAL KEY PERFORMANCE AREAS (KPA'S)							
MUNICIPAL KEY FOCUS AREAS	1- Unacceptable	2-Not Fully Effective	3-Fully Effective	4- Above Expectations	5- Outstanding	N/A Not Applicable	TOTAL INDICTORS
KPA 1 : FINANCIAL SUSTAINABILITY	1	4	7	0	0	0	12
KPA 2: SUSTAINABLE PHYSICAL INFRASTRUCTURE AND IMPROVE	5	6	3	2	1	0	17
KPA 3: ECONOMIC GROWTH AND DEVELOPMENT	1	0	1	1	0	0	3
KPA 4: INSTITUTIONAL TRANSFORMATION	0	3	2	1	0	0	6
KPA 5: SPATIAL INTEGRATION AND SAFE PROTECTED ENVIRONMENT	0	0	2	0	0	0	2
KPA 6: GOVERNANCE AND STAKEHOLDER PARTICIPATION	4	5	10	0	0	0	19
TOTAL INDICATORS							59



The percentage achievement of each Municipal Key Performance Area as well as the number of indicators per KPA are illustrated as per following tables and graphs:

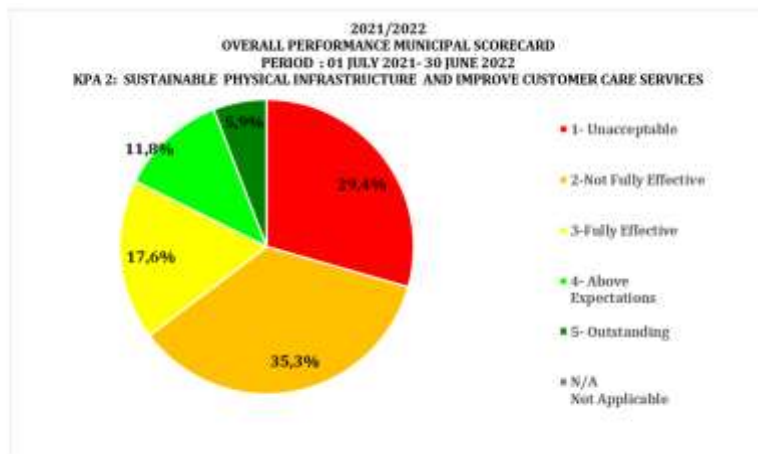
KPA 1: FINANCIAL SUSTAINABILITY

2021/2022 OVERALL PERFORMANCE MUNICIPAL SCORECARD PERIOD : 01 JULY 2021 - 30 JUNE 2022 KPA 1 : FINANCIAL SUSTAINABILITY		
Annual Performance Legend Rating	TOTAL INDICATORS	Percentage of total indicators
1- Unacceptable	1	8,3%
2-Not Fully Effective	4	33,3%
3-Fully Effective	7	58,3%
4- Above Expectations	0	0,0%
5- Outstanding	0	0,0%
N/A Not Applicable	0	0,0%
TOTAL INDICATORS MEASURED	12	
TOTAL INDICATORS	12	100%



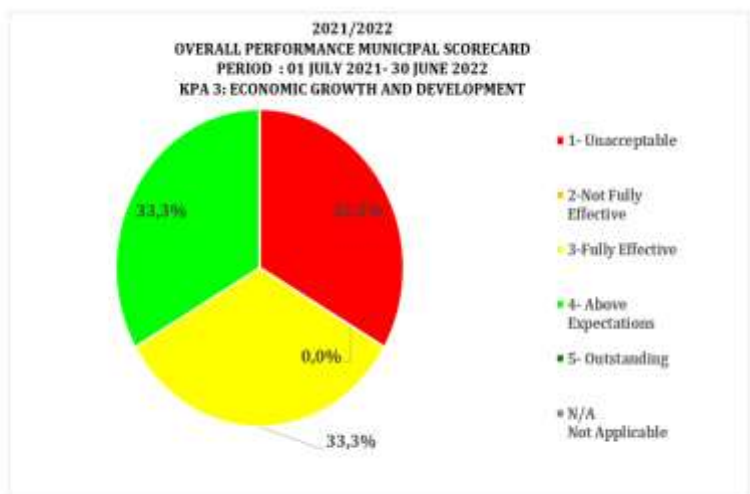
KPA 2: SUSTAINABLE PHYSICAL INFRASTRUCTURE AND IMPROVE CUSTOMER CARE SERVICES

2021/2022 OVERALL PERFORMANCE MUNICIPAL SCORECARD PERIOD : 01 JULY 2021 - 30 JUNE 2022 KPA 2: SUSTAINABLE PHYSICAL INFRASTRUCTURE AND IMPROVE CUSTOMER CARE SERVICES		
Annual Performance Legend Rating	TOTAL INDICATORS	Percentage of total indicators
1- Unacceptable	5	29,4%
2-Not Fully Effective	6	35,3%
3-Fully Effective	3	17,6%
4- Above Expectations	2	11,8%
5- Outstanding	1	5,9%
N/A Not Applicable	0	0,0%
TOTAL INDICATORS MEASURED	17	
TOTAL INDICATORS	17	100%



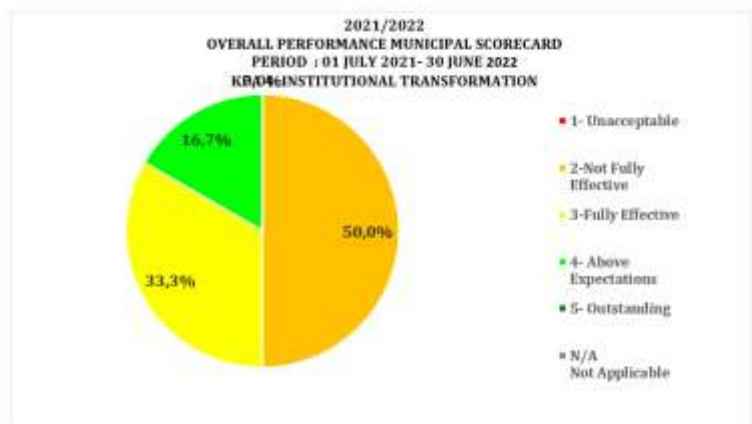
KPA 3: ECONOMIC GROWTH AND DEVELOPMENT

2021/2022 OVERALL PERFORMANCE MUNICIPAL SCORECARD PERIOD : 01 JULY 2021 - 30 JUNE 2022 KPA 3: ECONOMIC GROWTH AND DEVELOPMENT		
Annual Performance Legend Rating	TOTAL INDICATORS	Percentage of total indicators
1- Unacceptable	1	33,3%
2- Not Fully Effective	0	0,0%
3- Fully Effective	1	33,3%
4- Above Expectations	1	33,3%
5- Outstanding	0	0,0%
N/A Not Applicable	0	0,0%
TOTAL INDICATORS MEASURED	3	
TOTAL INDICATORS	3	100%



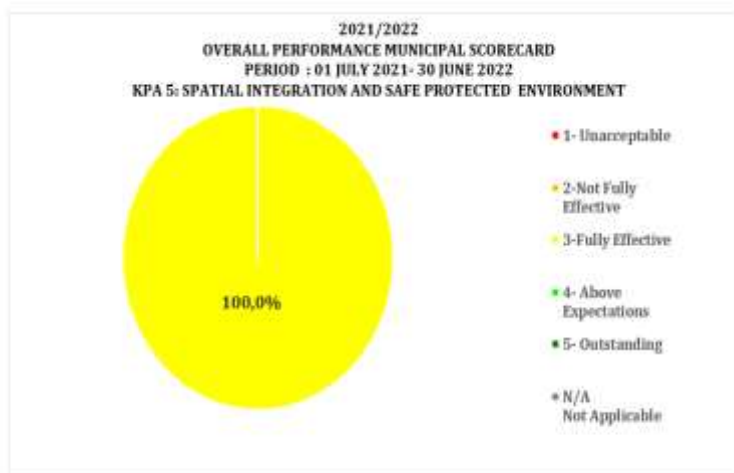
KPA 4: INSTITUTIONAL TRANSFORMATION

2021/2022 OVERALL PERFORMANCE MUNICIPAL SCORECARD PERIOD : 01 JULY 2021 - 30 JUNE 2022 KPA 4: INSTITUTIONAL TRANSFORMATION		
Annual Performance Legend Rating	TOTAL INDICATORS	Percentage of total indicators
1- Unacceptable	0	0,0%
2- Not Fully Effective	3	50,0%
3- Fully Effective	2	33,3%
4- Above Expectations	1	16,7%
5- Outstanding	0	0,0%
N/A Not Applicable	0	0,0%
TOTAL INDICATORS MEASURED	6	
TOTAL INDICATORS	6	100%



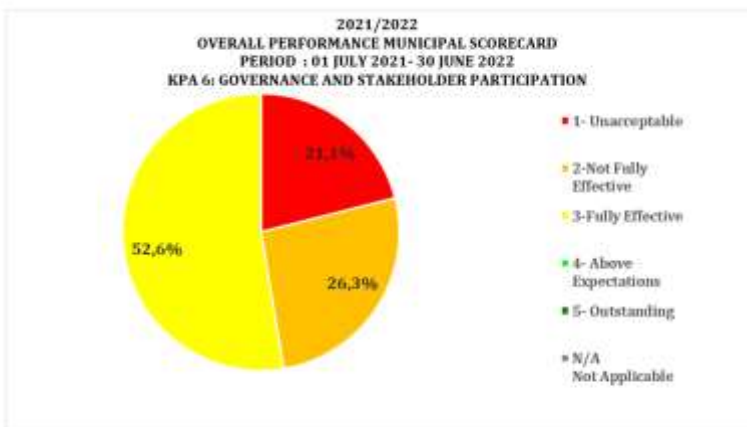
KPA 5: SPATIAL INTEGRATION AND SAFE PROTECTED ENVIRONMENT.

2021/2022 OVERALL PERFORMANCE MUNICIPAL SCORECARD PERIOD : 01 JULY 2021 - 30 JUNE 2022 KPA 5: SPATIAL INTEGRATION AND SAFE PROTECTED ENVIRONMENT		
Annual Performance Legend Rating	TOTAL INDICATORS	Percentage of total indicators
1- Unacceptable	0	0,0%
2-Not Fully Effective	0	0,0%
3-Fully Effective	2	100,0%
4- Above Expectations	0	0,0%
5- Outstanding	0	0,0%
N/A Not Applicable	0	0,0%
TOTAL INDICATORS MEASURED	2	
TOTAL INDICATORS	2	100%



KPA 6: GOVERNANCE AND STAKEHOLDER PARTICIPATION

2021/2022 OVERALL PERFORMANCE MUNICIPAL SCORECARD PERIOD : 01 JULY 2021 - 30 JUNE 2022RD PERIOD : 01 JULY 2020 - 30 JUNE 2021 KPA 6: GOVERNANCE AND STAKEHOLDER PARTICIPATION		
Annual Performance Legend Rating	TOTAL INDICATORS	Percentage of total indicators
1- Unacceptable	4	21,1%
2-Not Fully Effective	5	26,3%
3-Fully Effective	10	52,6%
4- Above Expectations	0	0,0%
5- Outstanding	0	0,0%
N/A Not Applicable	0	0,0%
TOTAL INDICATORS MEASURED	19	
TOTAL INDICATORS	19	100%



CHAPTER4:

ACTUAL OVERALL PERFORMANCE AGAINST THE PLANNED TARGETS AS PER APPROVED HIGHLEVEL MUNICIPAL SCORECARD SDBIP 2021/2022

4. MUNICIPALITY'S ACTUAL PERFORMANCE AGAINST THE PLANNED TARGETS 2021/2022

This section of the Annual Performance Report provides for reporting on the Municipality's actual performance against the planned targets as derived from the Municipality's IDP for the financial year under review 2021/2022. **The report also included the also corrective measures that will be implemented accordingly to address the targets not achieved.**

GOVAN MBEKI MUNICIPALITY MUNICIPAL HIGH LEVEL SCORECARD (TOP LAYER) SDBIP 2021-2022 PERFORMANCE STATUS :01 JULY 2021-30 JUNE 2022 OVERALL PERFORMANCE REPORTING (SECTION 46, ANNUAL PERFORMANCE REPORTING)																			
NO	DEPARTMENT	MUNICIPAL STRATEGY LINK			MUNICIPAL DELIVERY								TARGETS FY 2021/2022	Target Date	OVERALL PERFORMANCE STATUS FINANCIAL 2021/2022 APR REPORTING SECTION 46			Performance Legend Overall Performance 01 July 2021 - 30 June 2022	
		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of Indicator			Target Type-Nr	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
KPA 1 : FINANCIAL SUSTAINABILITY																			
1	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) of Debtors Payment rate by 30 June 2022	Maintain a 90% Debtors Payment rate	Director: Financial Services (CFO)	Quarterly Report (Financial Ratios)	All	63% Debtors payment rate	Operational Budget	Outcome	%	90 % Debtors payment rate per quarter by 30 June 2022	30-Jun-22	66% Debtors payment rate as at 30 June 2022	Poor implementation of credit control policy	To resuscitate the revenue enhancement committee	2-Not Fully Effective
2	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) of Debt book Reduction by 30 June 2022	Debt book reduction by 40%	Director: Financial Services (CFO)	Monthly and Quarterly Report Revenue enhancement plan	All	0% reduction Debt Book	Operational Budget	Activity	%	40% reduction of Debt book by 30 June 2022	30-Jun-22	0% of Debt book reduced by 30 June 2022	Poor implementation of credit control policy	To intensify the revenue enhancement activities and full implemenation of credit control policy	1- Unacceptable

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3	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%)Of Operating Service Debtors to Revenue: (Total outstanding services debtors/ Annual service Revenue received for services x 100) by 30 June 2022	Financial Viability measured in terms of outstanding services debtor Service Debtors to Revenue	Director: Financial Services (CFO)	Quarterly Report (Financial Ratios)	All	2.4 % of Outstanding service debtors to revenue	Operational Budget	Outcome	%	40% of outstanding service debtors to revenue by 30 June 2022	30-Jun-22	43.54%of outstanding service debtors to revenue by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
4	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Percentage (%) Of Debt coverage ratio (Total revenue received - Total grants)/debt service payments due within the year x 100)by 30 June 2022	Financial Viability measured in terms of debt coverage ratio	Director: Financial Services (CFO)	Quarterly Report (Financial Ratios)	All	139% Debt coverage calculated as per the ratio determined	Operational Budget	Outcome	%	> 100% Debt coverage calculated as per the ratio determined by 30 June 2022	30-Jun-22	0,01% Debt coverage calculated as per the ratio determined	GMM does not have loans anymore	No Remedial Action and Corrective Measures required	3-Fully Effective
5	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FINS8.1	Cost coverage ratio calculated (Available cash at particular time + investments)/ Monthly fixed operating expenditure x 100)by 30 June 2022	Financial Viability measured in terms of Cost coverage ratio	Director: Financial Services (CFO)	Quarterly Report (Financial Ratios)	All	1,8% Cost coverage ratio calculated	Operational Budget	Outcome	%/ Mon ths	3,0% cost coverage ratio calculated by 30 June 2022	30-Jun-22	1,47% cost coverage ratio calculated	On months to month we can cover our cost though , we cannot cover for our long term creditors	To increase revenue	2-Not Fully Effective

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6	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FIN58.1	Percentage (%)of the Municipality's capital budget spent on capital projects identified in the IDP, measured as Total Actual Capital Expenditure/Approved Capital Budget x 100 (All Funding excl. MIG) by 30 June 2022	CAPEX:The percentage of a municipality's capital budget spent on capital projects identified in the IDP for the financial year	Director: Financial Services (CFO)	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed Municipal Capital projects identified in terms of the Municipality's own capital budget excluding MIG	All	19% Capital spending	Capital Budget (Internal funding by the municipality)	Output	%	50% of capital budget spent by 30 June 2022	30-Jun-22	56% Capital Spending	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
7	TECHNICAL SERVICES	To enhance revenue & secure financial sustainability	Fin.Sustain.		Percentage (%) of spending on MIG funds by 30 June 2022	CAPEX:The percentage of a municipality's capital budget spent on capital projects identified in the IDP for the 2021/2022 financial year in terms of MIG Funds	Director: Financial Services (CFO)	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed MIG projects identified in terms of MIG funds	All	88% of MIG spent	65 654 578.00	Output	%	100% of spending on MIG funds by 30 June 2022	30-Jun-22	72% MIG Spending	Poor implementation of projects		2-Not Fully Effective
8	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FIN58.1	Percentage (%) of operational budget spent on repairs and maintenance by 30 June 2022	Provision for repairs and maintenance	Director: Financial Services (CFO)	Proof spending on maintenance / reports	All	71% of Repairs and maintenance budget spent	Operational Budget	Outcome	%	100% of Repairs and maintenance budget spent by 30 June 2022	30-Jun-22	46% of Repairs and maintenance budget spent	Cash flow constraints	Cash flow constraints	2-Not Fully Effective

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9	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FIN8.1	Approval of Main Budget (FY2022/2023) by Council by 31 May 2022	Submit the Final compiled Main MTREF budget by the end of May 2022 to council for approval	Director: Financial Services (CFO)	Council resolution/ 1 X Approved draft Budget and 1x Approved budget per annum	All	1X Budget approved per annum	Operational Budget	Output	#	1X Approved Main Budget (FY2022/2023) by Council by 31 May 2022	31-May-22	1X Main Budget (FY2022/2023) approved by Council	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
10	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FIN8.1	Number of physical verifications for movable assets conducted by 30 June 2022	Physical verifications for Movable Assets Conducted Quarterly	Director: Financial Services (CFO)	Quarterly Physical Verification Plan and Performance report	All	0 x Physical verification for movable assets conducted	Operational Budget	Activity	#	1X Physical verifications for movable assets conducted by 30 June 2022	30-Jun-22	3 x Physical verification for movable assets conducted by 30 June 2022	Delay in delivery of Scanners	Scanners only delivered in December 2022	3-Fully Effective
11	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FIN8.1	Annual procurement plans approved by Council 30 June 2022	Signed Annual procurement plan as approved by Council	Director: Financial Services (CFO)	0X Annual procurement plan approved by Council	All	1X Annual procurement plan	Operational Budget	Activity	#	1X Annual procurement plan approved by Council by 30 June 2022	30-Jun-22	1X Annual procurement plan approved	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
12	FINANCE	To enhance revenue & secure financial sustainability	Fin.Sustain.	FIN8.1	Number of Quarterly Reports submitted to Council on all tender awards and deviations incurred within the municipality in terms of Section 6 of the MFMA SCM regulations by 30 June 2022	Quarterly Reports compiled and submitted within each quarter to Council on all tender awards and deviations incurred within the municipality in terms of Section 6 of the MFMA SCM	Director: Financial Services (CFO)	Financial system generated reporting / Council Item/ Council resolution	All	new	Operational Budget	Activity	#	4x Quarterly Reports submitted to Council on all tender awards and deviations incurred within the municipality in terms of Section 6 of the MFMA SCM regulations by 30 June 2022	30-Jun-22	4X Quarterly Reports submitted to Council on all tender awards and deviations incurred	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

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KPA 2: SUSTAINABLE PHYSICAL INFRASTRUCTURE AND IMPROVE CUSTOMER CARE SERVICES																			
13	FINANCE	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Number of indigent households provided with access to basic services 30 June 2022	Supply free basic services to Indigent households	Director: Financial Services (CFO)	Indigent Register	All	11547 x Indigents household supply with free basic services	Operational Budget	Outcome	#	15000 Indigents household supply with free basic services quarterly 30 June 2022	30-Jun-22	11515 Indigent supplied with free basic services by 30 June 2022	No control over applications for indigent support	No Remedial Action and Corrective Measures required	3-Fully Effective
14	COMMUNITY SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Percentage of proclaimed erwen /stands receiving a weekly refuse removal services quarterly by 30 June 2022	Provision of refuse removal all proclaimed erwen/ stands Total number of proclaimed erwen receiving a weekly refuse removal service within GMM	Director: Community Services	Collection schedule and collection maps per town	All	61403 x Residential account holder receiving a weekly refuse removal services	Operational Budget	Outcome	#	100% of proclaimed erwen/ stands receiving a weekly refuse removal services quarterly by 30 June 2022	30-Jun-22	100% of proclaimed erwen/ stands receiving a weekly refuse removal services quarterly by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
15	PLANNING AND DEVELOPMENT	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Percentage (%) of land development applications (land use management and spatial planning) finalised within 3 month by 30 June 2022	Finalisation of Land development applications as per the SPLUM By-law and Land Use Scheme	Director: Planning and Development	Land Development application Register , Buss App reports	All	85% finalisation of land development applications in terms of the set service standards	Operational Budget	Activity	%	100% of land development applications (land use management and spatial planning) finalised within 3 months by 30 June 2022	30-Jun-22	71% of the land development applications submitted was finalised within 3 months (90 days - in terms of the set service standardsby 30 June 2022	Service Departments do not comment on time, resulting in application being delayed. High levels of vacant positions effect the timelines and ability to process the high volume of applications.	Report outstanding comments to relevat positions in the Town and Regional Planning Section Fill the 5 vacant positions in the	2-Not Fully Effective

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16	PLANNING AND DEVELOPMENT	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Percentage (%) of Building Plans finalised within 30 days for Residential submissions and 60 days for Business submissions by 30 June 2022	Evaluate building plans received in line with the approved service standards i.e. 30 days for residential submissions and 60 days for business submissions.	Director: Planning and Development	Buss App reports	All	77% Finalisation of Building Plan Applications in terms of the set service standards quarterly	Operational Budget	Activity	%	100% Finalisation of Building Plan Applications in terms of the set service standards by 30 June 2022	30-Jun-22	61 % of Building plans submitted (Residential and Others) was finalised. The % is the combined average service standrads in Building control by 30 June 2022	Applications incomplete and with mistakes resulting in time lines not met. Comments from Service Departments on applications are submitted late. High levels of vacant positions effect the timelines and ability to process the high volume of applications.	Do follow up/enquiries with departments on outstanding comments on weekly basis. Notify applicants of mistakes on building plan applications. Fill the 5 vacant positions in the Town and Regional Planning Section	2-Not Fully Effective
17	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Percentage % compliance with SANS 241 Measured annually by 30 June 2022	Quality of potable water comply 99% with SANS 241	Director: Technical Services	Report form IRIS system by DWS	All	97.39% water compliance with SANS 241	Operational Budget	Outcome	%	99% water compliance with SANS 241 measured annually by 30 June 2022	30-Jun-22	90.25% water compliance with SANS 241	Aged infrastructure, water supply interruption affected the water quality	Replacement and upgrading of water lines	2-Not Fully Effective
18	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Percentage (%) reduction of water losses by 30 June 2022	Monitoring and Implementing measures to reduce water losses based on financial figures as per previous losses recorded	Director: Technical Services	Invoices from Rand Water and Financial year Water Balance Report	All	-10,71 % Reduction achieved on water losses	Operational Budget	Outcome	%	50% x Reduction of Water losses by 30 June 2022	30-Jun-22	0% x Reduction of Water losses by 30 June 2022	No reduction due to: inaccurate billing, limited resources for meter replacement and leak repairs	Repacement of faulty water meters, repairs of water leaks, curb illegal connections	1- Unacceptable

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19	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Percentage (%) reduction of energy losses by 30 June 2022	Monitoring and Implementing measures to reduce Energy Losses based on Financial figures	Director: Technical Services	Invoices from Eskom and Financial year Energy Balance Report	All	0,74 % reduction of energy losses	Operational Budget	Outcome	%	50% x Reduction of energy losses by at 30 June 2022	30-Jun-22	9% x Reduction of energy losses by at 30 June 2022	63% distribution losses comprise both technical losses (10%) and non-technical losses (53%). Previous financial year distribution Losses were at 72% and Current Financial year 2021/2022 distribution Losses are at 63% Ghost vending, illegal connections, lack of meter, shortage of personnel	Door to door change of SGC by the vending companies appointed, installation of meters, removal of ilegal connections.	1- Unacceptable
20	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Number of Street Lights to be maintained 30 June 2022	Installation of new street lights, retrofitting of existing streetlights, maintenance of existing streetlights	Director: Technical Services	Job Cards / Monthly Reports on Street Lights Maintained	All	0x Street Lights installed	Operational Budget	Outcome	%	300X Street Lights to be maintained by 30 June 2022	30-Jun-22	161X Street Lights to be maintained	Shortage of material	Appointment a panel of services providers for repairs of street lighting, stores to have spares to repair street lights	2-Not Fully Effective
21	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Number of High mast Lights to be maintained by June 2022	Maintenance of highmast lights	Director: Technical Services	Close -out Reports on High Mast Lights Maintained	All	11 XHigh Mast lights and 0x Street Lights installed	4 2 000 000	Outcome	%	20 X High mast Lights to be maintained by June 2022	30-Jun-22	51 X High mast Lights to be maintained by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	4- Above Expectations

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22	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Phyisic.Infra.&Enerav. Effic.	PI&EE2.1	Kilometres (KMs) of Roads rehabilitated by 30 June 2022	Roads rehabilitation	Director: Technical Services	Signed Monthly Report/ Photos	All	0.48 Kilometres (KMs) of Roads rehabilitated	Operational Budget	Output	#	3 km of Roads rehabilitated by 30 June 2022	30-Jun-22	0X Kilometres (KMs) of Roads rehabilitated	No budget and necessary equipment for road rehabilitation	Fastracking of Bid Process to appont a panel for road rehabilitation contractors	1- Unacceptable
23	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Phyisic.Infra.&Enerav. Effic.	PI&EE2.1	Square metres (m2) of tarred roads repaired and maintained by 30 June 2022	Tarred roads repaired and maintained	Director: Technical Services	Signed Monthly Report/ Photos	All	13756 m2 of tarred roads repaired and maintained	Operational Budget	Output	#	10000m2 of tarred roads repaired and maintained by 30 June 2022	30-Jun-22	17814,08 m2 of tarred roads repaired and maintained	Target achieved	No Remedial Action and Corrective Measures required	5- Outstanding
24	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Phyisic.Infra.&Enerav. Effic.	PI&EE2.1	Kilometres (KMs) of Gravel Roads maintained 30 June 2022	Gravel Road maintenance	Director: Technical Services	Signed Monthly Report/ Photos	All	165.4Kilometres(Kms) of Gravel Roads maintained	Operational Budget	Output	#	200 Kilometres(Kms) of Gravel Roads maintained by 30 June 2022	30-Jun-22	290,35 Kilometres(Kms) of Gravel Roads maintained by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	4- Above Expectations

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25	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Percentage (%) of spending on INEP funds by 30 June 2022	Electrification of houses Embalenhle Ext 22 (INEP) {(Actual expenditure divided by the total approved budget) x 100}	Director: Technical Services	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed INEP projects identified in terms of INEP funds	All	new	18 580 668.00	Outcome	%	100% spending of INEP funds by 30 June 2022	30-Jun-22	75% spending of INEP funds by 30 June 2022	Target met	No Remedial action required	2-Not Fully Effective
26	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Percentage (%) of spending on WSIG funds by 30 June 2022	Upgrade of Embalenhle Bulk Sewer Pipeline and Pumpstation (Ext 5) {(Actual expenditure divided by the total approved budget) x 100}	Director: Technical Services	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed WSIG projects identified in terms of WSIG funds	All	new	16 000 000	Outcome	%	100% spending of WSIG funds by 30 June 2022	30-Jun-22	8% spending of WSIG funds by 30 June 2022	Apply for roll-over on the 2021/2022 allocation	Apply for roll-over on the 2021/2022 allocation	1-Unacceptable
27	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Percentage (%) of spending on RBIG funds by 30 June 2022	Bulk Sewer Pipeline and {(Actual expenditure divided by the total approved budget) x 100} Pumpstation (Ext 24)	Director: Technical Services	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed RBIG projects identified in terms of RBIG funds	All	new	86 596 277.00	Outcome	%	90% spending of RBIG funds by 30 June 2022	30-Jun-22	49% spending of RBIG funds by 30 June 2022	No allocation of budget to proceed with the project	Apply for additional funding	2-Not Fully Effective

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28	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Percentage (%) of spending on EEDMS funds by 30 June 2022	CAPEX:The percentage of a municipality's capital budget spent on capital projects identified in the IDP for the2021/2022 financial year in terms of EEDMS) Energy efficiency and demand management side) Funds	Director: Technical Services	Financial calculations report from financial system on the total YTD amount of actual Capital expenditure of Listed EEDMS projects identified in terms of EEDMS funds	All	new	4 2 000 000	Outcome	%	90% spending of EEDMS funds by 30 June 2022	30-Jun-22	90% spending of EEDMS funds by 30 June 2022	Target met	No Remedial action required	3-Fully Effective
29	TECHNICAL SERVICES	To provide sustainable services, optimise operations and improve customer care	Physic.Infra.&Enerav. Effic.	PI&EE2.1	Number of Boreholes installed at Farms by 30 June 2022	Installation of Boreholes@Farms	Director: Technical Services	Monthly Report/ Completion certificates	All	new	3 000 000	Outcome	#	8X Boreholes installed at Farms by 30 June 2022	30-Jun-22	0X Boreholes installed at Farms by 30 June 2022	No allocation of budget	Proceed with procurement ASAP when national treasury gives go ahead for procurement	1-Unacceptable
KPA 3: ECONOMIC GROWTH AND DEVELOPMENT																			
30	PLANNING AND DEVELOPMENT	To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation	Econ.Grow.&Devel.	E&DEV4.1	Percentage (%) of Business Licenses finalised in terms of the set service standards by 30 June 2022	Finalisation of Business Licenses applications as per the service standard (30 days)	Director: Planning and Development	Copies of finalised Business Licenses	All	100% of Business Licenses finalised in terms of the set service standards	Operational Budget	Outcome	%	100% of Business Licenses finalised in terms of the set service standards by 30 June 2022	30-Jun-22	100% of Business Licenses finalised in terms of the set service standards by 30 June 2022	All Applications as received were finalised	No Remedial Action and Corrective Measures required	3-Fully Effective

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of			Target Type-Nr	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
31	PLANNING AND DEVELOPMENT	To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation	Econ.Grow.&Devel.	E&DEV4.1	Number of LED Summits held by 30 June 2022	Facilitate LED Summit	Director: Planning and Development	Minutes and Attendance registers	All	new	Operational Budget	Outcome	#	1x LED Summit held by 30 June 2022	30-Jun-22	0x LED Summit held by 30 June 2022	To be re- consider during new financial yer to incorporate green energy	Led Summit to be conducted during fy 2022/2023	1- Unacceptable
32	COMMUNITY SERVICES	To facilitate and create an enabling environment for diversified local economic development, social cohesion and job creation	Econ.Grow.&Devel.	E&DEV4.1	Number of job opportunities to be created through EPWP by 30 June 2022	Recruitment and appointment of beneficiaries through EPWP	Director: Community Services	Appointment letters/ Reports	All	166x Job opportunities to be created through EPWP by 30 June 2020	1 677 000	Outcome	#	300 x Job opportunities to be created through EPWP by 30 June 2022	30-Jun-22	348 x Job opportunities to be created through EPWP by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	4- Above Expectations
KPA 4: INSTITUTIONAL TRANSFORMATION																			
33	OFFICE OF THE MUNICIPAL MANAGER / Corporate Services	To enhance the capacity of human capital and deliver institutional transformation	Inst.Transform.	INST7.1	% Percentage of Approved vacancies filled within 6 months of approval by The Municipal Manager by 30 June 2022	Filling of approved vacancies within 6 months	Director: Corporate Services	Appointment Schedule	All	100% of approved vacancies	Operational Budget	Outcome	%	100% of approved vacancies filled within 6 months of approval by The Municipal Manager by 30 June 2022	30-Jun-22	75% of approved vacancies filled within 6 months of approval by The Municipal Manager by 30 June 2022	Appointments were made withing 6 months as well as outside 6 months	Ensure compliance to filling of vacancies within prescribed timelines	2-Not Fully Effective

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of			Target Type-Nr	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
34	OFFICE OF THE MUNICIPAL MANAGER/ Corporate Services	To enhance the capacity of human capital and deliver institutional transformation	Inst.Transform.	INST7.1	Number of Local Labour Forum Meetings supported by 30 June 2022	Support to the Local Labour Forum	Director: Corporate Services	Agenda and Minutes of LLF meetings	All	9 meeting Local Labour Forum supported	Operational Budget	Outcome	#	9 x Local Labour Forum Meetings supported by 30 June 2022	30-Jun-22	6x Local Labour Forum Meetings supported by 30 June 2022	LGE 2021 elections as well as delay in appointment of MMC's and committee members influence the seating of meetings	MMC's and committee members appointed. Meetings convened	2-Not Fully Effective
35	OFFICE OF THE MUNICIPAL MANAGER/ Corporate Services	To enhance the capacity of human capital and deliver institutional transformation	Inst.Transform.	INST7.1	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by 30 June 2022	Number of people employed (newly appointed) 'Appointments made in line with Employment Equity targets on the three highest levels of management	Director: Corporate Services	Employment Equity report /Employment Equity Plan and Workforce Profile	All	tbd at yeaeemplr end 100% None Compliance to Employment Equity targets	Operational Budget	Outcome	#	5x People from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan by 30 June 2022	30-Jun-22	6 x People from employment equity target groups employed in the three highest levels of management by 30 June 2022	Positions:1x MM, 3x RM'S, 1x Chief of Staff and 1x Manager in the Office of the Speaker	No Remedial Action and Corrective Measures required	3-Fully Effective
36	CORPORATE SERVICES	To enhance the capacity of human capital and deliver institutional transformation	INST7.1	INST7.1	Submission of Workplace Skills Plan to LGSETA by 30 April 2022	WSP submitted annually to LGSETA by 30 April	Director: Corporate Services	WSP Acknowledgement Report	All	1 x Workplace Skills Plan submitted to LGSETA	Operational Budget	Output	#	1 x Workplace Skills Plan submitted to LGSETA by 30 April 2022	30-Apr-22	1 x Workplace Skills Plan submitted to LGSETA by 30 April 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of			Target Type-Nr	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
37	CORPORATE SERVICES	To enhance the capacity of human capital and deliver institutional transformation	INST7.1	INST7.1	Percentage (%) of allocated budget spent on the implementation of the Workplace Skills Plan by 30 June 2022	Monitor of training interventions/ training budgte as per the Workplace skills plan WSP	Director: Corporate Services	Financial and Training reports	All	99,67% % of allocated budget spent on the implementation of the Workplace Skill	Operational Budget	Output	%	100% of allocated budget spent on the implementation of the Workplace Skills Plan by 30 June 2022	30-Jun-22	23% of allocated budget spent on the implementation of the Workplace Skills Plan by 30 June 2022	SCM challenges and delays n appointment of services providers	Constant interventions with CFO to address challenges	2-Not Fully Effective
38	CORPORATE SERVICES	To enhance the capacity of human capital and deliver institutional transformation	INST7.1	INST7.1	Percentage % of Training Budget annually recovered from LGSETA by 30 June 2022	Recovering of Training Budget spent from the LGSETA	Director: Corporate Services	Financial and Training reports/ Confirmation report from LGSETA	All	new	Operational Budget	Output	%	40% of Training Budget recovered from LGSETA by 30 June 2022	30-Jun-22	46% of Training Budget recovered from LGSETA by 30 June 2022	No control over LGSETA allocations	indicator to be remove durin new financial year	4- Above Expectations
KPA 5: SPATIAL INTEGRATION AND SAFE PROTECTED ENVIRONMENT																			
39	COMMUNITY SERVICES	To develop spatially integrated, safe communities and a protected environment	Safety&Env.	S&ENV5.1	Review the Disaster Management Plan and submit to Council for approval by 31 May 2022	Disaster Management Plan reviewed	Director: Community Services	Reviewed Disaster Management Plan and Council resolution	All	1X Reviewed Disaster Management Plan	Operational Budget	Output	%	1x Reviewed Disaster Management Plan to Council for approval by 31 May 2022	31-May-22	1x Disaster Management Plan reviewd for Council approval by 31 May 2022	Disaster management plan reviewed see Council resolution A072/05/2022	No Remedial Action and Corrective Measures required	3-Fully Effective
40	COMMUNITY SERVICES	To develop spatially integrated, safe communities and a protected environment	Safety&Env.	S&ENV5.1	Percentage (%) of fire fighting response attended to in compliance to Service Standards response time by 30 June 2022	Attend to fire fighting response in compliance to Service Standards response time	Director: Community Services	Quarterly report on response to fire fighting response	All	84% Adherence to fire fighting response	Operational Budget	Outcome	%	80% Adherence to fire fighting response on a Quarterly basis by 30 June 2022	30-Jun-22	84% Adherence to fire fighting response by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
KPA 6: GOVERNANCE AND STAKEHOLDER PARTICIPATION																			

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41	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Percentage (%) of council resolutions implemented by 30 June 2022	Implementation of Council resolutions by Departments	Municipal Manager	Council resolution register and supporting documents	All	97% of council resolutions implemented	Operational Budget	Outcome	%	100% of council resolutions implemented in the specified timeframes by 30 June 2022	30-Jun-22	98% of council resolutions implemented in the specified timeframes by 30 June 2022	A total of 165 reports were tabled to council which 162 resolutions were implemented . Management or administration have no control on council decision to either refer or withdraw reports especially where there is no legislative mandate to approve.	Resubmission of reports to council after having portfolio committees reconsidering the importance of reports.	3-Fully Effective
42	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Percentage (%) Implementation of the Audit Plan by 30 June 2022	Execution of Audits as per the Audit plan 2021/2022	Municipal Manager	Quarterly Internal Audit Report and Minutes of Audit Committee meetings	All	100 % Implementation of All the audit activities were implemented as per the audit plan	Operational Budget	Output	%	100 % Implementation of the Audit Plan by 30 June 2022	30-Jun-22	60% Implementation of the Audit Plan by 30 June 202	(15 of 25 audits) of internal audit plans implemeted. 1. User departments requestd to shift the audit during the AGSA audit cycle, and 2. Internal audit received a number of ad-hoc audits from the office of the MM which let to lost time on planne activities.	Outstanding audit to be finalised and reported to the audit and performance committee.	2-Not Fully Effective
43	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of Strategic Risk registers reviewed by 30 June 2022	Reviewed the Strategic Risk Register by June annually	Municipal Manager	Reviewed Strategic Risk register / RMC minutes	All	1X Strategic Risk register	Operational Budget	Output	#	1X Strategic Risk register reviewed by 30 June 2022	30-Jun-22	1x Strategic Risk register has been reviewed and adopted by the RMC	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

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44	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Percentage (%) Mitigation of Strategic Risk register by 30 June 2022	Monitoring Risk Register 2021/2022	Municipal Manager	Progress report on risk management and Minutes of Risk Committee	All	55% of Strategic Risk mitigated	Operational Budget	Output	%	80 % of Strategic Risk mitigated by 30 June 2022	30-Jun-22	50 % of Strategic Risk mitigated by 30 June 2022	Lack of financial resources to mitigate the risk	The Municipality needs to improve financial resources as to allocate resources adequately	2-Not Fully Effective
45	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Percentage (%) of Audit Committee recommendations implemented by 30 June 2022	Implementation of Audit Committee Recommendations by departments	Municipal Manager	Minutes of Audit committee meetings, Audit Committee Recommendations register and supporting documents	All	76% of recommendations have been implemented	Operational Budget	Output	%	100% of Audit Committee recommendations implemented by 30 June 2022	30-Jun-22	75% Audit Committee recommendations implemented by 30 June 2022	Slow implementation of audit committee recommendations	Progress to be reported to the Audit and performance committee, municipala manager and later to council	2-Not Fully Effective
46	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of Signed performance agreements of S54A and Senior Managers, S56) finalised by 31 July 2021	Facilitate and ensure timeous development and signing of Performance agreements for Section 57 Managers as signed within 30 days in terms of section 57 of the MSA within prescribed timeframe	Municipal Manager	Signed performance greement 2021/2022 for S54A and S56 Managers	Facilitation Conclusion of Performance agreements- 2017/2018 for S54 and S56 managers	6 X Signed Performance Agreements for appointed S54A and S56 Managers	Operational Budget	Output	#	6 x Signed Performance Agreements for S54A and S56 Manager finalised by 31 July 2021	31-Jul-21	6 x Signed Performance Agreements for S54A and S56 Manager finalised by 30 July 2021	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

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47	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of formal performance reviews for section 57 employees conducted by 30 June 2022	Evaluate the performance of Section 57 managers in terms of their signed agreements Quarterly Performance reviews co-ordinated	Municipal Manager	Evaluation sheets completed and Attendance Register	Facilitation Conclusion of Performance Review for Section 57	0x Formal Evaluation for S54A and S56 Managers	Operational Budget	Output	#	2x Formal performance reviews for section 57 employees conducted by 30 June 2022	30-Jun-22	1x Formal performance reviews for section 57 employees conducted by 30 June 2022	Evaluations were conducted at the Departmental level and not Individual level. Departmental SDBIP's Assessments conducted for each HOD. Quarter 4 and Overall Financial year 2021/2022 on 05 and 06 August 2021	Notify Office of the Municipal Manager on conducting of the PMS activity	1- Unacceptable
48	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of informal performance reviews for section 57 employees conducted by 30 June 2022	Evaluate the performance of Section 57 managers in terms of their signed agreements Quarterly Performance reviews co-ordinated	Municipal Manager	Evaluation sheets completed and Attendance Register	Facilitation Conclusion of Performance Review for Section 57	0x Formal Evaluation for S54A and S56 Managers	Operational Budget	Output	#	2x Informal performance reviews for section 57 employees conducted by 30 June 2022	30-Jun-22	2x Informal performance reviews for section 57 employees conducted by 30 June 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
49	OFFICE OF THE MUNICIPAL MANAGER	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of ward committee meetings held by 30 June 2022	Ward committee support	Municipal Manager	Agenda, Attendance Register and Minutes of each ward committee meeting held	All	232 x Ward Committee Meetings held	Operational Budget	Output	#	256 X Ward committee meetings held by 30 June 2022	30-Jun-22	61 X Ward committee meetings conducted by 30 June 2022	Some of the wards did notsubmit the minjutes some did not convene meeting, other councillors are new they don't know what to do	The Speaker of Council and the Whip should reprimad those councillors and we have assigned the PPOs to assist those who are struggling to convene meetings because of lack of knowledge	2-Not Fully Effective

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50	FINANCE	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Review and updating of the Indigent register by 30 June 2022	Annual review and update of the Indigent Register (FY2021/2022)	Director: Financial Services (CFO)	Updated Reviewed Indigent Register and Council resolution	All	0 Indigent register reviewed and updated Rollover the indigent database for FY 2021	Operational Budget	Activity	#	1x Indigent register reviewed and updated by 30 June 2022	30-Jun-22	1x Indigent register reviewed by 30 June 2022	Indigent register reviewed , awaiting verification.	No Remedial Action and Corrective Measures required	2-Not Fully Effective
51	Municipal Manager	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Submit the Annual Financial statements (AFS) 2020/2021 to the Office of the Auditor-General by 31 August 2021	Submit the Annual Financial statements (AFS) to the Office of the Auditor-General annually by 31 August	Municipal Manager /CFO	Acknowledgement Letter by AG on submission of the Financial statement (AFS) 2020/2021	All	1XAnnual Financial statements (AFS)	Operational Budget	Output	#	1XAnnual Financial statements (AFS) 2020/2021 submitted to the office of the Auditor General by 31 August 2021	31-Aug-21	1XAnnual Financial statements (AFS) submitted to the Auditor General by 31 August 2021	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective
52	Municipal Manager	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Submit the Audited 2020/2021 Annual Report (Section 121 MFMA) to Council by 31 January 2022	Audited Annual Report (Section 121 of MFMA) submitted annually to Council by January	Municipal Manager / CFO	Audited Annual Report(Section 121 of MFMA) / Council resolution	All	1X Annual Report	Operational Budget	Output	#	1X Audited 2020/2021 Annual Report (Section 121 MFMA) submitted to Council by 31 January 2022	31-Jan-22	1X Audited 2020/2021 Annual Report (Section 121 MFMA) prepared and submitte don the 24 March 2022	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

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53	FINANCE	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Unqualified audit opinion on AFS by 30 November 2021	Prepared AFS for submission to the Auditor General annually by August	Director: Financial Services (CFO)	Auditor General Report 2020/2021	All	1 x Disclaimer Opinion for FY 2019/2020 obtained	Operational Budget	Outcome	#	1x Unqualified AFS Opinion for FY 2020/2021 by 30 November 2021	30-Nov-21	1x Qualified AFS Opinion 2020/2021	The audit outcome of the municipality has improved from disclaimer of opinion to qualified opinion.due to limited assurance and inadequately reviews of the AFS and annual performance report submitted for auditing, to ensure that are not free from material misstatements and compliance was not adequately monitored.	An action plan has been prepared for implementation and monitoring thereof as per the audit findings issued	1- Unacceptable
54	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of ordinary council meetings agendas facilitated per annum by 30 June 2022	Effective functioning of council measured by the functionality on the number of ordinary council meetings per annum	Director: Corporate Services	Agenda, Attendance Register and Minutes of each council meetings held	All	new	Operational Budget	Outcome	%	10X Ordinary council meetings agendas facilitated annum by 30 June 2022	30-Jun-22	9x Ordinary council meetings agendas facilitated by 30 June 2022	No council activites during December due to council being in resess.	n/a	3-Fully Effective
55	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of ExCo or Mayoral Executive meetings agendas facilitated held per annum by 30 June 2022	Effective functioning of the committee system measured by the functionality on the number of Exco or Mayoral meetings held per annum	Director: Corporate Services	Agenda, Attendance Register and Minutes of committee meeting held	All	new	Operational Budget	Outcome	%	10X ExCo or Mayoral Executive meetings agendas facilitated per annum by 30 June 2022	30-Jun-22	9 X ExCo or Mayoral Executive meetings agendas facilitated as per Council works programme	LGE 2022 elections as well as delay in appointment of MMC's and committee members influence the seating of meetings	MMC's and committee members appointed. Meetings are held	3-Fully Effective

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		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of			Target Type-Nr	Overall Performance for the Financial Year 2021/2022	Reasons for performance status		Remedial Action and Corrective Measures
56	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Number of MPAC meetings agendas facilitated per annum by 30 June 2022	Effective functioning of the committee system measured by the functionality on the number of MPAC committees meetings held to ensure oversight and accountability per annum	Director: Corporate Services	Agenda, Attendance Register and Minutes of committee meeting held	All	new	Operational Budget	Outcome	%	4 X MPAC meetings agendas facilitated per annum by 30 June 2022	30-Jun-22	5 x MPAC Meetings Held	Target achieved	No Remedial Action and Corrective Measures required	1- Unacceptable
57	CORPORATE SERVICES	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Annual Adoption of Oversight report by Council by 31 March 2022	Oversight report 2020/2021 adopted annually by council by March (Section 129 of MFMA)	Municipal Manager	Council Resolution / Oversight report	All	1X Approved Oversight report	Operational Budget	Output	#	1 X Oversight report adopted by council by 31 March 2022	31-Mar-22	0X Oversight report adopted by 31 March 2022	The Oversight report is pending finalisation of the MPAC Committee Changes in MPAC affected the work of the committee as there was no hand over report prepared for the new chairperson.	Appointment of new MPAC Chairperson . MPAC must urgently consider the oversight report on the Annual Report for 2020/2021 and in future when there are changes in leadership, hand over reports be mandatory	1- Unacceptable
58	PLANNING AND DEVELOPMENT	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	New 5th Generation IDP compiled and approved by Council before the end of 30 June 2022	New 5th Generation IDP compiled and submitted to Council for consideration/ IDP 2022/2023-2026/2027 approved by the end of June annually	Director: Planning and Development	Council resolution/ Approved IDP	All	1X IDP approved by Council	Operational Budget	Output	#	1x New 5th Generation IDP 2022/2023-2026/2027 compiled and approved by Council before the end of 30 June 2022	31-May-22	1x New 5th Generation IDP 2022/2023-2027/2028 compiled and approved by Council before the end of 30 June 2022	Target met	No Remedial action required	3-Fully Effective

GOVAN MBEKI MUNICIPALITY
MUNICIPAL HIGH LEVEL SCORECARD (TOP LAYER) SDBIP 2021-2022
PERFORMANCE STATUS :01 JULY 2021-30 JUNE 2022
OVERALL PERFORMANCE REPORTING (SECTION 46, ANNUAL PERFORMANCE REPORTING)

NO	DEPARTMENT	MUNICIPAL STRATEGY LINK			MUNICIPAL DELIVERY									TARGETS FY 2021/2022	Target Date	OVERALL PERFORMANCE STATUS FINANCIAL 2021/2022 APR REPORTING SECTION 46			Performance Legend Overall Performance 01 July 2021 - 30 June 2022
		Strategic objective(SO)	IDP linkage	IDP Strategy number	INDICATORS	Activity (ies), Programme(s), Capital Projects	KPI OWNER	Evidence (POE)	Wards	Baseline as at 30 June 2020	Annual Budget Allocation	Type of	Target Type-Nr			Overall Performance for the Financial Year 2021/2022	Reasons for performance status	Remedial Action and Corrective Measures	
59	PLANNING AND DEVELOPMENT	To ensure good governance and the participation of stakeholders.	Govern. & Stake.Part.	GOV&SP1.1	Submit the Annual Performance Report in terms of Section 46 of the Municipal Systems Act to Auditor General by 31 August 2021	Comply and Submit Annual Performance Report to theAuditor General by 31 August annually	Director: Planning and Development	Acknowledgement Letter by AG on submission of the Annual Performance Report (MSA Sec 46) report 2020/2021	All	1x Annual Performance Report	Operational Budget	Output	#	1X Annual Performance Report in terms of Section 46 of the Municipal Systems Act submitted to the Auditor General by 31 August 2021	31-Aug-21	1X Annual Performance Report in terms of Section 46 of the Municipal Systems Act submitted on 31 August 2021 to the Auditor General 2021	Target achieved	No Remedial Action and Corrective Measures required	3-Fully Effective

CONCLUSION

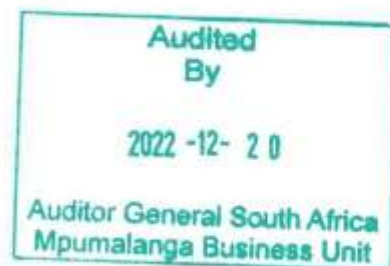
Performance management provides the mechanism to measure whether targets, strategic goals set by the organisation and its employees, are met. It is a strategic approach to management. It is a process which measures the implementation of the organisation's development and growth strategy

The Municipal Systems Act (MSA), 2000 stipulated and requires that municipalities establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

Performance management is of crucial importance to ensure that plans are being implemented, that they are having the desired development impact, and that resources are being used efficiently.

VOLUME II: ANNUAL FINANCIAL STATEMENTS

GOVAN MBEKI MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022



Govan Mbeki Municipality

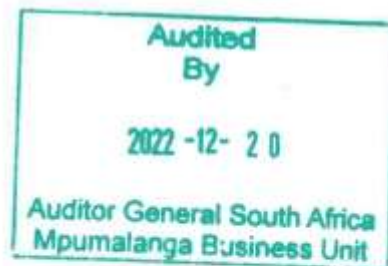
Annual Financial Statements for the year ended 30 June 2022

General Information

Mayoral committee

Executive Mayor
Chief Whip of Council
Speaker of Council
Chairperson of MPAC
Councillors

Zuma NG
Mtsweni MJ
Magagamela FF
Sibanyoni SI
Mahlangu SV
Maseko JM
Mnyukana MD
Sindelo S
Chamberlain M
Sibanyoni SI
Nkwanyana SE
Phungwayo SM
Vilakazi P
Ngwenya LP
Sehlalo MS
Makhado TC
Zwane PJ
Nkabinde ER
Tesner J
Van Marle HE
Mazibuko SJ
Kubheka MA
Van Rooyen EJ
Madonsela NR
Maluka JM
Mtsweni TP
Mazibuko TE
Mtshali PD
Erasmus D
Mbokazi AV
Kleynhans T
Masinga MM
Mthembu BE
Chauke EW
De Vries GR
Masango JS
Jonker L
Khoza D
Mabizela TM
Masina NA
Ziwele L
Ndwanyaza PN
Mathebula SB
Mkhwanazi SM
Mikwebane ZA
Mofokeng TS
Mahlangu J
Moloto BD
Mtshane AN



Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

	Mtombeni JL Mntungwa CM Mazibuko TM Nel-Buitendag AD Ngxonono YT Nkabinde JB Nkosi M Nkuna MM Nsibande ME Petterson VL Seimela T Sierana GC Thukwane KS Van Huyssteen AC
Grading of local authority	B4 High
Accounting Officer	Maseko EN
Acting Chief Financial Officer	Nkhata VB
Registered office	Horwood Street Secunda 2302
Business address	Horwood Street Secunda 2302
Postal address	Private Bag X1017 Secunda 2302
Bankers	Standard Bank
Auditors	Auditor-General of South Africa
Attorneys	Cronje De Waal & Skhosana Attorneys Mthimunya Attorneys TMN Kgomo Attorneys Ramathe MJ Inc Tau Phalane Inc Dikotope Attorneys JL Raphiri Inc Els Louw Kgabo Serokolo Attorneys S'busiso Simelane Attorneys Leepile Attorneys
Demarcation Code	MP307



Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

General Information

Legislation governing Municipality's operation

Local Government : Municipal Finance Management Act (Act No.56 of 2003)

Local Government: Municipal Systems Act (Act no.32 of 2000)

Local Government: Municipal Structures Act(Act no.117 of 1998)

Constitution of the Republic of South Africa (Act no. 108 of 1996)

Municipal Property Rates Act (Act no 6 of 2004)

Division of Revenue Act (Act no.1 of 2007)

**Audited
By**

2022 -12- 20

**Auditor General South Africa
Mpumalanga Business Unit**

Govan Mbeki Municipality

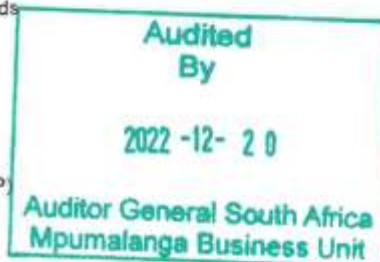
Annual Financial Statements for the year ended 30 June 2022

Index

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
MSCOA	Municipal Standard Chart of Accounts
ASB	Accounting Standards Board
CIGFARO	Chartered Institution of Government Finance, Audit and Risk Officers



Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Officer's Responsibilities and Approval

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

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

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

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

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

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2023 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The municipality is dependent on funding and continued internally generated funding for operations, in this regard the Financial Recovery Plan has been developed and approved by council. The annual financial statements are prepared on the basis that the municipality is a going concern and that the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer is primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2022 and were signed on its behalf by:

Accounting Officer
Maseko EN



Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2022.

1. Review of activities

Main business and operations

Net deficit of the municipality was 697 345 472 (2021: deficit 608 885 423).

2. Going concern

We draw attention to the fact that at 30 June 2022, the municipality had an accumulated surplus(deficit) as stipulated above, and that the municipality's total Liabilities exceeds their assets as depicted in the Statement of Financial Position.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

During the 2019 /2020 financial year, the Provincial Executive of the Mpumalanga Provincial Government intervened in the municipality in terms of 139 (1) (b) the Constitution and Section 135(9) of the constitution read with section 139 of the Municipal Finance Management Act (MFMA Act No 56 of 2003. As part of the intervention by the Provincial Executive, the Municipal Financial Recovery Plan was developed for Govan Mbeki Local Municipality

The primary responsibility of the plan is to resolve the financial challenges, reduce the debts and improve revenue collection. The plan is monitored by Council to ensure successful implementation and it places significant responsibility to the Accounting Officer and other Senior Managers.

The municipality continues to implement the Financial Recovery Plan and other revenue strategies together with the Budget Finding plan , with the aim to improve its financial stability .

3. Subsequent events

The accounting officer would like to bring attention that there is no subsequent event that required to be reported in the financial year 2022

4. Accounting Officer's interest in contracts

The accounting officer does not have any direct or indirect interest's in contracts.

5. Accounting policies

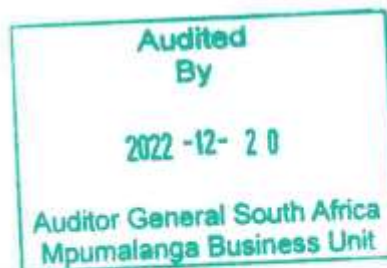
The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

6. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:

Mr EN Maseko
Mrs EK Tshabalala
Mr SF Mndebele

Appointed 20 June 2022
Acting ended 17 June 2022
Contract terminated 16 July 2021



Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Officer's Report

7. Corporate governance

General

The accounting officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

The municipality confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The accounting officer discuss the responsibilities of management in this respect, at Board meetings and monitor the municipality's compliance with the code on a three monthly basis.

The salient features of the municipality's adoption of the Code is outlined below:

Audit and risk committee

Audit committee members appointed are as follows:

Name	Position	Date appointed
Ms Sophie Molokoane Machika	Chairperson	April 2018
Mr Siyakhula Simelane	Member	December 2019
Mr Thokozani Tshabalala	Member	December 2019
Ms Sijabulile Makhathini	Member	December 2019
Ms Princess Mangoma	Member	Appointed December 2016(Contract ended December 2021

Internal audit

The municipality has a fully functional internal audit unit. This is in compliance with the Municipal Finance Management Act, 2003.

8. Auditors

Auditor-General of South Africa will continue in office for the next financial period.

The annual financial statements set out on page 6, which have been prepared on the going concern basis, were approved by the accounting officer 31 August 2022 and were signed on its behalf by:

Accounting Officer
Maseko EN

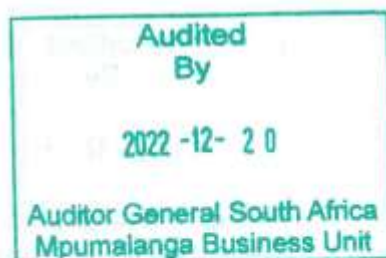


Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Position as at 30 June 2022

Figures in Rand	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Inventories	11	31 938 723	25 856 296
Receivables from exchange transactions	12&15	272 960 668	197 851 405
Receivables from non-exchange transactions	13&15	77 746 332	63 430 510
VAT receivable	14	133 482 770	87 251 250
Long term receivables	9	3 187 895	6 025 105
Other receivables	10	48 749 389	42 194 886
Cash and cash equivalents	16	256 445 813	203 199 683
		824 511 590	625 809 135
Non-Current Assets			
Investment property	3	1 148 475 101	1 150 967 101
Property, plant and equipment	4	1 674 458 515	1 715 241 111
Intangible assets	5	236 184	351 762
Heritage assets	6	5 430 550	5 430 550
Other financial assets	7	14 588 011	13 811 858
Prepayments		-	9 238 076
Long term receivables	9	812 485	3 836 608
		2 844 000 846	2 898 877 066
Total Assets		3 668 512 436	3 524 686 201
Liabilities			
Current Liabilities			
Other financial liabilities		-	1
Finance lease obligation	17	294 842	(1)
Payables from exchange transactions	21	3 819 058 376	3 009 383 087
Trade payable from non-exchange)	22	21 819 301	19 170 707
Consumer deposits	23	29 017 252	27 334 172
Employee benefit obligation	8	2 701 294	3 477 717
Unspent conditional grants and receipts	18	81 826 917	100 789 119
Provisions	19	36 421 145	30 243 802
Long Service Awards	20	3 887 060	2 251 008
Payments received in advance		62 225 233	49 565 945
		4 057 251 420	3 242 215 557
Non-Current Liabilities			
Finance lease obligation	17	426 543	-
Employee benefit obligation	8	41 295 807	47 729 482
Provisions	19	293 198 286	274 038 111
Long Service Awards	20	34 519 336	33 518 290
		369 439 772	355 285 883
Total Liabilities		4 426 691 192	3 597 501 440
Net Assets		(758 178 756)	(72 815 239)
Accumulated surplus		(758 178 756)	(72 815 239)
Total Net Assets		(758 178 756)	(72 815 239)



Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Financial Performance

Figures in Rand	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	25	1 312 130 088	1 258 672 512
Rental of facilities and equipment	26	9 024 392	5 764 166
Interest received - trading		118 780 539	63 785 626
Fees earned	28	7 521 158	6 737 471
Other income	29	1 673 747	80 562 005
Interest received - investment	30	9 052 338	7 607 849
Gain on disposal of assets and liabilities		3 774 021	-
Fair value adjustments	43	-	43 618 671
Actuarial gains		10 082 711	1 776 391
Dividends received - investment	30	228 085	-
Total revenue from exchange transactions		1 472 267 079	1 468 524 691
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	31	372 876 661	351 685 842
Interest - Taxation revenue		11 067 174	5 468 835
Transfer revenue			
Government grants and subsidies	33	461 821 379	491 167 240
Fines, penalties and forfeits	27	13 807 813	7 897 244
Insurance claims		3 274 846	405 591
Total revenue from non-exchange transactions		862 847 873	856 624 752
Total revenue		2 335 114 952	2 325 149 443
Expenditure			
Employee related costs	34	(565 160 347)	(561 283 638)
Remuneration of councillors	35	(24 398 129)	(24 873 470)
Depreciation and amortisation	36	(165 819 397)	(213 422 025)
Impairments assets	37	(2 533 263)	(24 244 405)
Finance costs	38	(195 339 781)	(111 189 529)
Debt impairment	39	(553 359 132)	(490 036 239)
Bulk purchases	40	(1 143 636 477)	(1 053 561 405)
Contracted services	41	(136 881 278)	(114 378 768)
Transfers and subsidies	32	(30 797 286)	(43 902 977)
Loss on disposal of assets and liabilities		-	(11 266 709)
Fair value adjustments		(105 409)	-
Inventories losses/write-downs		(1 247 024)	-
General expenses	42	(213 182 901)	(155 384 303)
Total expenditure		(3 032 460 424)	(2 803 543 468)
Deficit for the year		(697 345 472)	(478 394 025)

Audited
By
2022 -12- 20
Auditor General South Africa
Mpumalanga Business Unit

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2020	405 578 786	405 578 786
Changes in net assets		
Surplus for the year	(478 394 025)	(478 394 025)
Total changes	(478 394 025)	(478 394 025)
Opening balance as previously reported	(195 131 070)	(195 131 070)
Adjustments		
Correction of errors	134 297 786	134 297 786
Restated* Balance at 01 July 2021 as restated*	(60 833 284)	(60 833 284)
Changes in net assets		
Surplus for the year	(697 345 472)	(697 345 472)
Total changes	(697 345 472)	(697 345 472)
Balance at 30 June 2022	(758 178 756)	(758 178 756)
Note(s)		

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2022-12-20

Auditor General South Africa
Mpumalanga Business Unit

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Cash Flow Statement

Figures in Rand	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 025 613 219	1 051 231 471
Grants		442 859 177	555 733 893
Interest income		138 900 051	73 350 653
Other receipts		48 848 475	21 279 639
		<u>1 654 220 922</u>	<u>1 701 595 656</u>
Payments			
Employee costs		(589 558 476)	(585 224 694)
Suppliers		(721 849 971)	(882 338 795)
Finance costs		(164 529 693)	(92 983 670)
		<u>(1 475 938 140)</u>	<u>(1 560 547 159)</u>
Net cash flows from operating activities	46	178 282 782	141 048 497
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(133 727 343)	(115 988 525)
Proceeds from sale of property, plant and equipment	4	8 096 886	-
Purchase of investment property	3	(1 460 000)	-
Proceeds from sale of investment property	3	1 503 256	1 158 000
Purchase of other intangible assets	5	(132 270)	-
		<u>(125 719 470)</u>	<u>(114 830 525)</u>
Net cash flows from investing activities		(125 719 470)	(114 830 525)
Cash flows from financing activities			
Movement in other financial liability		-	(1 170 125)
Finance lease payments		682 819	(418 458)
		<u>682 819</u>	<u>(1 588 583)</u>
Net cash flows from financing activities		682 819	(1 588 583)
Net increase/(decrease) in cash and cash equivalents		53 246 131	24 629 389
Cash and cash equivalents at the beginning of the year		203 199 683	178 570 294
Cash and cash equivalents at the end of the year	16	256 445 814	203 199 683

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By
2022 -12- 20
Auditor General South Africa
Mpumalanga Business Unit

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis



	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1 580 076 000	-	1 580 076 000	1 312 130 088	(267 945 912)	
Rental of facilities and equipment	4 922 000	-	4 922 000	9 024 392	4 102 392	
Interest received - trading	204 169 000	-	204 169 000	118 780 539	(85 388 461)	
Fees earned	-	-	-	7 521 158	7 521 158	
Other income	-	-	-	1 673 747	1 673 747	
Interest received - investment	14 146 000	-	14 146 000	9 052 338	(5 093 662)	
Dividends received - investment	22 000	-	22 000	228 085	206 085	
Total revenue from exchange transactions	1 803 335 000	-	1 803 335 000	1 458 410 347	(344 924 653)	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	371 135 000	-	371 135 000	372 876 661	1 741 661	
Transfer revenue						
Government grants and subsidies	488 198 000	38 947 000	527 145 000	461 821 379	(65 323 621)	
Fines, penalties and forfeits	36 077 000	-	36 077 000	13 807 813	(22 269 187)	
Other transfer revenue 1	15 311 000	-	15 311 000	-	(15 311 000)	
Insurance income	-	-	-	3 274 846	3 274 846	
Total revenue from non-exchange transactions	910 721 000	38 947 000	949 668 000	851 780 699	(97 887 301)	
Total revenue	2 714 056 000	38 947 000	2 753 003 000	2 310 191 046	(442 811 954)	
Expenditure						
Employee costs	(649 552 000)	14 847 000	(634 705 000)	(565 160 347)	69 544 653	
Remuneration of councillors	(30 591 000)	-	(30 591 000)	(24 398 129)	6 192 871	
Depreciation and amortisation	(154 535 488)	-	(154 535 488)	(165 819 397)	(11 283 909)	
Impairment loss/ Reversal of impairments	-	-	-	(2 533 263)	(2 533 263)	
Finance costs	(129 058 000)	406 000	(128 652 000)	(195 339 781)	(66 687 781)	
Debt impairment	(202 186 000)	-	(202 186 000)	(553 359 132)	(351 173 132)	
Bulk purchases	(570 081 000)	14 000 000	(556 081 000)	(1 143 636 477)	(587 555 477)	
Contracted services	(256 875 111)	(18 191 000)	(275 066 111)	(136 881 278)	138 184 833	
Transfers and subsidies	(6 243 000)	(19 990 000)	(26 233 000)	(30 797 286)	(4 564 286)	
General expenses	(493 508 000)	(12 089 000)	(505 597 000)	(213 182 901)	292 414 099	
Total expenditure	(2 492 629 599)	(21 017 000)	(2 513 646 599)	(3 031 107 991)	(517 461 392)	
Gain/(Loss) on disposal of assets and liabilities	-	-	-	3 774 021	3 774 021	
Fair value adjustments	-	-	-	(105 409)	(105 409)	
Actuarial gains/losses	-	-	-	10 082 711	10 082 711	
Inventories losses/write-downs	-	-	-	(1 247 024)	(1 247 024)	
	-	-	-	12 504 299	12 504 299	

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Deficit before taxation	221 426 401	17 930 000	239 356 401	(708 412 646)	(947 769 047)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	221 426 401	17 930 000	239 356 401	(708 412 646)	(947 769 047)	

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2022-12-20
Auditor General South Africa
Mpumalanga Business Unit

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

Auditor General South Africa
Mpumalanga Business Unit

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference

Figures in Rand

Statement of Financial Position

Assets

Current Assets

Inventories	22 878 000	1 012 000	23 890 000	31 938 723	8 048 723	
Receivables from exchange transactions	-	-	-	261 954 339	261 954 339	
Receivables from non-exchange transactions	679 844 000	-	679 844 000	77 746 332	(602 097 668)	
VAT receivable	-	-	-	134 233 452	134 233 452	
Long term receivables	-	-	-	3 187 895	3 187 895	
Other receivables	1 099 002 000	-	1 099 002 000	48 749 389	(1 050 252 611)	
Cash and cash equivalents	22 649 000	60 383 000	83 032 000	256 445 813	173 413 813	
	1 824 373 000	61 395 000	1 885 768 000	814 255 943	(1 071 512 057)	

Non-Current Assets

Investment property	963 250 000	-	963 250 000	1 148 475 101	185 225 101	
Property, plant and equipment	2 075 179 000	(813 000)	2 074 366 000	1 674 458 515	(399 907 485)	
Intangible assets	3 852 000	(2 200 000)	1 652 000	236 184	(1 415 816)	
Heritage assets	5 647 000	-	5 647 000	5 430 550	(216 450)	
Other financial assets	13 807 000	-	13 807 000	14 588 011	781 011	
Long term receivables	41 092 000	-	41 092 000	812 485	(40 279 515)	
	3 102 827 000	(3 013 000)	3 099 814 000	2 844 000 846	(255 813 154)	

Total Assets

	4 927 200 000	58 382 000	4 985 582 000	3 658 256 789	(1 327 325 211)	

Liabilities

Current Liabilities

Other financial liabilities	-	-	-	1	1	
Finance lease obligation	115 071 000	-	115 071 000	294 842	(114 776 158)	
Payables from exchange transactions	3 497 048 000	25 336 000	3 522 384 000	3 819 058 376	296 674 376	
Taxes and transfers payable (non-exchange)	-	-	-	21 819 301	21 819 301	
Consumer deposits	27 681 000	-	27 681 000	29 017 252	1 336 252	
Employee benefit obligation	-	-	-	2 701 294	2 701 294	
Unspent conditional grants and receipts	-	-	-	81 826 917	81 826 917	
Provisions	1 750 000	-	1 750 000	36 421 145	34 671 145	
Long Service Awards	-	-	-	3 887 060	3 887 060	
Payments received in advance	-	-	-	62 225 233	62 225 233	
	3 641 550 000	25 336 000	3 666 886 000	4 057 251 421	390 365 421	

Non-Current Liabilities

Other financial liabilities	-	-	-	(1)	(1)	
Finance lease obligation	(114 261 000)	-	(114 261 000)	426 543	114 687 543	
Employee benefit obligation	-	-	-	41 295 607	41 295 607	
Provisions	195 135 000	-	195 135 000	293 198 286	98 063 286	
Long Service Awards	-	-	-	34 519 336	34 519 336	
	80 874 000	-	80 874 000	369 439 771	288 565 771	

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Total Liabilities	3 722 424 000	25 336 000	3 747 760 000	4 426 691 192	678 931 192	
Net Assets	1 204 776 000	33 046 000	1 237 822 000	(768 434 403)	(2 006 256 403)	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	1 204 776 000	33 046 000	1 237 822 000	(767 447 029)	2 005 269 029	
Undefined Difference	-	-	-	(987 374)	(987 374)	
Total Net Assets	1 204 776 000	33 046 000	1 237 822 000	(767 447 029)	(2 005 269 029)	

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Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Appropriation Statement

Figures in Rand

Original budget	Budget adjustments (i.t.o. s28 and budget s31 of the MFMA)	Final adjustments	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget



Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Appropriation Statement

Figures in Rand

Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome

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Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Municipal Government Unit (i.t.o. council approved policy)	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final original budget
2022									
Financial Performance									
Property rates	227 307 483	(227 307 483)		-	-	- 372 876 661		372 876 661	DIV/0 % 164 %
Service charges	1 461 859 214	(1 461 859 214)		-	-	- 1 312 130 088		1 312 130 088	DIV/0 % 90 %
Investment revenue	14 145 516	(14 145 516)		-	-	- 9 280 423		9 280 423	DIV/0 % 66 %
Transfers recognised - operational	363 884 678	(363 884 678)		-	-	- 369 055 514		369 055 514	DIV/0 % 101 %
Other own revenue	123 647 263	(123 647 263)		-	-	- 186 994 621		186 994 621	DIV/0 % 151 %
Total revenue (excluding capital transfers and contributions)	2 190 844 154	(2 190 844 154)		-	-	- 2 250 337 307		2 250 337 307	DIV/0 % 103 %
Employee costs	(636 900 442)	636 900 442		-	-	- (565 160 347)		(565 160 347)	DIV/0 % 89 %
Remuneration of councillors	(30 590 571)	30 590 571		-	-	- (24 398 129)		(24 398 129)	DIV/0 % 80 %
Debt impairment	(47 618 929)	47 618 929		-	-	- (553 359 132)		(553 359 132)	DIV/0 % 354 %
Depreciation and asset impairment	(126 659 175)	126 659 175		-	-	- (168 352 660)		(168 352 660)	DIV/0 % 154 %
Finance charges	(874 550 338)	874 550 338		-	-	- (195 339 781)		(195 339 781)	DIV/0 % 131 %
Materials and bulk purchases	(26 045 705)	26 045 705		-	-	- (30 797 286)		(30 797 286)	DIV/0 % 118 %
Transfers and grants	(450 470 691)	450 470 691		-	-	- (359 404 832)		(359 404 832)	DIV/0 % 80 %
Other expenditure	(2 192 835 851)	2 192 835 851		-	-	- (3 040 448 644)		(3 040 448 644)	DIV/0 % 139 %
Total expenditure	(1 991 697)	1 991 697		-	-	- (790 111 337)		(790 111 337)	DIV/0 % 39 670 %
Surplus/(Deficit)									

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Appropriation Statement

Figures in Rand

Audited By
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Mpumalanga Business

	Original budget	Budget adjustments (i.t.o. s28 and budget s31 of the MFMA)	Final adjustments (i.t.o. council approved policy)	Shifting of funds (i.t.o. MFMA)	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	121 835 385	(121 835 385)	-	-	-	-	92 765 865	DIV/0 %	76 %
Surplus (Deficit) after capital transfers and contributions	119 843 688	(119 843 688)	-	-	-	-	(697 345 472)	DIV/0 %	(582)%
Surplus/(Deficit) for the year	119 843 688	(119 843 688)	-	-	-	-	(697 345 472)	DIV/0 %	(582)%
Capital expenditure and funds sources									
Total capital expenditure	184 300 872	(184 300 872)	-	-	-	-	360 798 734	DIV/0 %	196 %
Cash flows									
Net cash from (used) operating	-	-	-	-	-	-	178 282 782	DIV/0 %	DIV/0 %
Net cash from (used) investing	-	-	-	-	-	-	(125 719 470)	DIV/0 %	DIV/0 %
Net cash from (used) financing	-	-	-	-	-	-	682 819	DIV/0 %	DIV/0 %
Net increase/(decrease) in cash and cash equivalents	-	-	-	-	-	-	53 246 131	DIV/0 %	DIV/0 %
Cash and cash equivalents at the beginning of the year	-	-	-	-	-	-	203 199 683	DIV/0 %	DIV/0 %
Cash and cash equivalents at year end	-	-	-	-	-	-	256 445 814	DIV/0 %	DIV/0 %

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

Figures in Rand



Note(s)

2022

2021

1. Presentation of Annual Financial Statements

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

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

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

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

1.3 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Significant judgements and sources of estimation uncertainty

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

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables is first for individually significant receivables and then calculated on a portfolio basis for the remaining balance, including those individually significant loans and receivables for which no indicators of impairment were found. For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment and accounts handed over to debt collectors and /or power of attorney, a formal arrangement is made on arrear debt.

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies



1.4 Significant judgements and sources of estimation uncertainty (continued)

Allowance for slow moving, damaged and obsolete stock

An assessment is made of net realisable value of inventory at the end of each reporting period. A write down of inventory to the lower of cost or net realisable value is subsequently provided. Management have made estimates of the service potential expected to be realised from the distribution or use. The write down is included in the operation surplus or deficit.

Fair value estimation

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

The fair value of financial instruments that are traded in an active markets based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

Impairment testing

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In making the above mentioned estimates and judgement, management considers the subsequent measurement criteria and indicators of potential impairment losses as set out in the GRAP 17 (Property Plant and Equipment), GRAP 12 (Inventory), (GRAP 13 (Intangible assets), GRAP 26 (Impairment of cash generating assets) and GRAP 21 (Impairment of non cash generating assets) in particular, the calculation of the recoverable service amount for the property, plant and equipment and intangible assets and the net realisable value for inventories involves significant judgement by management.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 19 - Provisions.

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

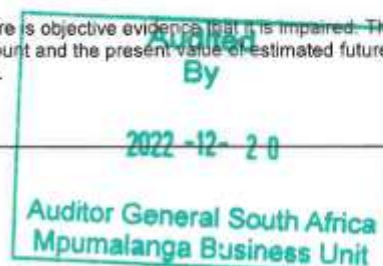
Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 8.

Effective interest rate

The municipality used the government bond rate to discount future cash flows.

Allowance for doubtful debts

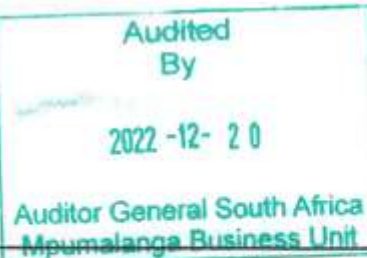
On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.



Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies



1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

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

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

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

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

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

Fair value

Subsequent to initial measurement investment property is measured at fair value reflecting the market conditions at the valuation roll period of the municipality and annually updated with amendments of the supplementary valuation roll.

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

Investment property is unrecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or potential services are expected from its disposal.

The gain or loss arising from the Derecognition of the investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the investment property. Such difference is recognised in surplus or deficit when the investment property is unrecognised.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

1.6 Property, plant and equipment

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

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

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

Property, plant and equipment is initially measured at cost at acquisition date or in the case of donated assets or assets acquired by grant, the deemed cost being the fair value of the assets on initial recognition.

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

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

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022 2022-12-20

Accounting Policies

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1.6 Property, plant and equipment (continued)

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is unrecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are unrecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Subsequent expenditure relating to the property, plant and equipment is capitalised if it is probable that future economic benefit or potential service delivery associated with the subsequent expenditure will flow to the municipality and cost or fair value of the future economic benefit associated with the assets. Where the municipality replaces major parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

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

Item	Depreciation method	Average useful life
Land	Straight-line	indefinite
Buildings	Straight-line	30 years
Infrastructure	Straight-line	10-30 years
Community	Straight-line	15-30 years
Other property, plant and equipment	Straight-line	3-15 years
Landfill site	Straight-line	24 years

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

The municipality assesses at each reporting date whether there is any indication that the municipality's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate in terms of the Standard of GRAP on Accounting Policies, Change in Estimate and Errors.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

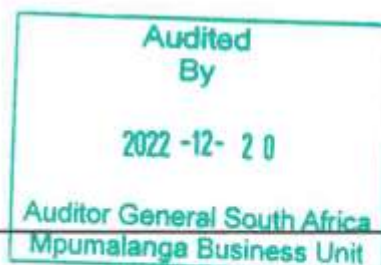
Items of property, plant and equipment are unrecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the Derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is unrecognised. The gain or loss arising from the Derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies



1.6 Property, plant and equipment (continued)

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

1.7 Site restoration and dismantling cost

The municipality has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a municipality incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- (a) subject to (b), changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- (b) if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- (c) if the adjustment results in an addition to the cost of an asset, the municipality considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount or recoverable service amount, and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

1.8 Intangible assets

An asset is identifiable, non-monetary asset without physical substance. The municipality has classified computer software and other intangible assets as intangible assets.

An asset is identifiable if it either:

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

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

An intangible asset is recognised when:

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

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

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

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

Amortisation is provided on a straight line basis over the expected useful lives of the intangible assets.

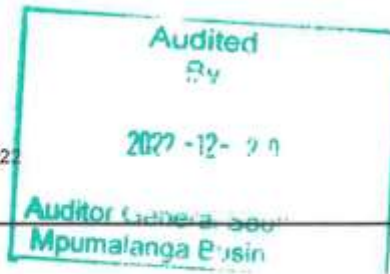
The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. Should the estimate change the municipality revises the expected useful life accordingly. The change is accounted for as a change in an accounting estimate in terms of the Standard of GRAP on Accounting Policies, Changes in Estimates and Errors

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values, if any. The amortisation charge for each period is recognised in surplus or deficit.

Govan Mbeki Municipality

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Accounting Policies



1.8 Intangible assets (continued)

The useful lives of intangible assets have been assessed as followed:

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

Intangible assets are unrecognised:

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

The gain or loss arising from the disposal of intangible assets is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the intangible assets. Such difference is recognised in surplus or deficit when the asset is unrecognised.

1.9 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

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

Initial measurement

Heritage assets are measured at cost.

Heritage assets that qualifies for recognition as an asset shall be measured at cost.

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

Subsequent measurement

Subsequent to initiation measurement, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

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

Transfers

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

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

Derecognition

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

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

1.10 Financial instruments

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

Accounting PoliciesAudited
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Auditor General South Africa
Mpumalanga Business Unit**1.10 Financial instruments (continued)**

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

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

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

A financial asset is:

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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

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

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

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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

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

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

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

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

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

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1.10 Financial instruments (continued)

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The municipality has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Consumer receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost
Long-term receivable	Financial asset measured at amortised cost
Value Added Tax	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Other financial asset	Financial asset measured at fair value

The entity has the following types of financial liabilities as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Finance lease obligation	Financial liability measured at amortised cost
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost
Trade and payables from non-exchange transactions	Financial liability measured at amortised cost

Initial recognition

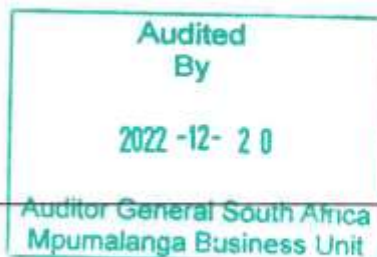
The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

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

The entity measures a financial asset and financial liability subsequently .



Govan Mbeki Municipality

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1.10 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at fair value.
- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations.

Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique.

The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Discounting of short-term receivables and payables

Short-term receivables and payables are not discounted when the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

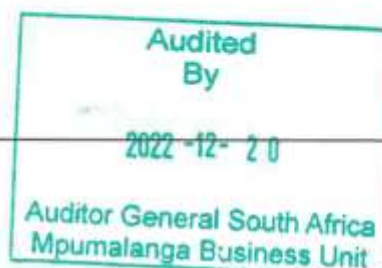
For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is unrecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

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

For amounts due to the municipality, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default of payments are all considered indicators of impairment.

Financial assets measured at amortised cost:



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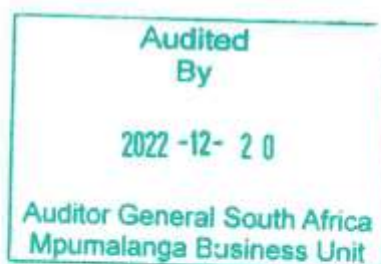
1.10 Financial instruments (continued)

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

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

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

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



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1.10 Financial instruments (continued)

Derecognition

Financial assets

The entity Derecognition financial assets using trade date accounting.

The entity Derecognition a financial asset only when:

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

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

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

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that:

- (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making;
- (b) using fair value in certain instances was inappropriate; and
- (c) some of the existing accounting requirements were seen as too rules based.

As a result, the IASB amended its existing Standards to deal with these issues. The IASB issued the IFRS Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to the IFRS Standard on Financial Instruments: Presentation (IAS 32) and the IFRS Standard on Financial Instruments: Disclosures (IFRS 7). The IPSASB issued revised IPSASs in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- financial guarantee contracts issued;
- loan commitments issued;
- classification of financial assets;
- amortised cost of financial assets;
- impairment of financial assets; and disclosures

Guideline on Accounting for Landfill Sites

The Constitution of the Republic of South Africa, gives local government the executive authority over the functions of cleaning, refuse removal, refuse dumps and solid waste disposal. Even though waste disposal activities are mainly undertaken by municipalities, other public sector entities may also be involved in these activities from time to time

Concerns were raised about the inconsistent accounting practices for landfill sites and the related rehabilitation provision where entities undertake waste disposal activities. The objective of the Guideline is therefore to provide guidance to entities that manage and operate landfill sites. The guidance will improve comparability and provide the necessary information to the users of the financial statements to hold entities accountable and for decision making. The principles from the relevant Standards of GRAP are applied in accounting for the landfill site and the related rehabilitation provision. Where appropriate, the Guideline also illustrates the accounting for the land in a landfill, the landfill site asset and the related rehabilitation provision.

It covers: Overview of the legislative requirements that govern landfill sites, Accounting for land, Accounting for the landfill site asset, Accounting for the provision for rehabilitation, Closure, End-use and monitoring. Other considerations, and Annexures with Terminology and References to pronouncements used in the Guideline.

The effective date of the guideline is not yet set by the Minister of Finance.

The municipality expects to adopt the guideline for the first time when the Minister sets the effective date for the guideline. It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

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1.10 Financial instruments (continued)

Financial liabilities

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

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

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

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

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

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

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

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

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

1.11 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Recognition

The municipality recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- if the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- if the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

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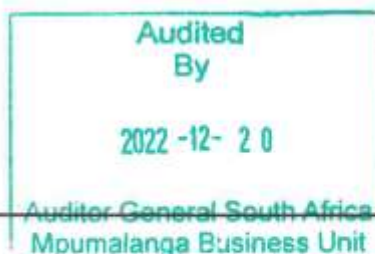
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1.11 Statutory receivables (continued)

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts unrecognised.

Accrued interest

Where the municipality levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers), whichever is applicable.

Other charges

Where the municipality is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the entity applies the principles as stated in "Accrued interest" above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (Taxes and transfers).

Impairment losses

The municipality assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the municipality considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced, either directly or through the use of an allowance account. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, an municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

The municipality Derecognition a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or

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1.11 Statutory receivables (continued)

- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts unrecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.12 Leases

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

When a lease includes both land and buildings elements, the municipality assesses the classification of each element separately.

Finance leases - lessee

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

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

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

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

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and the contractual receipts is recognised as an operating lease assets or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

1.13 Inventories

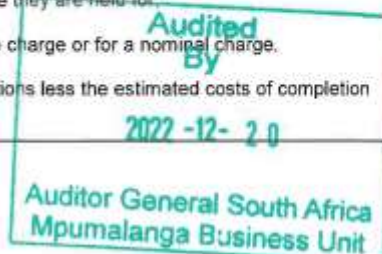
Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value or current replacement cost.

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

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

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.



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1.13 Inventories (continued)

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

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

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

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

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Water Inventory

Water is regarded as inventory when the municipality purchase water in bulk with the intention to resell it to the customers or to use it internally, or where the municipality has incurred purification cost on the water obtained from natural resources (rain, rivers, springs, boreholes etc.) However, water in dams, that are filled by natural resources and that has not yet been treated, that is under the control of the municipality but cannot be measured reliably as there is no cost attached to the water, is therefore not recognised in the statement of financial position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all cost of purchase, cost of conversions and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates.

water and purified effluent are valued by using the first-in-first-out method, at the lower of purified cost and net realisable value, insofar as it is stored and controlled in reservoirs at year end.

Other arrangements

Redundant and slow moving inventories are identified and written down from cost to net realisable value with regards to their estimated economic or realisable value and sold by public auction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses. Differences arising on the valuation of inventory are recognised in the statement of financial performances in the year in which they arise. The amount of any reversal of any write down on inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation in the period in which the reversal occurs.

1.14 Consumer deposits

Consumer deposits are a partial security for a future payment of an account. All consumers are therefore required to pay a deposit equal to the amount as determined by council for the applicable financial year. Deposits are considered a liability as the deposit is only refunded once the service is terminated. No interest is paid on deposit.

1.15 Value added Tax (VAT)

The municipality is registered with the South African Revenue Service (SARS) for VAT on the payment basis, in accordance with Section 15(2) of the Value-added Tax Act (Act No. 89 of 1991).

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1.16 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate commercial return, the municipality designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

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

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

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

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

An impairment loss is recognised immediately in surplus or deficit.

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

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



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1.16 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

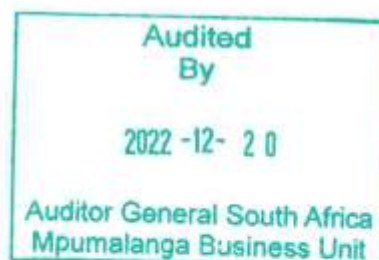
An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

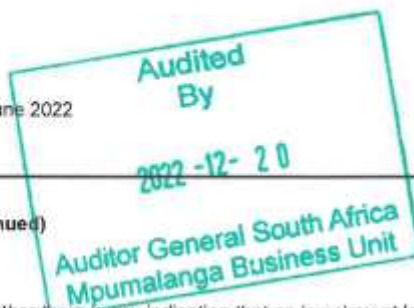
Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.



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1.16 Impairment of cash-generating assets (continued)

Reversal of impairment loss

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

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

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

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

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.17 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

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

Useful life is either:

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

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

Assets are designated as Cash Generating if the Municipality intends to generate a commercial return being positive cash inflows from the assets that are expected to be significantly higher than the cost of the assets.

Assets are designated as Non Cash Generating if the entity intends to deliver a service.

The South African Constitution requires municipalities to achieve an objective of ensuring the provision of services to communities in a sustainable manner.

Govan Mbeki Municipality manages its fixed assets in a manner which is central in achieving an objective to deliver services to the community of Govan Mbeki Municipality rather than generate positive cash inflows.

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1.17 Impairment of non-cash-generating assets (continued)

In addition the municipalities infrastructure assets such as substations, water reservoir and sewerage plants cannot independently generate cash flows as it is mainly for the purpose of providing a service to the general public.

The municipalities assets are thus designated as Non- Cash Generating Assets.

Designation

At initial recognition, the municipality designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of a municipality's objective of using the asset.

The municipality designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The municipality designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the municipality expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the municipality designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

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

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

Value in use

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

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

Depreciated replacement cost approach

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

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



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1.17 Impairment of non-cash-generating assets (continued)

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

Reversal of an impairment loss

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

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

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

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

1.18 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

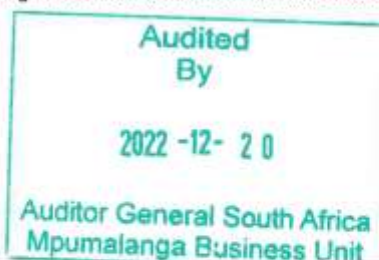
The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.



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1.18 Employee benefits (continued)

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

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

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Other post retirement obligations

The entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

1.19 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

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

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1.19 Provisions and contingencies (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

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

Provisions are not recognised for future operating (deficit).

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

A constructive obligation to restructure arises only when an entity:

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

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

A contingent asset is a possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

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

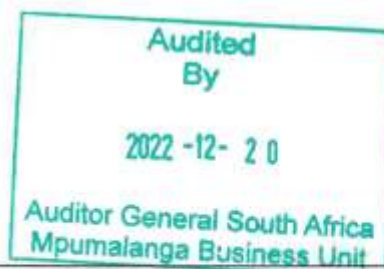
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

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

A contingent asset is a possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

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

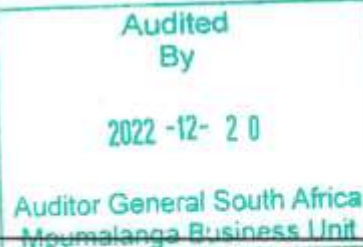
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.



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1.19 Provisions and contingencies (continued)

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

A contingent asset is a possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

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

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

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

A contingent asset is a possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality.

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

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

A contingent liability:

- A contingent asset is a possible asset that arise from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality
- A present obligation that arises from past event but are not recognised because it is not possible that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 48.

Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.16 and 1.17.
- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
 - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

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1.20 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

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

1.21 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

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1.21 Revenue from exchange transactions (continued)

Interest, royalties and dividends

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

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

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

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

1.22 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Recognition

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

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

Revenue received from conditional grants, donations and other funding are recognised as revenue to the extent that the municipality has complied with the criteria, conditions or obligations embodied in the agreement, where applicable. To the extent that the criteria, conditions or obligations have not been met, a liability will be recognised.

Measurement

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

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, Derecognition, presentation and disclosure of statutory receivables.

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

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1.22 Revenue from non-exchange transactions (continued)

Taxes

The municipality recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Resources arising from taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

The municipality analyses the taxation laws to determine what the taxable events are for the various taxes levied.

Taxation revenue is determined at a gross amount. It is not reduced for expenses paid through the tax system.

Transfers

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Insurance claims

The insurance claims are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

The insurance claims are measured at the amount due to the municipality from the insurance company.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality. The municipality makes use of estimates to determine the amount of revenue that it is entitled to collect, where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by receivables.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

The municipality recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the municipality's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the municipality disclose the nature and type of services in-kind received during the reporting period.

1.23 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

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1.24 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits or service potential to the municipality, and the costs can be measured reliably. The municipality applies this consistently to all borrowing costs that are directly attributable to the acquisition, construction, or production of all qualifying assets of the municipality. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the municipality on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets and Inventories as per accounting policy number 1.13, 1.16 and 1.17. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation is suspended during extended periods in which active development is suspended.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the municipality completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the municipality ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.25 Comparative figures

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

1.26 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in according with the nature of the expense. Upon investigation, if a person was found to be liable in law for the unauthorised expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Fruitless and wasteful expenditure

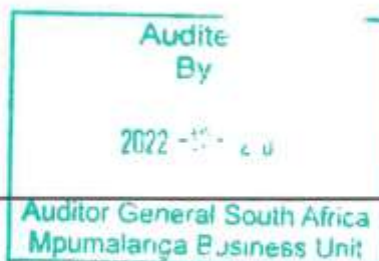
Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

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1.27 Fruitless and wasteful expenditure (continued)

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in according with the nature of the expense. Upon investigation, if a person was found to be liable in law for the fruitless and wasteful expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Irregular expenditure

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

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred and classified in according with the nature of the expense. Upon investigation, if a person was found to be liable in law for the irregular expenditure that occurred, a receivable is recognised for the recovery of the monies, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant notes to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the notes to the financial statement and updated accordingly in the irregular expenditure register.

1.29 Budget information

The approved budget is prepared on an accrual basis and presented by programme's linked to performance outcome objectives.

The approved budget covers the fiscal period from 01/07/2020 to 30/06/2021.

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

1.30 Related parties

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

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

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

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

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

Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Accounting Policies

1.31 Events after reporting date

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

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

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

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



Govan Mbeki Municipality

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2. Changes in accounting policy

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 30 June 2022 is as follows:

Management do not have sufficient records relating to interest capitalised on plant and equipment to enable retrospective expensing of borrowing cost. For this reason the change in accounting policy is applied prospectively.

[If retrospective application is impracticable for a particular prior period, or for periods before those presented, disclose the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.]

The municipality has not applied the new [name the standard or interpretation] issued, and effective for periods commencing [Describe the new required treatment and the current treatment.] The estimated impact of the implementation of the new standard on the 2022 annual financial statements is as follows:



Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

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3. Investment property

	2022	2021	
Cost / Valuation	Accumulated depreciation and accumulated impairment	Cost / Valuation	Accumulated depreciation and accumulated impairment
1 148 475 101	- 1 148 475 101	1 150 967 101	- 1 150 967 101

Investment property

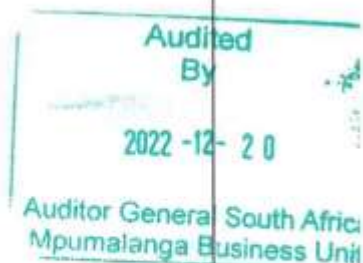
Reconciliation of investment property - 2022

Investment property	Opening balance	Disposals	Additions	Total
	1 150 967 101	(3 952 000)	1 460 000	1 148 475 101

Reconciliation of investment property - 2021

Investment property	Opening balance	Additions	Disposals	Fair value adjustments	Total
	1 071 198 583	45 119 505	(8 647 999)	43 297 012	1 150 967 101

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.



Govan Mbeki Municipality

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3. Investment property (continued)

The effective date of the revaluations was Wednesday, 01 July 2020. Revaluations were performed by an independent valuer from DDP Property Valuation Experts. The valuer are qualified and registered as a professional Valuer with the institute of the South African Council for Property Valuer's Profession. DDP Property Valuation Experts valuation service is not connected to the municipality and have experience in location and category of the investment property being valued.

At the reporting period the Investment Property is measured at fair value reflecting market conditions at the date of the general valuation roll period and also incorporates changes in property values during the lifecycle of the general valuation roll through supplementary valuation rolls. This valuation premise is considered appropriate by the municipality as it is practical and market conditions at reporting date are not expected to be significantly different from those reflected in the general valuation roll and supplementary valuations.

Investment property was fair valued and changes on the market value decreased the fair value as per supplementary valuations. There were no changes to market value of properties in 2022 financial year.

The municipality sold property in the year under review as a result of sales the municipality realized a loss on sale of R 2 448 744.

Amounts recognised in surplus and deficit for the year are as follows

Loss on sale of investment property	(2 448 744)	(7 490 000)
Fair value adjustment		43 297 012



Govan Mbeki Municipality

Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

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4. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	422 017 341	-	422 017 341	422 850 087	-	422 850 087
Buildings	899 787 979	(718 395 663)	181 392 316	893 001 296	(694 189 945)	198 811 351
Infrastructure	4 949 811 356	(4 006 383 221)	943 428 135	4 869 552 483	(3 905 168 527)	964 383 956
Assets under construction	1	-	1	1	-	1
Landfill site	291 404 610	(229 187 931)	62 216 679	291 787 785	(214 094 696)	77 693 089
Leased movable assets	775 343	(160 595)	614 758	784 219	(784 218)	1
Other Property, plant and equipment	190 048 195	(125 294 378)	64 753 817	174 046 000	(122 474 507)	51 571 493
Library books	2 515 047	(2 479 579)	35 468	2 704 780	(2 573 627)	131 153
Total	6 756 359 872	(5 081 901 357)	1 674 458 515	6 654 526 631	(4 939 285 520)	1 715 241 111

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Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers In/(out)	Work-in- progress	Depreciation	Impairment loss	Total
Land	422 850 087	-	(632 726)	-	-	-	-	422 017 341
Buildings	198 811 351	-	-	3 142 800	3 643 884	(22 396 969)	(1 808 750)	181 392 316
Infrastructure	964 383 956	7 935 554	(42 446)	23 998 462	85 231 658	(117 509 420)	(569 629)	943 428 135
Assets under construction	1	-	-	-	-	-	-	1
Landfill site	77 693 089	933 045	(1 470 878)	-	-	(14 938 577)	-	62 216 679
Leased movable assets	1	775 343	-	-	-	(160 586)	-	614 758
Other Property, plant and equipment	51 571 493	29 071 428	(604 660)	-	-	(15 284 444)	-	64 753 817
Library books	131 153	-	-	-	-	(95 685)	-	35 468
Total	1 715 241 111	38 715 370	(2 750 710)	27 141 262	68 875 542	(170 385 681)	(2 378 379)	1 674 458 515

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Annual Financial Statements for the year ended 30 June 2022

Notes to the Annual Financial Statements

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4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Transfers received	Revaluations	Depreciation	Impairment loss	Total
Land	424 138 863	-	(1 488 796)	-	-	-	-	422 650 067
Buildings	195 274 119	45 164 334	-	-	-	(21 952 572)	(19 674 530)	198 811 351
Infrastructure	991 101 175	42 613 637	(393 738)	-	51 635 056	(116 040 577)	(4 531 597)	964 383 956
Assets under construction	-	1	-	-	-	-	-	1
Landfill site	135 763 721	-	-	3 942 569	-	(62 013 201)	-	77 693 089
Leased movable assets	256 606	-	-	-	-	(256 605)	-	1
Other property, plant and equipment	38 248 715	26 214 817	(1 380 816)	-	-	(11 558 456)	47 233	51 571 493
Library Books	227 594	-	(141)	-	-	(96 300)	-	131 153
	1 785 010 793	113 992 789	(3 263 491)	3 942 569	51 635 056	(211 917 711)	(24 158 894)	1 715 241 111

Pledged as security

Carrying value of assets pledged as security:

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality

Assets subject to finance lease (Net carrying amount)

Computer equipment

614 758

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4. Property, plant and equipment (continued)

Work-in-Progress 2022 _ Cumulative Expenditure per class

	Opening balance	Project Expenditure	Project completions included in Additions	Closing balance
Energy	39 462 000	32 325 016	-	71 787 016
Water	8 997 440	10 758 037	(4 143 131)	15 612 347
Sanitation	142 995 990	46 300 594	(19 855 330)	169 441 254
Roads	7 226 474	462 265	-	7 688 739
Buildings	-	6 781 082	(3 137 198)	3 643 884
	198 681 904	96 626 994	(27 135 659)	268 173 240

Reconciliation of Work-in-Progress 2021

	Opening balance	Project Expenditure	Project completions included in Additions	Closing balance
Energy	27 192 798	12 269 202	-	39 462 000
Roads	5 228 000	1 998 474	-	7 226 474
Water	15 361 047	22 874 511	(29 238 117)	8 997 441
Sanitation	91 041 245	51 954 746	-	142 995 991
Buildings	8 223 759	1 478 256	(9 702 015)	-
	147 046 849	90 575 189	(38 940 132)	198 681 906

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment

Included in Statement of Financial Performance

Repairs and maintenance of Land and Buildings	(716 371)	1 380 234
Repairs and maintenance of Infrastructure Assets	165 255	62 724 404
Repairs and maintenance of Other Assets	51 903 279	22 230 568
	51 352 163	86 335 206

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.



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Notes to the Annual Financial Statements

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5. Intangible assets

	2022		2021	
Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment
	2 566 750	(2 330 566)	236 184	2 428 712
				(2 076 950)
				351 762

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software	355 622	128 410	(247 848)	236 184

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Computer software	599 434	(247 672)	351 762

Pledged as security

All intangible assets are held at cost less amortization and impairment and no intangible assets have been pledged as security for any liabilities of the municipality.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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6. Heritage assets

	2022		2021	
	Cost / Valuation	Accumulated Carrying value impairment losses	Cost / Valuation	Accumulated Carrying value impairment losses
Historical monuments	5 430 550	-	5 430 550	-
				5 430 550

Reconciliation of heritage assets 2022

Historical monuments				
	Opening balance		Total	
	5 430 550		5 430 550	5 430 550

Reconciliation of heritage assets 2021

Historical monuments				
	Opening balance		Total	
	5 430 550		5 430 550	5 430 550

Pledged as security

No heritage assets were pledged for any liabilities of the municipality.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

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7. Other financial assets		
Designated at fair value		
Old Mutual shares	356 126	435 874
2021: 32287 @R13.50		
2022: 32287 @R11.03		
Sanlam shares	129 637	150 479
2021: 2452 @R61.37		
2022: 2452 @R52.87		
Nedbank shares	214 722	177 022
2021: 1036 @ R170.87		
2022: 1036 @ R207.26		
Quilter share	185 567	-
2022: 9223 @ R20.12		
	886 052	763 375
At amortised cost		
ABSA Fixed deposit	13 701 960	13 048 483
The ABSA balance was held as security for the DBSA loan which was paid off in the 2020 / 2021 financial year..		
Total other financial assets	14 588 012	13 811 858
Non-current assets		
Designated at fair value	886 051	763 375
At amortised cost	13 701 960	13 048 483
	14 588 011	13 811 858

8. Employee benefit obligations

Defined benefit plan

Post retirement medical aid plan

The municipality provides certain post - retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member who is on the current conditions of service is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit funding method.

At the valuation date individuals entitled to a post - retirement medical aid subsidy were:

In - service (employee) members.
In - service (employee) non - members.
Continuation (retiree and widow) members

Pension benefits

The municipality employees belong to a contribution pension plan. The contributions are payable to the pension service providers on a monthly basis. The employer expenditure in relation to contributions are recognised as a expenditure. There are no planned assets on such contributions, the benefit thereof are vested with various service providers chosen by the employees, the lump sums are therefore payable when an employee terminate his/her services as a result of retirement.

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021

8. Employee benefit obligations (continued)

The amounts recognised in the statement of financial position are as follows:

Carrying value

Present value of the defined benefit obligation-wholly unfunded	(51 207 199)	(46 155 696)
Movement for the year	7 209 893	(5 051 503)
	(43 997 306)	(51 207 199)

Non-current liabilities

Current liabilities	(41 295 607)	(47 729 482)
	(2 701 294)	(3 477 717)
	(43 996 901)	(51 207 199)

At the valuation date, the medical aid liability of the Municipality was unfunded, i.e. no dedicated assets had been set aside to meet this liability.

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	(51 207 199)	(46 155 696)
Benefits paid	3 856 933	3 427 701
Net expense recognised in the statement of financial performance	3 352 960	(8 479 204)
	(43 997 306)	(51 207 199)

Net expense recognised in the statement of financial performance

Current service cost	1 640 471	(1 406 039)
Past service cost	(3 856 933)	(1 651 310)
Interest cost	5 485 994	(5 421 855)
Actuarial (gains) losses	(10 479 425)	-
	(7 209 893)	(8 479 204)

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021

8. Employee benefit obligations (continued)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	12,50 %	11,09 %
CPI (Consumer Price Inflation)	7,98 %	6,67 %
Health Care Inflation rate	9,48 %	8,17 %
Net Effective Discount Rate	2,76 %	2,70 %

The determination of the investment returns are as per market yields at balance sheet date on government bonds. Two most important financial variables used in our valuation are the discount- and medical aid inflation rates, the zero coupon yield curve from Johannesburg Stock Exchange were used to determine the discount rates and CPI assumptions

The discount rate determined by using the Bond Exchange Zero Coupon Yield Curve as at 30 June 2022 is 12,50 % per annum.

The yield on inflation linked bonds of a similar term was about 4,19% per annum, implying an underlying expectation of inflation of 7,98 % per annum.

A healthcare cost inflation rate of 9,48% was assumed. This is 1,50% in excess of the expected inflation over the expected term of the liability. It is the relative levels of the discount rate and healthcare inflation to one another that are important rather than the nominal values. It has thus assumed a net discount factor of 2,76% per annum.

The average retirement age for all active employees was assumed to be 63 years. This assumption implicitly allows for illhealth and early retirement.

Sensitivity analysis

The valuation is only an estimate of the cost of providing post-employment medical aid benefits. The actual cost to the Municipality will be dependent on actual future levels of assumed variables i.e

- 20% increase/decrease in the assumed level of mortality;
- 1% increase/decrease in the Medical Aid inflation

Withdrawal rate

The change in the withdrawal assumption by a 20% decrease would result in a 1,48% increase in the accrued liability whilst a 20% increase would result in a 1,62% decrease in the accrued liability.

Medical Inflation Rate

As per the table above, a 1% increase in the medical inflation rate results in a 14,63% increase in the accrued liability whilst a 1% decrease in the medical inflation rate will result in a 11,97% decrease in the accrued liability.

Discount Rate

Inversely, a 1% increase in the discount rate results in a 12,31% decrease in the accrued liability whilst a 1% decrease in the discount rate will result in a 13% increase in the accrued liability

Sensitivity analysis

Withdrawal Rate

Accrued Liability
Service Cost
Interest cost

20% Increase R's	Valuation assumptions	20% decrease R's
44 709 999	43 996 901	43 345 875
1 679 812	1 615 206	1 557 225
5 419 919	5 330 781	5 249 403
51 809 730	50 942 888	50 152 503

Medical Inflation Rate

Accrued Liability
Service Cost
Interest cost

1% Decrease R's	Valuation Assumptions	1% Increase R's
38 286 296	43 996 901	49 995 393
1 327 080	1 615 206	1 981 251
4 618 105	5 330 781	6 080 140

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Notes to the Annual Financial Statements

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8. Employee benefit obligations (continued)

	44 231 481	50 942 888	58 056 784
Discount Rate			
1% Decrease R's	49 718 076	43 996 901	38 581 568
Valuation assumptions	1 955 606	1 615 206	1 348 459
1% Increase R's	5 562 573	5 330 781	5 026 548
Accrued liability	57 236 255	50 942 888	44 966 576
Service Cost			
Interest cost			

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

The amount recognised as an expense for defined contribution plans is 118 519 474 80 566 717

9. Long term receivables

Long term receivables are comprised of balances of customers who made arrangements with the municipality to pay their outstanding debt over longer period initiated by signed debt arrangement.

Summary of long term debtors

	4 000 379	9 861 712
Long term receivable	812 484	3 836 608
Long term receivable : current portion	3 187 895	6 025 104
	4 000 379	9 861 712

10. Other receivables

Other Receivables -Prepaid 48 749 389 42 194 886

11. Inventories

Consumable stores	32 348 919	25 116 670
Water for distribution	835 205	739 626
	33 184 124	25 856 296
Inventories (write-downs)	(1 245 401)	-
	31 938 723	25 856 296

Water for distribution

Opening balance	739 626	611 709
System input volume	95 579	127 917
Closing balance	835 205	739 626

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Govan Mbeki Municipality

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Notes to the Annual Financial Statements

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12. Receivables from exchange transactions		
Consumer debtors - Electricity	74 677 480	50 466 239
Consumer debtors - Water	121 100 475	86 868 349
Consumer debtors - Sewerage	30 412 919	26 156 448
Consumer debtors - Refuse	28 202 657	24 257 098
Consumer debtors - Other Debtors	18 567 137	10 103 271
	272 960 668	197 851 405
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	1 088 083 598	1 088 083 598
13. Receivables from non-exchange transactions		
Fines	14 525 399	10 223 590
Property rates	292 282 722	231 778 582
Sundry debtors	3 162 026	-
Impairment property rates	(232 223 815)	(178 571 662)
	77 746 332	63 430 510
Statutory receivables included in receivables from non-exchange transactions above are as follows:		
Property rates	60 130 185	53 206 920
Fines	14 525 399	10 113 491
	74 655 584	63 320 411
Financial asset receivables included in receivables from non-exchange transactions above	3 090 748	-

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Notes to the Annual Financial Statements

Figures in Rand	2022	2021
13. Receivables from non-exchange transactions (continued)		
Total receivables from non-exchange transactions	77 746 332	53 933 759
Summary of property rates		
Gross Balance	292 353 999	231 000 333
Less: Allowance for impairment	(232 223 814)	(178 571 662)
	60 130 185	52 428 671
Summary of rates per ageing		
Current (0-30 days)	25 781 308	26 286 949
31-60 days	12 008 206	11 083 033
61-90 days	9 991 945	9 310 280
91-120 days	9 046 498	8 465 021
>120 days	235 526 042	175 855 051
Less: Allowance for impairment	(232 223 814)	(178 571 662)
	60 130 185	52 428 672
Consumers		
Current (0-30 days)	8 741 557	13 047 196
31-60 days	6 037 508	6 767 674
61-90 days	5 219 492	5 900 688
91-120 days	4 792 315	5 398 381
>120 days	107 161 185	84 531 169
Less: Allowance for impairment	(109 676 872)	(87 152 037)
	22 275 185	28 493 071
Industrial/Commercial		
Current (0-30 days)	7 732 721	11 769 506
31-60 days	3 019 355	3 420 863
61-90 days	2 360 726	2 763 382
91-120 days	2 221 272	2 489 160
>120 days	82 144 136	75 781 888
Less: Allowance for impairment	(75 938 724)	(75 918 889)
	21 539 486	20 305 910
National and provincial government		
Current (0-30 days)	9 279 515	1 426 308
31-60 days	2 947 271	876 794
61-90 days	2 407 770	629 976
91-120 days	2 029 012	566 013
>120 days	45 941 908	15 187 672
Less: Allowance for impairment	(46 329 385)	(15 147 468)
	16 276 091	3 539 295
Other		
Current (0-30 days)	27 515	43 939
31-60 days	4 073	17 702
61-90 days	3 957	16 233
91-120 days	3 898	11 467
>120 days	278 813	354 323
Less: Allowance for impairment	(278 834)	(353 267)
	39 422	90 397

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13. Receivables from non-exchange transactions (continued)

Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	(178 571 662)	(150 401 160)
Provision for impairment	(53 652 153)	(28 170 502)
	(232 223 815)	(178 571 662)

Fines

Fines are penalties of money that authorities decides has to be paid as punishment for offence. The amount of a fine are determined case by case, fines details are as follow:

Credit quality of receivables from non-exchange transactions the municipality considers that the above financial assets that are not impaired at each of the reporting dates under review are of good credit quality. The municipality continuously monitors consumers and identified groups by reference to average payment history and incorporates this information into its credit risk control. No external credit rating is performed. Assessment rate receivables are billed monthly. No interest is charged on these receivables until the 7th day of the following month. Thereafter interest is charged at a rate determined by council on the outstanding balance.

Summary of fines

Gross Fines	76 210 030	69 090 270
Additions	9 453 988	7 119 761
Provision for impairment	(71 138 619)	(65 986 440)
	14 525 399	10 223 591

Reconciliation of provision for impairment of receivables from fines

Opening balance	(65 986 440)	(68 172 250)
Movement on provision for impairment	(5 152 179)	2 185 810
	(71 138 619)	(65 986 440)

14. VAT receivable/(payable)

VAT	133 482 770	87 251 250

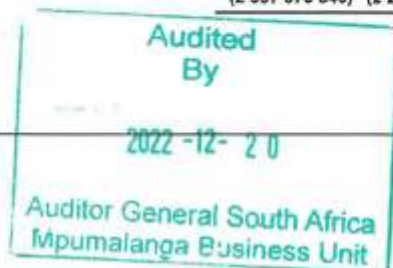
15. Recievable from exchange transactions

Gross balances

Consumer debtors - Electricity	451 259 138	372 824 538
Consumer debtors - Water	1 133 997 407	976 412 664
Consumer debtors - Sewerage	416 471 873	353 887 139
Consumer debtors - Refuse	374 648 350	311 902 838
Consumer debtors - Other	454 260 746	419 829 026
	2 830 637 514	2 434 856 205

Less: Allowance for impairment

Consumer debtors - Electricity	(376 581 658)	(322 358 299)
Consumer debtors - Water	(1 012 896 932)	(889 544 315)
Consumer debtors - Sewerage	(386 058 954)	(327 730 691)
Consumer debtors - Refuse	(346 445 693)	(287 645 740)
Consumer debtors - Other	(435 693 609)	(409 725 755)
	(2 557 676 846)	(2 237 004 800)



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15. Receivable from exchange transactions (continued)

Net balance

Consumer debtors - Electricity	74 677 480	50 466 239
Consumer debtors - Water	121 100 475	86 868 349
Consumer debtors - Sewerage	30 412 919	26 156 448
Consumer debtors - Refuse	28 202 657	24 257 098
Consumer debtors - Other	18 567 137	10 103 271
	272 960 668	197 851 405

Electricity

Current (0 -30 days)	67 022 619	61 088 344
31 - 60 days	14 413 213	13 283 790
61 - 90 days	11 691 217	10 590 315
91 - 120 days	11 208 484	9 415 933
121 - 365 days	346 923 271	278 216 147
Less: Allowance for impairment	(376 581 324)	(322 128 290)
	74 677 480	50 466 239

Water

Current (0 -30 days)	88 877 176	81 822 172
31 - 60 days	29 402 256	34 572 954
61 - 90 days	25 779 419	22 329 108
91 - 120 days	24 782 287	22 066 409
121 - 365 days	965 156 940	814 407 482
Less: Allowance for impairment	(1 012 897 603)	(888 329 776)
	121 100 475	86 868 349

Sewerage

Current (0 -30 days)	12 895 313	12 555 866
31 - 60 days	9 936 603	9 326 051
61 - 90 days	9 419 320	9 022 092
91 - 120 days	9 283 023	8 781 058
121 - 365 days	374 938 124	314 184 260
Less: Allowance for impairment	(386 059 464)	(327 712 879)
	30 412 919	26 156 448

Refuse

Current (0 -30 days)	13 096 399	12 382 749
31 - 60 days	9 778 588	9 180 266
61 - 90 days	9 124 951	8 742 235
91 - 120 days	8 674 324	8 402 841
121 - 365 days	333 973 926	273 194 747
Less: Allowance for impairment	(346 445 531)	(287 645 740)
	28 202 657	24 257 098

Sundry debtors

Current (0 -30 days)	91 017 602	5 009 975
31 - 60 days	7 817 584	3 763 582
61 - 90 days	4 365 681	6 992 517
91 - 120 days	3 365 608	7 558 873
121 - 365 days	336 276 116	397 597 146
Less: Allowance for impairment	(435 693 609)	(410 818 822)
Undefined Difference	11 418 155	-
	18 567 137	10 103 271

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15. Receivable from exchange transactions (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	84 292 529	112 934 267
31 - 60 days	54 586 036	52 685 081
61 - 90 days	50 521 868	52 275 069
91 - 120 days	49 948 851	51 928 898
121 - 365 days	2 161 528 397	1 938 386 637
	<u>2 400 877 681</u>	<u>2 208 209 952</u>
Less: Allowance for impairment	(2 230 923 282)	(2 040 305 509)
	<u>169 954 399</u>	<u>167 904 443</u>
Industrial/ commercial		
Current (0 -30 days)	48 131 221	54 606 758
31 - 60 days	9 621 058	16 131 029
61 - 90 days	5 574 975	4 364 337
91 - 120 days	2 964 399	3 321 569
121 - 365 days	88 675 459	84 633 259
	<u>152 967 112</u>	<u>163 056 952</u>
Less: Allowance for impairment	(107 252 895)	(134 100 570)
	<u>45 714 217</u>	<u>28 956 382</u>
National and provincial government		
Current (0 -30 days)	142 165 866	4 987 087
31 - 60 days	6 781 559	1 130 441
61 - 90 days	4 456 455	857 679
91 - 120 days	4 302 489	802 837
121 - 365 days	97 241 229	36 568 069
Less: Allowance for impairment	(208 472 734)	(42 017 400)
	<u>46 474 864</u>	<u>2 328 713</u>
Other debtors		
Current (0 -30 days)	319 494	336 994
31 - 60 days	359 591	180 092
61 - 90 days	239 459	179 182
91 - 120 days	192 436	171 812
121 - 365 days	21 500 848	19 968 994
	<u>22 611 828</u>	<u>20 837 074</u>
Less: Allowance for impairment	(22 446 091)	(20 581 321)
	<u>165 737</u>	<u>255 753</u>
Reconciliation of allowance for impairment		
Balance at beginning of the year	(2 237 004 800)	(1 892 403 046)
Contributions to allowance	(332 090 202)	(344 601 754)
	<u>(2 569 095 002)</u>	<u>(2 237 004 800)</u>

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16. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	19 090	19 090
Bank balances	18 301 979	8 602 668
Short-term deposits	238 124 744	194 577 925
	256 445 813	203 199 683

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2022	30 June 2021	30 June 2020	30 June 2022	30 June 2021	30 June 2020
Standard Bank Account (Primary Acc-030192358)	26 421 022	12 546 126	37 783 337	18 301 979	8 602 766	13 890 228
Standard Bank Account (MIG Acc-038787024-008)	71 122 577	43 321 258	41 831 613	71 122 577	43 321 258	41 831 613
Standard Bank Account (EMBA Acc-038787024-003)	434 563	419 303	406 075	434 563	419 303	406 075
Standard Bank Account (Traffic Acc-030195276)	2 482 239	1 737 244	1 336 639	2 482 239	1 737 244	1 336 639
Standard Bank Account (Call Acc-038787024-009)	164 085 703	149 100 854	121 087 442	164 085 703	149 100 854	121 087 442
Total	264 546 104	207 124 785	202 445 106	256 427 061	203 181 425	178 551 997

17. Finance lease obligation

Minimum lease payments due

- within one year	336 000	-
- in second to fifth year inclusive	448 000	-
	784 000	-
less: future finance charges	(62 614)	-
Present value of minimum lease payments	721 386	-

Present value of minimum lease payments due

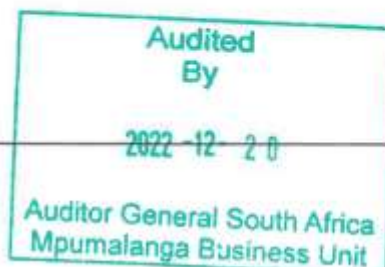
- within one year	294 843	-
- in second to fifth year inclusive	426 543	-
	721 386	-
Non-current liabilities	426 543	-
Current liabilities	294 843	-
	721 386	-

Market risk

The carrying amounts of finance lease liabilities are denominated in the following currencies:

Rand	721 386	-

The fair value of finance lease liabilities approximates their carrying amounts.



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18. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Municipal Infrastructure Grant	16 245 872	17 899 428
LG SETA Grant	3 812 029	3 473 773
Sport development Grant	453 685	453 685
Pre-capacity Grant	272 818	286 843
Economic Development Grant	313 901	313 901
Sasol	10 446 492	15 116 475
Financial Management Grant	112 895	465 683
Integrated National Electrification Programme Grant	7 255 378	10 930 743
Water Service Infrastructure Grant	18 513 075	4 477 729
Infrastructure Skills Development Grant	-	1
Gert Sibande District Municipality	274 580	274 580
Energy Efficiency Demand management Grant	406 149	-
National Treasury-Assets	-	500 000
Reginal Bulk Infrastructure grant	23 719 542	46 596 278
	81 826 416	100 789 119

These amounts are invested in a ring-fenced investment until utilised.

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19. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Change in discount factor	Reduction due to re-measurement or settlement without cost to entity	Total
Landfill site	304 281 913	30 245 802	(4 908 284)	329 619 431

Reconciliation of provisions - 2021

	Opening Balance	Additions	Change in discount factor	Total
Landfill site	281 185 036	4 891 018	18 205 859	304 281 913
Non-current liabilities	293 198 286		274 038 111	
Current liabilities	36 421 145		30 243 802	
	329 619 431		304 281 913	

The municipality will incur licensing and rehabilitation cost of R 329 619 431 (2021: R304 283 913) to restore landfill sites at the end of their use. As at 30 June 2022, this liability will be incurred over 0 to 30 years. Provision has been made for the net present value of the expenditures expected to be required to settle the obligation using the average cost of borrowings.

There are currently no long term assets set aside for closure of the site, therefore the liability is unfunded.

The net discount rate increased applied on the liability is 3.69% and fixed interest rate of 9.94% thus decreased the liability as at 30 June 2021.

decrease in land fill site provision increased mainly due to the following :

- Higher capping specifications required for environmental reasons where landfills are unlined.
- Simultaneous change in all the variables results.

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20. Long service awards

The municipality operates a defined benefit plan for all its employees. The long service award liability is not a funded arrangement, i.e. no separate assets have been set aside to meet its liability.

Under the plan, a long service award is payable after 10 years of continuous service and every 5 years thereafter, until 45 years of service (inclusive) to employees. Furthermore, a retirement gift of 1% of final annual salary is payable on retirement to employees with 10 years or more service. The provision is an estimate of a long service based on historical staff turnover.

The Projected Unit Credit funding method has been used to determine the past-service liabilities at the valuation date and the projected annual expense in the year following the valuation date. The approach taken in this valuation has been made with reference to the guidelines issued by the Actuarial Society of South Africa (ASSA), in particular the Advisory Practice Note 207 as issued by ASSA, and is consistent with the requirements of GRAP25.

At year end of (2022: 1175) employees (2021: 1198) were eligible for long service awards. Long service accumulated leave must be taken within one year of receiving such leave or may be wholly or partially cashed. Govan Mbeki advised that in most cases, employees choose to exercise the option to wholly convert their accumulative leave bonus days into cash.

Valuation of liabilities

Accrued liabilities are defined as the actuarial present value of all benefits expected to be paid in future based on service accrued to the valuation date and awards projected to retirement date. In determining these liabilities, due allowance has been made for future award increases. For each employee, this projection is based on the probability of being employed at each service award date, taking into account the assumed rates of withdrawal, early retirement and death.

Valuation of assets

As at the valuation date, the long service leave award liability of the Municipality was unfunded, i.e. no dedicated assets have been set aside to meet this liability.

The amounts recognised in the statement of financial position are as follows:



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20. Long service awards (continued)

Carrying amount

Non Current Liability	(34 519 336)	(33 516 290)
Current Liability	(3 887 060)	(2 251 008)
	(38 406 396)	(35 769 298)

Changes in the present value of the long service liability are as follows:

Opening balance	(35 769 298)	(30 416 288)
Benefit paid	2 938 814	3 140 924
Net expense recognised in the statement of financial performance	(5 575 912)	(8 493 934)
	(38 406 396)	(35 769 298)

Net expense recognised in the statement of financial performance

Current service cost	(2 615 557)	(2 228 756)
Interest Cost	(2 563 641)	(2 382 665)
Actual gain (losses)	(396 714)	(3 882 513)
	(5 575 912)	(8 493 934)

The key assumptions used in the valuation, with the prior years' assumptions shown for comparison, are summarised below:

Valuation assumptions

	Column heading	Column heading
Discount rate	10,77 %	7,40
CIP	7,22 %	4,62
Salary Increase rate	8,22 %	5,62
Net Discount rate	2,36 %	1,69
	- %	-

The valuation bases assume that the salary inflation rate (which manifests itself as the annual increase in employees' salaries which determine the bonuses payable) will be 2.36% less than the corresponding discount rate, in the long term.

1% increase in the salary increase rate results in a 6.25% increase in the accrued liability whilst a 1% decrease in the salary increase rate will result in a 5.70% decrease in the accrued liability, similarly, a 1% increase in the discount rate results in a 5.52% decrease in the accrued liability whilst a 1% decrease in the discount rate will result in a 6.16% increase in the accrued liability.

The effect of a one percent increase and decrease in the salary inflation and discount rates is as follows.

Salary inflation rate

	1% decrease R's	30 June 2022 valuation basis R's	1% increase R's
Accrued liability	36 218 587	38 406 396	40 807 323
Current services cost	2 539 810	2 715 924	2 911 267
Interest cost	3 692 255	3 927 051	4 184 802
	42 450 652	45 049 371	47 903 392

Discount Rate

	1% decrease R's	30 June 2022 valuation basis R's	1% increase R's
Accrued Liability	40 771 819	38 406 396	36 285 043
Current Service cost	2 908 363	2 715 924	2 545 132
Interest cost	3 792 783	3 927 051	4 042 875
	47 472 965	45 049 371	42 873 050

Retirement

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20. Long service awards (continued)

The effects of a one (1) year and two (2) year reduction on the average retirement age of 63 years. A one (1) reduction in the retirement age results in a 4.28% decrease in the accrued liability whilst a two (2) year reduction in the retirement age results in an 8.94% reduction in the accrued liability.

Assumed Retirement Age	30 June 2022 valuation basis	Retirement ages-1 R's	Retirement age -1 R's
Accrued Liability	38 406 396	36 762 284	34 973 305
Current services cost	2 715 924	2 611 610	2 502 331
Interest cost	3 927 051	3 751 812	3 559 139
	45 049 371	43 125 706	41 034 775

Withdrawals

The effects of a 20% decrease and 20% increase in the withdrawal assumptions as at 30 June 2022. The adjustment would result in a 4.09% increase and a 4.48% decrease in the accrued liability respectively.

Withdrawal decrement	20% decrease R's	30 June 2022 valuation basis R's	20% increase R's
Accrued Liability	40 126 197	38 406 396	36 834 372
Current services cost	2 878 391	2 715 924	2 570 822
Interest cost	4 111 718	3 927 051	3 758 299
	47 116 306	45 049 371	43 163 493

21. Payables from exchange transactions

Trade payables	3 726 344 365	2 940 544 087
Retentions	19 731 756	21 492 935
Accrued leave pay	33 855 936	31 902 565
Accrued bonus	10 192 930	10 024 375
Accrued orders	-	3 079 979
Salary control	28 930 392	2 337 769
Inventory	2 997	1 377
	3 819 058 376	3 009 383 087

22. Payables from non-exchange transactions

Unallocated receipts	21 819 301	19 170 707

23. Consumer deposits

Electricity	10 142 203	9 872 601
Water	18 555 740	17 191 368
Miscellaneous	83 757	60 223
Sundry deposits	235 552	409 980
	29 017 252	27 334 172

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24.		
25. Service charges		
Sale of electricity	532 376 028	476 376 518
Sale of water	511 459 524	525 643 719
Sewerage and sanitation charges	133 367 200	127 192 567
Refuse removal	134 927 336	129 459 708
	1 312 130 088	1 258 672 512
26. Rental of facilities and equipment		
Properties		
Municipal properties rentals	8 570 402	5 487 352
Facilities and equipment		
Rental of facilities	453 990	276 814
27. Fines, penalties and forfeits		
Building Fines	2 966 703	17 945
Library book fines	65 050	32 689
Municipal Traffic Fines	10 776 060	7 846 600
	13 807 813	7 897 244
28. Fees earned		
Administrative Handling Fees	168 088	259 618
Commission: Transaction Handling Fees	314 641	314 916
Advertisements	30 413	27 715
Building plan approval fees	1 768 343	1 295 460
Application fees for Land Usage	1 125 151	1 229 572
Cemetery and burial	1 342 297	1 196 636
Clearance certificates	6 235	22 827
Escort Fees	1 024	1 670
Occupation Certificates	1 886	27 053
Fire Services	428 623	302 001
Parking Fees	238	-
Photo copies; Faxes and Telephone charges	6 857	5 414
Removal of restrictions	55	43
Publications: charts/Posters	3 609	3 942
Publications: Plans	297	365
Tender Documents	457 132	507 792
Valuation Rolls	5 565	11 410
Street Markets (Informal Traders)	42 443	93 252
Traffic control	32 327	30 849
Valuation services	15 906	114 253
Electricity connection	923 818	776 523
Waste water management connection	25 773	-
Water connection	437 647	517 237
Inspection Fees: facilities	388 813	-
	7 527 181	6 738 548

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29. Other income

Incidental income	1 673 747	44 062 005
Other income 7	-	36 500 000
	1 673 747	80 562 005

30. Investment revenue

Dividend revenue

Listed financial assets - Local	228 085	-

Interest received -investment

Short term investments	9 052 338	7 607 849
	9 280 423	7 607 849

31. Property rates

Rates received

Residential	186 688 545	169 871 374
Industrial properties	24 072 813	22 934 126
Property owned by an organ of state and used for public service purpose	22 365 313	22 455 334
Agricultural Properties	128 323 273	4 415 880
Commercial and businesses	11 426 717	132 009 128
	372 876 661	351 685 842

Valuations

Residential Properties	16 851 896 500	18 548 328 920
Industrial Properties	1 683 120 000	1 104 787 400
Business and Commercial Properties	3 743 675 800	5 100 798 000
Agricultural Properties	4 397 947 700	4 547 065 200
Mining Properties	233 628 600	312 440 000
Property owned by an organ of state and used for public service purpose	1 360 110 500	1 166 322 700
Public service infrastructure properties (PSI)	692 238 800	1 658 755 900
Properties owned by public benefit organisations and used for specified activities (PBO)	452 359 000	470 580 100
Vacant	1 072 109 680	418 147 167
Properties used for multiple purposes, subject to section 9 (MUP)	-	4 910 000
	40 487 286 580	43 332 135 387

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2020. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The new general valuation will be implemented on 01 July 2025.

32. Grants and subsidies paid

Other subsidies

Indigent support	30 797 286	43 902 977

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33. Government grants and subsidies

Operating grants

Equitable share	331 028 000	357 958 000
Extended public works programme	1 677 000	1 000 000
Financial Management Grant	2 406 788	1 620 326
Energy Efficiency and Demand Side Management Grant	3 793 851	-
LG SETA Grant	135 850	3 500
Municipal Infrastructure Skills Development	24 500 000	23 937 000
Economic Development and Tourism	14 025	-
National Treasury Grant	500 000	-
Electricity Management Grant	5 000 000	-
	369 055 514	384 518 826

Capital grants

Municipal Infrastructure Grant	42 085 127	42 135 275
Water Service Infrastructure Grant	1 715 654	32 672 717
Gert Sibande District Municipality	-	1 925 420
Integrated National Electrification Grant	21 418 365	14 069 332
Donations Grant	-	2 441 948
Rand Water	4 669 983	-
Bulk water sewage	22 876 736	13 403 722
	92 765 865	106 648 414
	461 821 379	491 167 240

Conditional and Unconditional

Included in above are the following grants and subsidies received:

Conditional grants received	85 269 000	132 847 759
Unconditional grants received	368 979 106	357 958 000
	454 248 106	490 805 759

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Municipal Infrastructure Grant

Balance unspent at beginning of year	17 894 341	6 580 529
Current-year receipts	51 526 000	56 717 000
Conditions met - transferred to revenue	(42 085 127)	(42 135 275)
Monies withheld by Treasury	(11 089 913)	(3 267 913)
	16 245 301	17 894 341

To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities.. Conditions still to be met - remain liabilities (see note 18).

LG SETA Grant

Balance unspent at beginning of year	3 473 773	3 106 522
Current-year receipts	474 106	368 751
Conditions met - transferred to revenue	(135 850)	(3 500)
	3 812 029	3 473 773

Conditions still to be met - remain liabilities (see note 18).



Govan Mbeki Municipality

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33. Government grants and subsidies (continued)

The LGSETA mission is to build Local Governments' ability to meet its development needs by engaging innovative training methods, effective capacity building frameworks and building strategic partnerships. LGSETA creates and implements various innovative skills development interventions aimed at assisting local government employees, the unemployed and other people such as ward councillors and traditional leaders working within the structures of local government.

LG SETA allocates on a yearly basis the grants to the municipality to ensure that the skills development objectives are met as per Workplace Skills Plan(WSP).

Sports and Development Grant

Balance unspent at beginning of year	453 685	453 685

Conditions still to be met - remain liabilities (see note 18).

This grant was received for promotion and development of sport. Projects identified for application of the grant will run in the subsequent financial year. No funds have been withheld.

Integrated National Electrification Programme Grant

Balance unspent at beginning of year	10 930 668	-
Current-year receipts	17 743 000	25 000 000
Conditions met - transferred to revenue	(21 418 365)	(14 069 332)
	7 255 303	10 930 668

Conditions still to be met - remain liabilities (see note 18).

Implementation the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings including upgrade of informal settlements, new, and normalisation, and the installation of relevant bulk infrastructure.

Pre-capacity Grant

Balance unspent at beginning of year	286 843	286 843
Conditions met - transferred to revenue	(14 025)	-
	272 818	286 843

Conditions still to be met - remain liabilities (see note 18).

The grant was allocated to ensure that the social housing programme of provincial government was carried out. The municipality acts as an agent for implementation of the plan.

Economic Development and Tourism

Balance unspent at beginning of year	313 901	313 901

Conditions still to be met - remain liabilities (see note 18).

Contribution towards the detailed technical feasibility study and the development of business plan for establishment of Industrial Park.

Gert Sibande District Municipality

Balance unspent at beginning of year	274 580	2 200 000
Conditions met - transferred to revenue	-	(1 925 420)
	274 580	274 580

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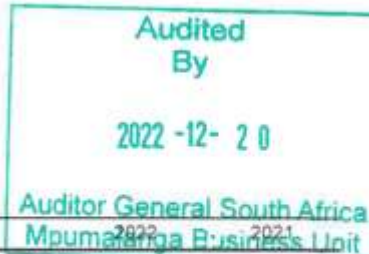
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33. Government grants and subsidies (continued)

Conditions still to be met - remain liabilities (see note 18).

Monies received for co-funding of Electricity for Embaleh Substation and network upgrade and installation of boreholes.

SASOL

Balance unspent at beginning of year	15 116 475	15 116 475
Conditions met - transferred to revenue	(4 669 983)	-
	10 446 492	15 116 475

Conditions still to be met - remain liabilities (see note 18).

Financial Management Grant

Balance unspent at beginning of year	465 683	86 009
Current-year receipts	2 100 000	2 000 000
Conditions met - transferred to revenue	(2 406 788)	(1 620 326)
Withheld by Treasury	(46 000)	-
	112 895	465 683

Conditions still to be met - remain liabilities (see note 18).

The Finance Management Grant is allocated to assist the municipality to secure sound and sustainable management of the fiscal and financial affairs and to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

Water Service Infrastructure Grant

Balance unspent at beginning of year	4 477 729	7 150 446
Current-year receipts	16 000 000	30 000 000
Conditions met - transferred to revenue	(1 715 654)	(32 672 717)
Withheld by Treasury	(249 000)	-
	18 513 075	4 477 729

Conditions still to be met - remain liabilities (see note 18).

- To assist Water Services Authorities (WSAs) to reduce water and sanitation backlogs Grant purpose
 - Facilitate the planning and implementation of various water and on-site sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities
- Provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including through spring protection and groundwater development.

Infrastructure Skills Development Grant

Balance unspent at beginning of year	-	925 088
Current-year receipts	24 500 000	23 937 000
Conditions met - transferred to revenue	(24 500 000)	(23 937 000)
Withheld by Treasury	-	(925 088)
	-	-

Conditions still to be met - remain liabilities (see note 18).

To recruit unemployed graduates into municipalities to be trained and professionally registered, as per the requirements of the relevant statutory councils within the built environment. The grant is allocated to support the municipality to build long term and sustainable capacity by training a pool of young professionals in technical and project/operations management skills.

Govan Mbeki Municipality

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33. Government grants and subsidies (continued)

Donation Grant

Current-year receipts	-	2 441 948
Conditions met - transferred to revenue	-	(2 441 948)
	-	-

Conditions still to be met - remain liabilities (see note 18).

Grants relates to donations of Transport Assets and; Machinery and Equipment received from Anglo American, received from Co-Operative Governance & Traditional Affairs; and Sa-Led/Chemonics International Inc.

Electricity Management Grant

Current-year receipts	5 000 000	-
Conditions met - transferred to revenue	(5 000 000)	-
	-	-

Conditions still to be met - remain liabilities (see note 18).

Procurement of electronic protective security structures and electricity meters.

National Treasury

Balance unspent at beginning of year	500 000	-
Current-year receipts	-	500 000
Conditions met - transferred to revenue	(500 000)	-
	-	500 000

Conditions still to be met - remain liabilities (see note 18).

Funding agreement for infrastructure verification, unbundling of completed projects and review of assets register.

Regional Bulk Infrastructure grant

Balance unspent at beginning of year	46 596 278	-
Current-year receipts	-	60 000 000
Conditions met - transferred to revenue	(22 876 736)	(13 403 722)
	23 719 542	46 596 278

Conditions still to be met - remain liabilities (see note 18).

To develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to implement bulk infrastructure with a potential of addressing water conservation and water demand management projects or facilitate and contribute to the implementation of local water conservation and water demand management projects that will directly impact on bulk infrastructure requirements. Provide explanations of conditions still to be met and other relevant information.

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34. Employee related costs

Basic	270 803 064	266 644 682
Bonus	22 667 893	22 370 249
Medical aid - company contributions	36 775 155	37 213 233
UIF	2 505 216	2 257 473
SDL	4 656 039	3 763 324
Leave pay provision charge	6 604 268	7 351 825
Pension fund contribution	59 799 656	58 567 407
Defined contribution plans	(2 216 462)	1 406 039
Overtime payments	46 913 657	44 581 185
Long-service awards	(323 257)	2 970 345
Acting allowances	8 506 055	7 217 802
Travel, motor car, accommodation, subsistence and other allowances	16 325 890	16 100 791
Housing benefits and allowances	1 754 439	1 686 950
Cellphone allowance	2 278 250	2 211 240
Allowance Standby	14 985 368	13 369 632
Bargaining council levy	791 577	144 016
Uniform allowance	10 000	15 000
Non-Pensionable Allowance	70 939 188	65 274 214
	563 775 996	553 145 417

Remuneration of Accounting Officer

Annual Remuneration	141 543	2 258 308
Car Allowance	10 000	120 000
Cell phone allowance	1 598	21 600
Contributions to UIF, Medical and Pension Funds	15 753	338 676
Other Benefits	1 153 361	-
	1 322 255	2 738 584

Mr SF Mndebele was appointed as Municipal Manager from 1 October 2018. Mr SF Mndebele contract of employment was terminated by council with resolution number CA011/07/2021. Ms Tshabalala was then appointed as the Acting Municipal Manager from September 2020, her appointment was rescinded and Mr M E Michele was seconded from Gert District Municipality from the 10th March 2021 has been appointed as the Acting Municipal Manager until the matter is resolved, on the 29th June 2021 Ms EK Tshabalala was re-appointed as acting Municipal Manager until Mr EN Maseko was appointed on 20 June 2022.

Remuneration of Chief Financial Officer

Annual Remuneration	-	1 603 898
Car Allowance	161 309	64 000
Cell phone Allowance	9 600	21 141
Contributions to UIF, Medical and Pension Funds	-	153 037
Other benefits	707 935	-
	878 844	1 842 076

Mr BB Sithole was appointed Chief Financial Officer on the 1 October 2017, on 8 October 2020 Mr BB Sithole was placed on suspension as resolved by council resolution number CA011/10/2020 on the 22th February 2021 he resigned, Mrs VB Nkhata seconded from Gert District Municipality from 20 October 2020 is currently Acting Chief Financial Officer.

Remuneration of Director Corporate Services

Annual Remuneration	1 052 858	1 052 858
Car Allowance	130 560	130 560
Cell phone Allowance	21 600	21 600
Contributions to UIF, Medical and Pension Funds	233 754	233 561
Other benefits	38 782	-

Govan Mbeki Municipality

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34. Employee related costs (continued)

	1 477 554	1 438 579

Advocate TM Gininda was appointed as the Director Corporate Services on the 1 October 2018.

Additional text+9

Remuneration of Director Planning and Development

Annual Remuneration	-	532 659
Car Allowance	-	60 000
Cell phone Allowance	-	10 800
Contributions to UIF, Medical and Pension Funds	-	83 440
	-	686 899

Ms KP Shilubane has been appointed on the 1 March 2020 and she resigned on the 31st December 2020, Mr S Vilakazi was appointed as acting director for planning and development on the 14th January 2021 council resolution CA001/01/2021

Remuneration of Director Community Services

Annual Remuneration	1 175 208	1 176 555
Car Allowance	120 000	120 000
Cell phone Allowance	21 600	21 600
Contributions to UIF, Medical and Pension Funds	303 665	302 123
Other benefits	124	-
	1 620 597	1 620 278

Mrs EK Tshabalala was appointed as the director for community services on the 1 February 2020

Remuneration of Director Technical Services

Annual Remuneration	863 658	865 299
Car Allowance	120 000	120 000
Cell phone Allowance	21 600	21 600
Contributions to UIF, Medical and Pension Funds	207 105	205 271
Other benefits	910	-
	1 213 273	1 212 170

Mr Maphuthi was appointed as the director of technical services on the 1st December 2019.9+

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35. Remuneration of councillors

Councillors remuneration

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council owned vehicle for official duties.

	2022	2021
Executive Mayor	911 868,67	852 468,00
Chief whip	732 086,94	711 187,00
Mayoral Committee Members	3 829 884,65	5 225 522,00
Speaker	740 921,28	755 878,00
Councillors	16 075 386,33	14 741 640,00
Sec 79 Councillors	2 108 022,10	2 586 775,00
Total Councillors remuneration	24 388 129,97	24 873 470,00

COUNCILLORS	APPOINTMENT DATE	SALARY	PENSION	MEDICAL	MOTOR	CELL PHONE	OTHER ALLO	TOTAL
EMUMA NG	10 August 2016	640 874,39	96 137,00	-	134 057,28	40 800,00	174 857,28	911 868,67
MTSHALI PD	21 May 2011	176 380,25	26 459,00	-	52 366,15	17 000,00	69 366,15	272 205,40
MTSWENI MJ	21 May 2011	340 957,16	51 149,00	-	33 514,32	27 200,00	67 755,38	459 861,54
NYEMBE FM	15 October 2020	165 825,46	22 524,00	5 760,00	59 922,84	14 484,25	75 717,09	269 826,55
MAGAGAMELA	09 November 2021	386 810,73	58 025,00	-	-	26 259,00	26 259,00	471 094,73
GWILI CV	21 May 2011	161 437,38	22 080,00	5 760,00	41 892,00	14 494,25	56 386,25	245 663,63
BOTHA C	17 August 2015	276 534,20	41 481,00	-	39 665,22	23 800,00	63 465,22	381 480,42
SIBANYONI SI	21 May 2011	41 603,33	6 241,00	1 440,00	4 942,42	3 400,00	8 342,42	57 626,75
MAKHANYE SA	21 May 2011	167 570,81	22 932,00	5 760,00	41 892,92	14 494,25	56 387,17	252 649,98
SIBANYONI SI	21 May 2011	251 834,05	37 779,00	8 640,00	29 654,52	20 400,00	50 054,52	348 307,57
NSIBANDE ME	21 May 2011	42 399,13	6 360,00	1 440,00	5 666,46	3 400,00	9 066,46	59 265,59
NDABA BB	21 May 2011	161 224,41	21 980,00	5 760,00	49 191,32	14 494,25	63 685,57	252 649,98
MTSHALIPD	21 May 2011	269 963,49	40 497,00	-	73 312,61	23 800,00	97 112,61	407 573,10
ZULU TS	21 May 2011	185 543,73	25 628,00	-	26 984,00	14 494,25	41 478,25	252 649,98
MTSWENI TP	21 May 2011	270 037,49	40 423,00	-	73 312,61	23 800,00	98 244,18	408 704,67
ZULU NN	15 March 2018	165 735,73	22 660,00	5 760,00	44 000,00	14 494,25	59 755,85	253 911,58
MAHLANGU BS	10 August 2017	209 007,73	29 148,00	-	-	14 494,25	14 484,25	252 649,98
NHLAPO MD	21 May 2011	194 434,57	26 964,00	-	16 757,16	14 494,25	31 251,41	252 649,98
MBOKAZI V	21 May 2011	303 627,35	45 550,00	-	34 595,75	23 800,00	59 916,39	409 093,74
NGXONONO YI	21 May 2011	431 298,50	64 700,00	17 280,00	125 700,00	40 800,00	16 500,00	679 778,50

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35. Remuneration of councillors (continued)

MTSWENI TP	08 January 2015	81 429,78	12 216,00	-	52 366,15	17 000,00	69 366,15	163 011,93
VAN HUYSTEEI	21 May 2011	158 034,52	23 709,00	4 320,00	29 325,03	23 800,00	53 125,03	239 188,55
MTHEMBU BE		26 305,42	3 946,00	-	-	3 400,00	3 400,00	33 651,42
NEL-BUITENDA	21 May 2011	154 379,47	23 159,00	5 760,00	16 757,16	22 076,72	38 833,88	222 132,35
MOFOKENG TS		26 305,42	3 946,00	-	-	3 400,00	3 400,00	33 651,42
MASINGA MM	10 August 2016	213 851,97	32 083,00	5 760,00	24 711,25	30 600,00	55 311,25	301 246,22
(MNI SI TR)	10 August 2016	108 170,22	15 032,00	-	-	14 494,25	14 494,25	143 456,47
MAKOLA MB	21 May 2011	98 605,06	13 600,00	-	16 757,16	14 494,25	31 251,41	143 456,47
MAHLANGU B I	10 August 2016	93 597,06	12 848,00	5 760,00	16 757,16	14 494,25	31 251,41	143 456,47
VAN HUYSTEEI	21 May 2011	140 419,89	21 069,00	12 960,00	37 703,61	30 600,00	68 303,61	242 752,50
VAN ROOYEN I	21 May 2011	202 250,52	30 348,00	5 760,00	50 271,48	40 800,00	91 071,48	323 670,00
MAHLANGU B I	08 December 2000	68 608,73	9 364,00	-	16 757,16	14 494,25	31 251,41	114 984,14
NKABINDE JB	01 March 2013	202 250,52	30 348,00	-	50 271,48	40 800,00	91 071,48	323 670,00
MATHEBULA SI	20 August 2013	177 306,00	26 604,00	17 280,00	61 680,00	40 800,00	102 480,00	323 670,00
DE VRIES GR	02 January 2014	245 970,00	36 900,00	-	-	40 800,00	41 632,34	324 502,34
MKWEBANE ZP	26 June 2015	179 366,04	26 916,00	17 280,00	59 307,96	40 800,00	100 107,96	323 670,00
BOTHA C	17 August 2015	77 850,20	11 690,00	-	28 332,30	17 000,00	45 332,30	134 862,50
NKABINDE E R	10 August 2016	179 364,96	26 916,00	17 280,00	59 309,04	40 800,00	101 653,52	325 214,48
KLAAS NP	10 August 2016	70 996,57	9 724,00	-	19 769,32	14 494,25	34 263,57	114 984,14
MKHALIPHI S	10 August 2016	73 616,73	10 116,00	-	16 757,16	14 494,25	31 251,41	114 984,14
MALAZA NG	10 August 2016	83 181,89	11 548,00	5 760,00	-	14 494,25	14 494,25	114 984,14
THABEYHE IM	10 August 2016	70 309,89	9 620,00	-	20 560,00	14 494,25	35 054,25	114 984,14
SITHOLE LE	10 August 2016	65 988,21	8 972,00	5 760,00	19 769,68	14 494,25	34 263,93	114 984,14
MAZIBUKO KD	10 August 2016	73 616,73	10 116,00	-	16 757,16	14 494,25	31 251,41	114 984,14
NJUNGA SC	10 August 2016	73 616,73	10 116,00	-	16 757,16	14 494,25	31 251,41	114 984,14
MAHLANGU E	10 August 2016	68 608,73	9 364,00	5 760,00	16 757,16	14 494,25	31 251,41	114 984,14
MOKOENA BD	10 August 2016	73 616,73	10 116,00	-	16 757,16	14 494,25	31 251,41	114 984,14
NDODA NM	10 August 2016	73 616,73	10 116,00	-	16 757,16	14 494,25	31 251,41	114 984,14
MAHLANGU NP	10 August 2016	68 608,73	9 364,00	5 760,00	16 757,16	14 494,25	31 251,41	114 984,14
SHAI KJ	23 August 2016	70 309,89	9 620,00	-	20 560,00	14 494,25	35 054,25	114 984,14
LUKHELE I	10 August 2016	73 616,73	10 116,00	-	16 757,16	14 494,25	31 251,41	114 984,14
MOTLOUNG ME	10 August 2016	70 309,89	9 620,00	-	16 757,16	14 494,25	31 251,41	114 984,14
NTULI SR	10 August 2016	88 189,89	12 300,00	-	20 560,00	14 494,25	35 054,25	114 984,14
MORAJANE TA	10 August 2016	73 616,73	10 116,00	-	16 757,16	14 494,25	31 251,41	114 984,14
NEL BUITENDA	10 August 2016	184 477,50	27 675,00	-	-	30 600,00	32 205,56	244 358,06
MABIZELA TM	10 August 2016	245 970,00	36 900,00	-	-	40 800,00	40 800,00	323 670,00
SEBOLELA JD	10 August 2016	73 616,73	10 116,00	-	16 757,16	14 494,25	31 251,41	114 984,14

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35. Remuneration of councillors (continued)

MOFOKENG TS	10 August 2016	225 472,50	33 825,00	-	-	37 400,00	37 400,00	296 697,50
HLWOLWENI S	10 August 2016	71 000,57	9 720,00	-	19 769,32	14 494,25	34 263,57	114 984,14
SWART EP	10 August 2016	88 189,89	12 300,00	-	-	14 494,25	14 494,25	114 984,14
MOLOTO BD	10 August 2016	194 399,04	29 163,00	-	59 307,96	40 800,00	100 107,96	323 670,00
NDWANYAZA F	10 August 2016	88 189,89	12 300,00	-	-	14 494,25	14 494,25	114 984,14
MBONANI LM	10 August 2016	88 189,89	12 300,00	-	-	14 494,25	14 494,25	114 984,14
SIBANYONI SI	10 August 2016	74 735,40	11 215,00	-	24 712,10	17 000,00	44 823,60	137 974,00
CHAMBERLAIN	10 August 2016	230 945,00	34 644,00	17 280,00	-	40 800,00	40 800,00	323 670,00
MASEKO TM	01 December 2016	163 980,00	24 600,00	-	-	27 200,00	27 200,00	215 780,00
DUBE TH	26 May 2017	83 181,89	11 548,00	5 760,00	-	14 494,25	14 494,25	114 984,14
NSIBANDE ME	31 October 2017	157 495,44	23 628,00	15 840,00	62 331,06	37 400,00	99 731,06	296 697,50
MASINA NA	04 December 2017	245 970,00	36 900,00	-	-	40 800,00	40 800,00	323 670,00
MASINGA MM	10 July 2019	163 980,00	24 600,00	-	-	27 200,00	27 200,00	215 780,00
SPELA AM	09 October 2019	73 616,73	10 116,00	-	16 757,16	14 494,25	31 251,41	114 984,14
KLEINHANS T	12 November 2020	232 651,20	34 905,00	15 313,80	-	40 800,00	40 800,00	323 670,00
MASANGO SJ	17 December 2020	73 616,73	10 116,00	-	16 757,16	14 494,25	31 251,41	114 984,14
MAYISA JS	03 February 2021	88 189,89	12 300,00	-	-	14 494,25	14 494,25	114 984,14
CHAUKE EW	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17
DUDLEY VD	09 November 2021	40 446,30	6 069,00	-	17 679,39	9 259,00	26 938,39	73 453,69
ERASMUS D	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17
JONKER L	09 November 2021	182 057,17	-	-	-	26 259,00	26 259,00	208 316,17
KHOZA D	09 November 2021	123 206,33	17 598,00	-	-	26 259,00	26 259,00	208 316,17
KUBHEKA MA	09 November 2021	158 308,17	23 749,00	-	41 251,91	26 259,00	57 510,91	208 316,17
MADONSELA N	09 November 2021	134 718,50	20 209,00	10 080,00	-	26 259,00	26 259,00	208 316,17
MAGAMELA A	09 November 2021	13 573,67	2 036,00	1 440,00	-	23 800,00	23 800,00	188 807,50
MAHLANGU MJ	09 November 2021	18 599,64	-	-	-	2 459,00	2 459,00	19 508,67
MAHLANGU SV	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17
MAKHADO TC	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17
MALUKA JM	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17
MASEKO JM	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17
MAZIBUKO SJ	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17
MAZIBUKO TE	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17
MAZIBUKO TM	09 November 2021	117 309,20	17 603,00	-	47 145,04	26 259,00	50 054,04	214 986,24
MKHWANAZI SI	09 November 2021	153 300,17	22 997,00	5 760,00	-	26 259,00	26 259,00	208 316,17
MNYUKANA MC	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17
NTAHANE AN	09 November 2021	127 557,45	19 141,00	-	35 358,78	26 259,00	64 220,66	210 919,11
MTHEMBU BE	09 November 2021	137 810,67	20 674,00	-	-	22 859,00	22 859,00	181 343,67

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35. Remuneration of councillors (continued)									
MTOMBENI JL	09 November 2021	155 804,17	23 373,00	2 880,00	-	26 259,00	26 259,00	208 316,17	208 316,17
MTUNGWA CM	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
NGWENYA LP	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
NKOSI M	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
NKUNA MM	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
NKWANYANA E	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
PETTERSON VI	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
MASITENG SM	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
SEHLALO MS	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
SEIMELA T	09 November 2021	142 933,81	21 444,00	-	17 679,39	26 259,00	27 910,68	209 967,85	209 967,85
SIERANA GC	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
SINDELO S	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
TESNER J	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
THUKWANE KS	09 November 2021	153 300,17	22 997,00	5 780,00	-	26 259,00	26 259,00	208 316,17	208 316,17
VAN MARLE HE	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
VILAKAZI P	09 November 2021	158 308,17	23 749,00	-	-	26 259,00	26 259,00	208 316,17	208 316,17
ZWANE J	09 November 2021	117 309,20	17 604,00	-	47 145,04	26 259,00	28 345,80	210 402,97	210 402,97
NKOSI S	03 December 2021	106 113,77	14 856,00	4 320,00	-	18 071,23	18 071,23	143 361,00	143 361,00
ZWILELE L	03 December 2021	142 527,60	21 382,00	-	-	23 641,64	28 353,64	192 263,24	192 263,24
MASANGO SJ	04 February 2022	73 213,05	10 986,00	-	29 465,65	16 394,52	45 860,17	130 059,22	130 059,22
NDWANYAZA F	28 April 2022	43 319,95	6 150,00	-	-	7 135,34	7 135,34	56 605,29	56 605,29
MAHLANGU TJ	12 May 2022	33 975,23	5 097,00	-	-	5 635,62	5 635,62	44 707,85	44 707,85
		16 955 022,72	2 465 655,00	264 433,80	2 111 885,08	2 556 448,88	4 713 014,45	24 398 129,97	24 398 129,97

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35. Remuneration of councillors (continued)

Additional information

All salaries, allowances and benefits of councillors been paid July 2021 to June 2022 and within the upper limit's framework. The term of office ended in November 2021, and new term then started. It brought it the following changes:

Chief whip

1. Mtshali PD
2. Mtsweni MJ

Speaker

1. Nyembe FM
2. Magagamela FF

MPAC chairperson

1. Gwiji CV
2. Botha C
3. Sibanyoni SI

Member of executive/ mayoral committee

4. Mmc community services (Sibanyoni SI)
5. Mmc community services (Nsibande ME)
6. Mmc community services (Makhanye SA)
7. Mmc water and sanitation (Ndaba BB)
8. Mmc corporate services (Zulu TS)
9. Mmc corporate services (Mtsweni TP)
10. Mmc special projects (Zulu NN)
11. Mmc finance (Mahlangu BS)
12. Mmc roads and electricity (Nhlapo MD)
13. Mmc technical services (Mbokazi V)
14. Mmc planning & development (Ngxonono YT)

Committee Chairperson

1. Rules ethics & by-laws committee - VAN Huysteen NC
2. Rules ethics & by-laws committee - Mthembu BE
3. Public participation committee - Nel-Buitendag AD
4. Public participation committee - Mofokeng TS
5. Geographical names committee - Masinga MM
6. Multi-party women's caucus (Mnisi TR)
7. Chairperson sect 79 comm (Makola MB)
8. Chairperson sect 79 comm (Mahlangu B D)



36. Depreciation and amortisation

Property, plant and equipment	165 565 781	213 174 353
Intangible assets	253 616	247 672
	165 819 397	213 422 025

37. Impairment of assets

Impairments

Property, plant and equipment	2 533 263	24 244 405

Govan Mbeki Municipality

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Figures in Rand	2022	2021
38. Finance costs		
Employee obligation interest	8 049 635	7 804 520
Trade and other payables	157 005 779	85 106 220
Finance leases	38 565	20 206
Current borrowings	-	52 724
Land fill site	30 245 802	18 205 859
	195 339 781	111 189 529
39. Debt impairment		
Debt impairment	390 894 535	490 036 239
Bad debts written off	173 882 752	-
	564 777 287	490 036 239
40. Bulk purchases		
Electricity - Eskom	787 367 176	713 048 152
Water	356 269 301	340 513 253
	1 143 636 477	1 053 561 405
Electricity losses		
Units purchased	564 990 388	570 834 250
Units sold	(206 678 705)	(220 761 732)
Total loss	358 311 683	350 072 518
Comprising of:		
Technical losses	57 236 039	57 083 425
Non-technical losses	301 075 644	292 989 093
Total	358 311 683	350 072 518
Percentage Loss:		
Technical losses	10 %	10 %
Non-technical losses	53 %	51 %
Total	63 %	61 %

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40. Bulk purchases (continued)

Water losses

Water stock opening	73 303	82 515
Water stock closing balance	(78 203)	(73 303)
Kilo-litres purchased	33 041 711	33 424 231
Kilo-litres sold	(20 747 171)	(22 325 407)
Total	12 289 640	11 108 036

Comprising of:

Technical losses	4 284 918	3 350 875
Non-technical losses	8 004 721	7 751 961
Total	12 289 639	11 102 836

Percentage Loss:

Technical losses	10 %	10 %
Non-technical losses	24 %	23 %
Total	34 %	33 %

41. Contracted services

Outsourced Services

Alien Vegetation Control	-	9 060
Burial Services	14 800	116 940
Clearing and Grass Cutting Services	-	32 502
Pest Control	28 696	5 971
Meter Management	228 360	13 923 875
Professional Staff	3 148 992	6 092 311
Security Services	36 520 455	28 746 678
Sewerage Services	19 898 489	23 063 947

Consultants and Professional Services

Business and Advisory	29 244 494	27 046 313
Audit committee	191 586	211 116
Legal Cost	40 583 123	11 765 195

Contractors

Electrical	3 794 991	3 364 860
Prepaid Electricity Vendors	3 227 292	-
Total	136 881 278	114 378 768



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Figures in Rand	2022	2021
42. General expenses		
Advertising	487 601	295 960
Auditors remuneration	5 378 693	10 649 562
Bank charges	3 355 671	3 097 978
Consumables	69 933 123	19 723 205
Entertainment	193 835	129 589
Rental: machinery & equipment	3 367 272	2 831 018
Insurance	11 602 528	8 662 069
EPWP	8 441 918	(49 870)
Ward committees	3 718 500	5 566 500
Fuel and oil	13 491 528	5 279 360
Printing and stationery	21 925	31 053
Protective clothing	3 692 438	2 409 983
Repairs and maintenance	51 352 163	63 759 004
Subscriptions and membership fees	13 989 326	8 466 855
Communication cost	2 212 340	2 633 179
Transport and freight	1 397 725	932 617
Training	101 183	590 744
Travel	866 726	92 439
Licensing Fees	2 967 246	1 798 055
Professional fees	13 633 218	14 849 049
Workmen Compensation	2 093 201	2 051 257
Grants expenditure	12 672	96 900
Other expenses	872 069	1 485 797
	213 182 901	155 384 303
43. Fair value adjustments		
Investment property (Fair value model)	(105 409)	43 421 925
Other financial assets		
• Other financial assets (Designated as at FV through P&L)	-	196 746
	(105 409)	43 618 671
44. Auditors' remuneration		
Fees	12 758 006	10 649 562
45. Operating deficit		
Operating deficit for the year is stated after accounting for the following:		
Gain (loss) on sale of property, plant and equipment	2 273 741	(3 942 709)
Loss on sale of investment property	(2 448 744)	(7 324 000)
Gain on sale of intangible assets	3 949 024	-
Impairment on property, plant and equipment	2 533 263	24 244 405
Amortisation on intangible assets	253 616	247 672
Depreciation on property, plant and equipment	165 565 781	213 174 353
Employee costs	589 558 476	586 157 108

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46. Cash generated from operations		
Deficit	(697 345 472)	(478 394 025)
Adjustments for:		
Depreciation - PPE	170 330 035	211 752 752
Amortisation - Intangible assets	247 673	247 673
Impairment - Property, Plant and Equipment	2 378 379	29 382 532
Debtors impairment - receivables from exchange transactions	343 508 355	531 825 658
Debtors impairment - receivables from non-exchange transactions	67 531 701	3 014 601
Loss / (profit) on disposal of assets - Investment Property	2 448 744	7 490 000
Loss / (profit) on disposal of assets - PPE	(5 552 264)	1 698 711
Fair value adjustments - financial assets	(776 153)	(903 360)
Finance costs - Rehabilitation provision	30 245 802	18 207 859
Non-exchange assets received - PPE	-	(2 441 948)
Movement in provisions	4 908 284	4 891 018
Movement in long service awards	2 637 098	5 353 010
Movement in employee benefit liability	(7 208 244)	(2 753 017)
Increase in leave and bonus accrual	-	(146 913 028)
Changes in working capital:		
Inventories	(7 329 451)	(7 569 209)
Receivables from exchange transactions	186 907 973	(35 879 963)
Receivables from non-exchange transactions	(67 296 408)	(6 029 202)
Other asset 1	(16 554 503)	(16 294 923)
Long term receivables	5 861 333	2 857 467
Payables from exchange transactions	3 503 116	3 806 046
VAT	(31 029 572)	(47 866 166)
Transfers payable from non-exchange	209 145 478	-
Unspent conditional grants and receipts	(18 962 202)	64 566 653
Consumer deposits	1 683 080	677 058
	178 282 782	140 726 197
47. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	123 210 558	132 878 360
Total capital commitments		
Already contracted for but not provided for	123 210 558	132 878 360
Total commitments		
Total commitments		
Authorised capital expenditure	123 210 558	132 878 360

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48. Contingencies		
Cronje De Waal & Skhosana attorneys		2022,00
Govan Mbeki Municipality vs Piet Bok Construction Cc	Piet Bok issued summons against the Municipality for standing time. R 9 021 856,41	9 021 856,00
Govan Mbeki Municipality vs Bosch	Bosch issued summons against the Municipality R 16 996 144,69 for standing time. Further they are suing R 8 785 710,86 for damages	25 781 855,55
Govan Mbeki Municipality vs Nics	Consolidated of all NICS cases to the value of R 125 000 000,00, Court ordered the Municipality to pay R 22 000 000,00	-
Govan Mbeki Municipality vs Moonstone Investment 11	Application against GMM for review and setting it at R 560 000,00	560 000,00
TMN Kgomo and Ass' Attorneys		
Govan Mbeki Municipality vs Ocean Dawn Trading & Projects CC	Summons against GMM for services rendered by security company for the protection of the Municipal Manager R 293 600,00	293 600,00
Mthimunye Attorneys		
Govan Mbeki Municipality vs Kalapeng Contruction CC	Summons issued against Municipality for services rendered in 2005 to the value of R 123 092,34.	123 092,00
S'busiso Simelane Attorneys		
Govan Mbeki Municipality vs Mukesh Daya Vallabh	Summons against the Municipality, the claim arising from porthole amounted R 49 988,22	49 988,00
Govan Mbeki Municipality vs Anele Mandisa Maseko	Summons against GMM, the plaintiff collided with a porthole R 35 766,55	35 766,00
Leepile attorneys		
Govan Mbeki Municipality vs Nu-Way	The Municipality filed an application to expropriate the stand belonging to Nu-Way. Nu-Way refused an offer of R500 000 demanding R 3 000 000.	3 000 000,00
Ramathe MJ Inc		
Govan Mbeki Municipality vs J E Mabona//Public Protector	Mr. Mabona has filed a complaint with the Public protector claiming an amount of R 1 581 053 being for services rendered in 2004.	1 581 053,00
Kgabo Serokolo Attorneys		
Govan Mbeki Municipality vs South African Music Rights Organisation NPC	Summons against the Municipality from an apparent contractual dispute between parties. Amount R199 296,67 claimed by SAMRO for a affiliation.	199 296,67
Govan Mbeki Municipality vs Weston Global Investment (Pty) Ltd	Application against the Municipality to reinstate valuation retrospective and payment of R 290 000,00 back to the Plaintiff	290 000,00
Raphiri Attorneys		
Govan Mbeki municipality vs Simon Filani Mndebele	Summons against GMM for costs of the disciplinary proceedings and matter in the High Court relating to the DC R 1 846 728,58	1 846 728,58
Totals		42 783 235,80
Other		
Govan Mbeki Municipality vs Coleman Catharina Talita	Summons issued against Municipality: Delictual matter a person fell from a chair. R 750 000,00.	750 000,00

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Figures in Rand		2022	2021
48. Contingencies (continued)			
Govan Mbeki Municipality vs Johnston Ronald Graeme Murray	Summons against the Municipality for personal injuries sustained in a motor cycle accident by the Plaintiff. He is suing R 2 250 000.00		-
Govan Mbeki Municipality vs Charlie Jacobs & Grace Gabasile Jacobs	Summons against GMM, A child electrocuted in Leandra amount R 1 500 000.00	1 500 000,00	
Govan Mbeki Municipality vs Johannes Hermarnus van der Westhuizen	Summons against the Municipality, the claim arising from porthole amounted to R 107 440.00	107 440,00	
Govan Mbeki Municipality vs Yvonne Beatrice Deetlefs	Summons against GMM, the plaintiff tripped and fell due to uneven paving in Bethal R 300 000.00	300 000,00	
Govan Mbeki Municipality vs Siyabonya Robert Mngomezulu	Summons against the Municipality for failing to provide and ensure maintenance of the road and signs on the intersection R 60 000.00	60 000,00	
Govan Mbeki Municipality vs Hein Van Wyk	Summons against the Municipality, the claim arising from porthole amounted R 99 614.63	99 615,00	
Govan Mbeki Municipality vs Nadeem Sohail	Summons against the Municipality deriving from a porthole amounted to R 286 491.78	286 492,00	
Govan Mbeki Municipality vs Retshedistwe Johannes Mapheshoane	Summons against the Municipality for injuries from electrocution R 10 510 100.00	10 510 100,00	
Govan Mbeki Municipality vs Phillimon Xaba	Summons against GMM, the plaintiff alleges that he collided with a porthole R 195 197	195 197,00	
Govan Mbeki Municipality vs Alpha Pharm (Pty) Ltd	Summons against GMM for a collision between motor vehicles for an amount of R 29 658.75	29 659,00	
Govan Mbeki Municipality vs Chris Calitz	Summons against GMM for a collision of motor vehicles in the sum of R 51 288.69	51 289,00	
Govan Mbeki Municipality vs Lolo Martin Dube	Summons against GMM, the plaintiff alleges that he collided with a pothole R 57 756.93	57 757,00	
Govan Mbeki Municipality vs Absalom Mgabi	Summons against GMM, the plaintiff alleges that he collided with a pothole R 220 512.65	220 513,00	
Govan Mbeki Municipality vs Willem Shaun Du Plessis	Summons against GMM, the plaintiff alleges that he collided with a pothole R 67 300.00	67 300,00	
Govan Mbeki Municipality vs Abdala Mohamoud, T A Halfprice Tuckshop	The Plaintiff is suing the Municipality for tuckshop demolition and stock seized by the Bylaw enforcement unit to the Value of R 800 000.00 plus interest and costs	800 000,00	
Govan Mbeki Municipality vs Kock	Summons against GMM, the plaintiff alleges that he collided with a pothole R 109 777.45	109 777,00	
Govan Mbeki Municipality vs PJG Nieuwoudt	Summons against GMM for a collision of motor vehicles in the sum of R 20 076.53	20 077,00	
Govan Mbeki Municipality vs BKM Zone 28 Enterprise (Pty) Ltd	Summons against GMM for services rendered by the plaintiff R 385 150.80	92 000,00	

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48. Contingencies (continued)

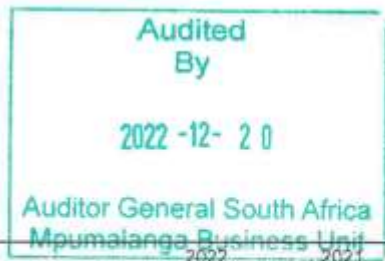
Govan Mbeki Municipality vs Shaun Hatting	Summons against GMM, the plaintiff alleges that he collided with a pothole R 60 271.50	60 272,00
Govan Mbeki Municipality vs Eugene Andre Schambriel	Summons against GMM, the plaintiff alleges that he collided with a pothole for an amount of R 6536.43	6 536,00
Govan Mbeki Municipality vs Joseph Visagie	The Plaintiff has lodged a claim for damages for a motor vehicle accident. He is suing for R 135 413.49	135 413,00
Daniel S P Luiz / GMM	Plaintiff is suing GMM for a motor vehicle accident with the Municipal Vehicle to the amount of R 93 609.10	93 609,10
Lodewikus Johannes Steyl	Summons against GMM, the plaintiff alleges that he collided with a pothole R31924.5	31 924,50
Unathi Mpepe	Summons against GMM, the plaintiff alleges that he collided with a pothole 34379.35	34 379,35
Bridgette Claire Thorn	Summons against GMM, the plaintiff alleges that he collided with a pothole R194820.15	194 820,15
Govan Mbeki municipality vs Phillimon Muzwandile Mogano & Sdongile Roselinah Mogano	Summons against the Municipality for the minor died in a quarry and the Plaintiff is claiming damages against the Municipality R 3 980 000.00	3 980 000,00
Govan Mbeki Municipality vs Dewaldt Van Wyk	Summons against GMM, the plaintiff alleges his property was damaged by water from drainage and failure to maintain drains of the Municipality R88 333.16	88 333,16
Govan Mbeki Municipality vs Jonathan Ball	Summons against GMM, the plaintiff alleges that he collided with a pothole R18 059.09	18 059,09
Govan Mbeki Municipality vs William Seleme Tshenye	Summons against GMM, the plaintiff alleges that he collided with a pothole R51 219.74	51 219,74
Govan Mbeki Municipality vs Everhardus Johannes Underhay	Summons against GMM, the plaintiff alleges that he collided with a pothole R18 264.25	18 264,25
Govan Mbeki Municipality vs JGS Holtshauzen	Summons against GMM, claim for damages for injuries for colliding with a pothole R 825 000.00	825 000,00
Martin Johannes van Heerded	Summons against GMM, the plaintiff alleges that he collided with a pothole R18555.77	18 555,77
Totals		20 813 602,11
sub-totals for contingent liabilities for the year	-	63 596 837,91
Contingent Assets		
The following cases against the municipality have been lodged as a claim with insurance company		
Govan Mbeki Municipality vs Abdala Mohamoud, T A Halfprice Tuckshop	The Plaintiff is suing the Municipality for tuckshop demolition and stock seized by the Bylaw enforcement unit to the Value of R 800 000.00 plus interest and costs -	800 000,00
Govan Mbeki Municipality vs Johannes Hermarnus van der Westhuizen	Summons against the Municipality, the claim arising from pothole amounted to R107 440.00	107 440,00

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48. Contingencies (continued)

Govan Mbeki Municipality vs Yvonne Beatrice Deetlefs	Summons against GMM, the plaintiff tripped and fell due to uneven paving in Bethal R300 000	300 000,00
Govan Mbeki Municipality vs Siyabonya Robert Mngomezulu	Summons against the Municipality for failing to provide and ensure maintenance of the road and signs on the intersection R60 000	60 000,00
Govan Mbeki Municipality vs Hein Van Wyk	Summons against the Municipality, the claim arising from pothole amounted R99 614,63	99 614,63
Govan Mbeki Municipality vs Nadeem Sohail	Summons against the Municipality deriving from a pothole amounted to R286 491,78	286 492,00
Govan Mbeki Municipality vs Retshedistwe Johannes Mapheshoane	Summons against the Municipality for injuries from electrocution R10 510 100,00	10 510 100,00
Govan Mbeki Municipality vs Phillimon Xaba	Summons against GMM, the plaintiff alleges that he collided with a pothole R195 197	195 197,00
Govan Mbeki Municipality vs Alpha Pharm (Pty) Ltd	Summons against GMM for a collusion between motor vehicles for an amount of R29 658,75	29 659,00
Govan Mbeki Municipality vs Chris Calitz	Summons against GMM for a collision of motor vehicles in the sum of R51 288,69	51 289,00
Govan Mbeki Municipality vs P.J.G Nieuwoudt	Summons against GMM for a collision of motor vehicles in the sum of R20 076,539	20 077,00
Govan Mbeki Municipality vs Lolo Martin Dube	Summons against GMM, the plaintiff alleges that he collided with a pothole R57 756,93	57 757,00
Govan Mbeki Municipality vs Shaun Hatting	Summons against GMM, the plaintiff alleges that he collided with a pothole R60 271,50	60 272,00
Govan Mbeki Municipality vs Absalom Mgabi	Summons against GMM, the plaintiff alleges that he collided with a pothole R220 512,65	220 512,65
Govan Mbeki Municipality vs Willem Shaun Du Plessis	Summons against GMM for a claim alleging a pothole collision for R 67 300,00	67 300,00
Govan Mbeki Municipality vs Willem Kock	Summons against GMM, the plaintiff alleges that he collided with a pothole R109 777,45	109 777,45
Govan Mbeki Municipality vs Daniel S P Luiz	Plaintiff is suing GMM for a motor vehicle accident with the Municipal Vehicle to the amount of R 93 609,10	93 609,10
Govan Mbeki Municipality vs Lodewikus Johannes Steyl	Summons against GMM, the plaintiff alleges that he collided with a pothole R31 924,50	31 924,50
Govan Mbeki Municipality vs Unathi Mpepe	Summons against GMM, the plaintiff alleges that he collided with a pothole R34 379,35	34 379,35
Govan Mbeki Municipality vs Bridgette Claire Thorn	Summons against GMM, the plaintiff alleges that he collided with a pothole R194 820,15	194 820,15
Govan Mbeki Municipality vs Martin Johannes van Heerded	Summons against GMM, the plaintiff alleges that he collided with a pothole R18 555,77	18 555,77

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48. Contingencies (continued)		
Govan Mbeki Municipality vs Coleman Catharina Talita	Summons issued against Municipality: Delictual matter a person fell from a chair. R 750 000.00.	750 000,00
Govan Mbeki Municipality vs Charlie Jacobs & Grace Gabasile Jacobs	Summons against GMM. A child electrocuted in Leandra amount R 1 500 000.00	1 500 000,00
Govan Mbeki Municipality vs Phillimon Muzwandile Mogano & Sbhongile Roselinah Mogano	Summons against the Municipality for the minor died in a quarry and the Plaintiff is claiming damages against the Municipality R 3 980 000.00	3 980 000,00
Govan Mbeki Municipality vs Dewaldt Van Wyk	Summons against GMM, the plaintiff alleges his property was damaged by water from drainage and failure to maintain drains of the Municipality R88 333.16	88 333,16
Govan Mbeki Municipality vs Jonathan Ball	Summons against GMM, the plaintiff alleges that he collided with a pothole R18 059.09	18 059,09
Govan Mbeki Municipality vs William Seleme Tshenye	Summons against GMM, the plaintiff alleges that he collided with a pothole R51 219.74	51 219,74
Govan Mbeki Municipality vs Everhardus Johannes Underhay	Summons against GMM, the plaintiff alleges that he collided with a pothole R18 264.25	18 264,25
Govan Mbeki Municipality vs JGS Holtshauzen	Summons against GMM, claim for damages for injuries for colliding with a pothole R 825 000.00	825 000,00
"Leepile Attorneys"		
Govan Mbeki Municipality vs V Nu-Way	Municipality issued summons in the amount of R 949 181.10 being for a stand that was bought for the purpose of a clinic.	949 181,10
Govan Mbeki Municipality vs Hwibidu Security CC	Municipality issued summons in the amount of R 4 800 000 for damages suffered at Embalenhle sewer plant. Hwibidu failed to guard the. Plant and copper was stolen	4 800 000,00
Govan Mbeki Municipality vs Govan Mbeki Municipality	An amount of R93 000 was not banked, a financial misconduct investigation is underway	93 000,00
sub-totals for contingent assets for the year		26 421 834,21
Total Contingencies for the year 2021/2022		90 018 672,12

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49. Related parties

Relationships

Members of key management

Executive Mayor

Chief Whip

Speaker

Speaker

Chief Whip

Member of the Mayoral Committee

Member of the Mayoral Committee

Member of the Mayoral Committee

Member of the Mayoral Committee

Member of the Mayoral Committee

Member of the Mayoral Committee

Member of the Mayoral Committee

Member of the Mayoral Committee

Member of the Mayoral Committee

Member of the Mayoral Committee

Member of the Mayoral Committee

Member of the Mayoral Committee

Member of the Mayoral Committee

Tshabalala EK

Nkhatha VB

Maphuthu TJ

Gininda TM

Zuma NG

Mtshali PD

Nyambe F

Magagamela FF

Mtsweni MJ

Makhanye SA

Mahlaungu BS

Zulu NN

Nhlapo MD

Nkosi NE

Ngxonono YT

Zulu TS

Ndaba BB

Mtsweni T

Nsibande MI

Mtshali D

Mbokazi AV

Sibanyoni O

The other key members of the mayoral committee and all the members of the council are disclosed on page 2 and respectively.

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

Sondie Trading enterprise	-	283 360
Singemalangen Logistics CC	-	110 400

Hiring of plant equipment services paid to related parties

Sondie Trading enterprise	1 228 016	1 679 716
Singemalangen Logistics CC	397 440	610 880
Vuma Konke Transport & Project CC	3 601 020	6 418 094

Upgrade of Pump station 5 and construction of new pumping station 24

Ndluwakho Construction	541 571	-

Other services paid to related parties

SC Mthimunya Transport	425 040	4 709 812
Dota 72 Trading	182 500	-

Consumables purchases from related parties

Clarabana general trading CC	82 030	55 760

Repairs and maintenance services

Izinyosi trading	2 257 134	4 560 780

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50. Prior period errors

Receivables from non-exchange transactions

Receivable from non exchange transactions increased by R9 819 651 due to change in accounting policy for debt impairment, resulting in a decreased on the impairment value and increase in the carrying amount of the receivable.

VAT Receivables

Vat receivable decreased by R463 000 due to the following:

In 2021 management incorrectly accrued orders. The transactions on the accruals were not correctly processed. Journals were processed to correct the error. With the error correction the VAT was affected an adjustment amount to 392 363 was processed accordingly.

Receipts for Sale of ERF 8392 was initially recognised as unknown deposit. The correction amounted to decrease in VAT receivable by 11 074 and Payables from Non-Exchange with an amount of R 73 830

Receipts amounting to 244 475 were received without proper reference as a result those amounts were then allocated to Unknown deposit segments. On receipt of the sale agreements the monies were therefore re-allocated correctly. The transaction decreased VAT receivable by 31 888 and decreased, Payables from Non Exchange with an amount of 244 475

Receipts amounting to 215 175 were received without proper reference as a result those amounts were then allocated to Unknown deposit segments. On receipt of the sale agreements the monies were therefore re-allocated correctly. The transaction decreased VAT receivable by 27 675 and Payables from Non-exchange with an amount of 215 175

Property, plant and equipment

Buildings, Land and Other PPE are classified as Property, Plant and Equipment along with other classes of Assets. Consequently, the R35 188 313 increase in Buildings, R1 259 988 decrease in Land and R12 302 increase in Other PPE resulted in an increase carrying amount of Property, Plant and Equipment of R33 940 797

Investment property

Investment property increased by R88 416 517 due to donation of Brandan Village in by the Department of Human Settlement and recognition of the sub-division Emzinoni Ext 11 and Kinross 30.

The donation by Department of Human Settlement resulted in an increase of Donations income by R43 859 516 and investment property of R43 859 516

The sub-division of Emzinoni resulted the land parcels being derecognised from the land register at cost of R1 259 988 and recognised in Investment register. The properties were then fair valued as at 30 June 2021 as per the accounting policy.

Land

The sub-division of Emzinoni resulted the land parcels being derecognised from the land register at cost of R1 259 988 and recognised in Investment register. The properties were then fair valued as at 30 June 2021 as per the accounting policy.

Buildings

On July 2020 SASOL donated Parks to the municipality, this resulted in an increase in the PPE and increase in donation revenue of R36 500 000.

The Parks were then subsequently depreciated which resulted in an increase of R1 311 687 for depreciation and accumulated depreciation.

Receivable from non-exchange transactions

The amount result from implementation of traffic fines policy

Long Term Term Receivable

Reconciliation of long term register and annual financial statements to clear the difference which existed. The difference was due to current receivables which were disclosed as current.

Income

Govan Mbeki Municipality

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50. Prior period errors (continued)

Services charges

Property rates were incorrectly classed as service charges and rental facilities. Resulting in a decrease of Service Charges by R2 402 773 and increase of Property Rates.

Other income

Other income has increased as a result of the following

- 36 500 000 Donation for Duckpond Park and Thistle Groove community Park by SASOL to the municipality
- 43 859 516 Donations for Braken Village by SASOL to the municipality.

The above resulted in an increase in other income of R 80 359 517 and increase in Property Plant and Equipment with R 36 500 000 and increase to investment property with R 43 859 516

Fees earned and Payment made in advance

An amount of R73 830 was received by the municipality. The customer who sent the money did not use correct reference and as the municipality we did not receive supporting documentation explaining the reason for the receipt. As a result, the receipt was then allocated to "unknown deposit account".

Later it was discovered that the money received as a result of the disposal of ERF 8392 Secunda Ext 22, as per the signed deed of sale. The sale resulted in increase in revenue _fees earned of R 4106, decrease in Unallocated deposits R73 830, Payments received in advance amounting to R 58 650 and VAT R11 074

Fair value adjustment

Subsequent to Subdivision of Kinross and Emzinoni Farms, the same property was then fair valued and thus increase investment property further with **43 297 012**. Prior to the subdivision the farm land that was valued at **1 259 989** was firstly transferred from Property, Plant and Equipment to Investment Property. As a result of the subdivision (43 859 516) and Fair Valuation of R 43 297 012 Investment property increased

Bulk purchases

In the previous financial year when recognising Water Inventory "Expenditure leg" a segment for consumables was used instead of bulk purchases water. In preparation of the financial statements the consumable segment was then mapped to Bulk. Treasury issued Circular 108 for municipalities to recognise bulk water as Consumables, the same segment that was used to recognise water inventory was then used to recognise Rand water purchases as a result the 127 917 was reclassified from bulk purchases to consumables.

General expenditure

Included in the 490 729 is the 127 917 relating to consumables, 12 470 asset that was incorrectly classified as consumables and 606 176 for previous years surpluses which were reclassified in line with Treasury Circular 108, paragraph 4.2.

Payables from exchange transaction

An amount of 9,385, 168 was corrected as a result of the accrual of SCM orders which were not supposed to be accrued

Loss on disposal of assets

Correction of the Loss on disposal of assets is mainly due to the Subdivision of Parent land was then added to investment property (deemed disposal of Property, plant and equipment which then resulted in the loss). R 903 700 +907 354 is the loss on disposal of assets R 1 811 051. Included is the 124 913 which was incorrectly mapped in the AFS as loss on disposal whereas this is fair value adjustment

Payables from non-exchange transactions

The amount was for stands sold in 2020 was misallocated to the unknown deposit and was corrected in 2022

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50. Prior period errors (continued)

Description	Restated balances 2021	Figures As per 2021 signed AFS	Difference
Current Assets			
Receivables from non-exchange	63 430 510,00	53 933 759,00	9 496 751,00
VAT Receivable	87 251 250,00	87 714 250,00	-463 000,00
Long term receivables	6 025 105,00	6 023 604,00	1 501,00
Non-Current Assets			
Investment property	1 150 967 101,00	1 062 550 584,00	88 416 517,00
Property, plant and equipment	1 715 241 110,00	1 681 300 313,00	33 940 797,00
Land	422 650 067,00	423 910 055,00	-1 259 988,00
Buildings	198 811 351,00	163 622 868,00	35 188 483,00
Other PPE	51 571 493,00	51 559 191,00	12 302,00
Long term receivables	3 836 608,00	4 000 000,00	-163 392,00
Current Liabilities			
Payables from exchange transactions	3 009 383 087,00	2 999 997 919,00	9 385 168,00
Payables from non-exchange transactions	19 170 707,00	19 701 187,00	-530 480,00
Payment received in advance	49 565 945,00	49 507 295,00	58 650,00
Income			
Service charges	1 258 672 512,00	1 256 269 739,00	-2 402 773,00
Rental of facilities & equipment	5 764 166,00	5 759 314,00	-4 852,00
Fees earned	6 737 515,00	6 733 409,00	-4 106,00
Other income	80 562 005,00	202 488,00	-80 359 517,00
Fair value adjustment	43 493 758,00	321 659,00	-43 172 099,00
Property rates	351 685 842,00	354 093 467,00	2 407 625,00
Expenses			
Depreciation & amortisation	-213 422 025,00	-212 110 338,00	1 311 687,00
Debt impairment	-489 713 339,00	-499 371 099,00	-9 657 760,00
Bulk purchases	-1 053 561 405,00	-1 053 689 322,00	-127 917,00
Loss on disposal of assets	-11 141 796,00	-9 455 698,00	1 686 098,00
General expenditure	-155 384 303,00	-155 875 032,00	-490 729,00

51. Risk management**Financial risk management**

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

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51. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by council. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2022	2021
Payables from exchange transactions	3 793 615 236	3 009 383 087
Payables from non-exchange transactions	21 819 301	19 701 187
Consumer deposits	29 017 252	27 334 172
Receivables from exchange transactions	272 943 550	197 581 403
Receivables from non-exchange transactions	77 398 351	63 753 510
Other receivables	48 749 389	42 194 886
Cash and cash equivalents	230 451 681	203 199 683
Long term receivables	4 000 379	9 861 712
Finance lease	721 386	-

Market risk

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

52. Going concern

We draw attention to the fact that at 30 June 2022, the municipality had an accumulated (deficit) - and that the municipality's total liabilities exceed its assets.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern.

This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality and that the subordination agreement referred to in note XX of these annual financial statements will remain in force for so long as it takes to restore the solvency of the municipality.

During the 2019 /2020 financial year, the Provincial Executive of the Mpumalanga Provincial Government intervened in the municipality in terms of 139 (1) (b) the Constitution and Section 135(9) of the constitution read with section 139 of the Municipal Finance Management Act (MFMA Act No 56 of 2003. As part of the intervention by the Provincial Executive, the Municipal Financial Recovery Plan was developed for Govan Mbeki Local Municipality

The primary responsibility of the plan is to resolve the financial challenges, reduce the debts and improve revenue collection. The plan is monitored by Council to ensure successful implementation and it places significant responsibility to the Accounting Officer and other Senior Managers.

The municipality continues to implement the Financial Recovery Plan and other revenue strategies together with the Budget Finding plan , with the aim to improve its financial stability

Govan Mbeki Municipality

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52. Going concern (continued)

I

53. Unauthorised expenditure

Opening balance as previously reported	815 585 332	1 907 661 430
Opening balance as restated	815 585 332	1 907 661 430
Add: Expenditure identified - current	786 277 355	815 585 332
Less: Approved/condoned/authorised by council		(1 907 661 430)
Closing balance	1 601 862 687	815 585 332

The unauthorised expenditure was incurred as a result of year-end accounting transactions not being budgeted for, bulk purchase, depreciation and impairment of assets, provision for impairment of debtors and interest charged on provision of long services awards, landfill site and employee benefit obligations.

54. Fruitless and wasteful expenditure

Opening balance as previously reported	85 106 221	548 080 766
Opening balance as restated	85 106 221	548 080 766
Add: Expenditure identified - current	157 005 779	85 106 221
Less: Amount written off - prior period		(548 080 766)
Closing balance	242 112 000	85 106 221

All expenditure identified as fruitless were as a result of interest that has been charged to the long outstanding creditors mainly on Eskom and Randwater Accounts. The expenditure was reported to council quarterly in line with the MFMA and referred to MPAC for investigation.

The fruitless and wasteful expenditure is a material loss to the municipality; however, this is as a result of the long debt that has accumulated over the years and due to the debt exceeding the municipalities budget.

There is no amount recovered nor written off in 2022

55. Irregular expenditure

Opening balance as previously reported	79 610 378	880 053 962
Opening balance as restated	79 610 378	880 053 962
Add: Irregular Expenditure - current	101 117 493	79 610 378
Less: Amount written off - prior period		(880 053 962)
Closing balance	180 727 871	79 610 378



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55. Irregular expenditure (continued)

Incidents/cases identified in the current year include those listed below:

		Disciplinary steps taken/criminal proceedings	
Services received without contracts	377 214	795 018	
Non-compliance with SCM regulations	59 905 895	77 342 029	
	<u>60 283 109</u>	<u>78 137 047</u>	

All expenditure identified as irregular expenditure have been reported to council and referred to MPAC for investigation.

It is of paramount important to note that the irregular expenditure have reduced from R 79 million to 60 million.

There is no material loss to the municipality as services has been rendered.

56. Additional disclosure in terms of Municipal Finance Management Act

Audit fees

Amount paid - current year	12 758 006	10 649 562

PAYE and UIF

Amount paid - current year	91 994 811	92 319 060

Pension and Medical Aid Deductions

Amount paid - current year	118 519 474	141 319 444

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56. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

VAT receivable	489 809 797	513 530 759
VAT payable	325 465 870	296 487 116
	<u>815 275 667</u>	<u>810 017 875</u>

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.



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56. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2022:

30 June 2022	Outstanding less than 90 days	Outstanding more than 90 days	Total
Kubheka MA	2 624	2 419	5 043
Mabizela TM	3 160	6 243	9 403
Magagamela FF	2 059	7 279	9 338
Makhado TC	3 348	48 731	52 079
Maluka JM	3 708	51 127	54 835
Maseko TM	983	3 700	4 683
Masinga MM	2 836	3 667	6 503
Masiteng SM	4 606	36 744	41 350
Mazibuko TM	5 349	74 399	79 748
Mofokeng TS	4 160	65 475	69 635
Mthembu BE	903	222	1 125
Mtshali PD	3 263	40 390	43 653
Ngwenya LP	3 108	21 702	24 810
Nkabinde ER	1 245	-	1 245
Nkuna MM	6 058	93 936	99 994
Nkwanyana SE	3 470	3 488	6 958
Nsibande ME	1 612	758	2 370
Petterson MR	944	283	1 227
Sehlalo MS	3 796	107 516	111 312
Sierana GC	5 216	36 851	42 067
Sindelo S	3 143	29 351	32 494
Thukwane KS	4 591	80 894	85 485
Van marie HE	1 356	458	1 814
Vilakazi P	3 502	70 347	73 849
Ziwele L	4 215	34 981	39 196
	79 255	820 961	900 216

30 June 2021

	Outstanding less than 90 days	Outstanding more than 90 days	Total
Dube TH	1 853	16 783	18 636
Gwiji CV	3 033	9 400	12 433
Hlotweni S	3 314	39 108	42 422
Klaas NP	3 935	5 372	9 307
Lukhele I	564	-	564
Mabizela TM	3 293	3 022	6 315
Mahlangu BD	1 865	273	2 138
Mahlangu E	3 526	12 704	16 230
Mahlangu NP	4 977	68 517	73 494
Makhanye SA	1 006	-	1 006
Makola MB	112	-	112
Maseko TM	922	2 429	3 351
Masina NA	8 025	293	8 318
Masinga MM	1 650	-	1 650
Masuku PIP	1 919	-	1 919
Mbokazi AV	2 968	20 050	23 018
Mbonani LM	5 741	39 691	45 432
Mkhaliphi S	4 861	25 599	30 460
Mofokeng TS	4 835	63 893	68 728

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56. Additional disclosure in terms of Municipal Finance Management Act (continued)

Mokoena BD	3 754	63 438	67 192
Moloto BD	2 607	129 755	132 362
Morajane TA	3 057	80 967	84 024
Motloung ME	1 560	2 350	3 910
Mtshali PD	3 597	62 198	65 795
Mtsweni TP	1 089	7 040	8 129
Ndwanyaza NP	3 925	43 297	47 222
Nkosi NE	2 699	2 053	4 752
Nsibande ME	1 519	7 149	8 668
Sebolela JD	9 025	35 629	44 654
Shai KJ	965	645	1 610
Sibanyoni SI	1 865	273	2 138
Sithole LE	2 353	18 100	20 453
Thabayhe IM	834	-	834
Vilakazi EA	648	-	648
Van Huyssteen NC	381	23 074	23 455
Zulu TS	2 802	32 223	35 025
	101 079	815 325	916 404

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

30 June 2022

	Highest outstanding amount	Aging (in days)
Sehlalo MS	107 516	120
Nkuna MM	93 936	120
Thukwane KS	80 894	120
Mazibuko TM	74 399	120
Vilakazi P	70 347	120
Mofokeng TS	65 475	120
Maluka JM	51 127	120
Makhado TC	48 732	120
Mtshali PD	40 390	120
Sierana GC	36 851	120
Masiteng SM	36 744	120
Ziwele L	34 981	120
Sindelo	29 351	120
Ngwenya LP	21 702	120
	792 445	1 680

30 June 2021

	Highest outstanding amount	Aging (in days)
Moloto BD	129 755	120
Morajane TA	80 967	120
Mahlangu NP	68 517	120
Mofokeng TS	63 893	120
Mokoena BD	63 438	120
Mtshali PD	62 198	120
Ndwanyaza PN	43 297	120
Hlotweni S	39 108	120
Mbonani LM	37 691	120
Sebolela JD	35 629	120
Zulu TS	32 223	120
Mkhaliphi S	25 599	120
Van Huyssteen NC	23 074	120
Mbokazi AV	20 050	120
Sithole LE	18 100	120
Dube TH	16 783	120

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56. Additional disclosure in terms of Municipal Finance Management Act (continued)

Mahlangu E	12 704	120
	773 026	2 040

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Incident

Sole Service Provider	95 410	-
Emergency pipeline repairs	704 806	12 744 038
	800 216	12 744 038

SCM regulation 45

Vuma Konke Hiring of plant (creditors)	531 422	-
Vuma Konke Hiring of plant (Transactions)	3 601 020	-
Dota 72 Trading	182 500	-
	4 314 942	-

Non-compliance with the Municipal Finance Management Act

Other MFMA disclosures

The Council approved the 2022/23 Draft Budget outside the stipulated time line in terms of section 16(1) and (2) of the Municipal Finance Management Act(MFMA).

The oversight report was not approved within the period stipulated in MFMA

The 2020/2021 Audit report was received outside the time-frames provided in the MFMA

57. Segment information

General information

Identification of segments

The municipality is organised and reports to management on the basis of seven major functional areas: Admin and Corporate Services, Community Services, Financial services, Municipal Manager, Planning and Development, Technical services, Executive and Council. The segments were organised around the type of service delivered and the target market. Management uses these same segments for determining strategic objectives. Segments were aggregated for reporting purposes.

Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Aggregated segments

The municipality operates throughout the Govan Mbeki Geographical area. Segments were aggregated on the basis of services delivered as management considered that the economic characteristics of the segments throughout Govan Mbeki were sufficiently similar to warrant aggregation.

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57. Segment information (continued)

Types of goods and/or services by segment

These reportable segments as well as the goods and/or services for each segment are set out below:

Reportable segment	Goods and/or services
Admin and Corporate Services	Admin Services and council support, Legal, Information Technology, Human resource and health and safety services
Community Services	Street cleaning, cemetery services, community halls management, refuse removal, landfill site and library services
Financial Services	Safety and security services and traffic control
Management manager	Asset management, procurement and supply services, Expenditure and creditor management, billing of consumers, consumer enquires and credit control, Budgetary control and financial reporting
Planning and Development	Senior and Executive Management and Municipal Project Management Services Internal audit and risk management services
Technical Services	Town planning and development, property services, building control, Local Economic Development and integrated Development Plan Services
Executive and Council	Infrastructure maintenance, Sewer network management, Water network management meter management and water distribution, Electricity network management, Street lighting, prepaid services any other technical related services
Segment 8	Services any other technical related services Municipal governance and Oversight
Segment surplus or deficit, assets and liabilities	Goods and/or services 5
Segment surplus or deficit	



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57. Segment information (continued)

2022

	Revenue from non-exchange transactions	Revenue from exchange transactions	Total Segment revenue	Salaries and wages	Depreciation and amortisation	Other expenses	Total Segment expenditure	Total segment (deficit) surplus
Revenue								
Admin and Corporate Services	24 635 850	25	24 635 875	60 040 028	58 621	72 888 017	132 986 666	(108 350 791)
Community Services	10 841 110	139 506 872	150 347 982	191 279 765	1 984 973	149 369 766	342 634 504	(192 286 522)
Financial Services	726 359 162	33 391 584	759 750 746	73 816 800	43 498 057	401 670 572	518 985 429	240 785 317
Municipal Manager	42 085 127	-	42 085 127	8 293 104	-	114 881	8 407 985	33 677 142
Planning and Development	2 972 498	11 355 746	14 328 244	33 390 778	-	8 515 790	41 908 568	(27 578 324)
Technical Services	55 954 126	288 012 853	343 966 979	178 747 972	-	637 595 554	816 343 526	(472 376 547)
Executive and Council Governance	-	-	-	40 325 552	120 277 747	6 628 241	167 231 540	(167 231 540)
	-	-	-	3 664 478	-	300 729	3 965 207	(3 965 207)
Total	862 847 873	1 472 267 080	2 335 114 953	589 558 477	165 819 398	2 277 083 550	3 032 461 425	(697 346 472)
Entity's revenue			2 335 114 953					
Entity's Surplus (deficit) for the period								(697 346 472)

Segment assets and liabilities

2022

	Net assets	Total segment assets	Total segment liabilities

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57. Segment information (continued)

Admin and Corporate Services	(107 167 096)	(97 358 369)	(9 808 727)
Community Services	(636 664 522)	(335 919 719)	(300 744 803)
Executive and Council	(10 242 260)	(9 796 933)	(445 327)
Financial Services	(976 020 261)	722 022 129	698 042 390)
Governance	(749 741)	(749 741)	-
Municipal Manager	280 675 207	179 736 150	100 939 057
Planning and Development	306 956 701	327 987 680	(21 030 978)
Technical Services	385 033 216	882 591 240	497 558 024)
Total segment assets	(758 178 756)	3 668 512 437	(4 426 691 192)
Total as per Statement of financial Position		3 668 512 437	(4 426 691 192)

58. Covid-19

Covid-19 impacted revenue sources to varying degrees. Given the impact of Covid-19 on the municipal revenue sources, there is a need to diversify revenue streams. The negative impact of the pandemic on the financial performance of the municipality, especially the rapidly declining liquidity, requires a suite of remedial measures to be implemented.

The revenue collection has increase from an average of 62% to 63% as of end of June 2022. The short-term impact of COVID19 was much better absorbed by operational expenditure savings, although the long-term financial sustainability is not stronger to the fact that the collection rate is not improving.

There is no Covid-19 expenditure for 2021/2022, however council incurred expenditure in the previous financial year as per the council resolution (A060/09/2020) and 30 November 2022(A099/11/2020).

-	27 384 591
-	17 211 285
-	44 595 876





A Model City of Excellence

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