Emthanjeni Municipality

Annual Report

2024/25

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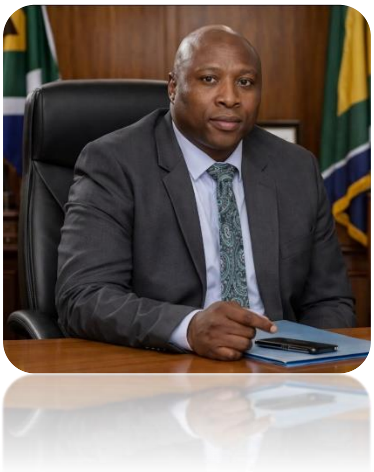
Mayor's Foreword



Emthanjeni Local Municipality, as a medium-capacity municipality, is required on an annual basis to produce an Annual Report that reflects its achievements, performance information, governance practices, and financial position.

This report is guided by the principles of transparency, accountability, efficiency, and effectiveness in municipal programmes, and seeks to ensure accurate and balanced reporting to all stakeholders.

The report presented today incorporates both financial and non-financial information across all municipal departments, structured in accordance with the prescribed reporting formats. The financial information contained herein is aligned with the Audited Annual Financial Statements for the 2024/25 financial year.

Key governance processes have been adhered to, including the tabling of the report for public scrutiny and enabling the Municipal Public Accounts Committee (MPAC) to exercise its oversight role through the interrogation and follow-up of reported information.

While the Emthanjeni municipal area continues to face significant service delivery challenges, the Municipality remains committed to maintaining performance and delivering services under constrained circumstances.

In my capacity, I have exercised oversight over the performance information contained in this report, and Council has duly considered the reports presented.

It is therefore my privilege to table the Annual Report for the 2024/25 financial year.

GL NKUMBI

MAYOR: EMTHANJENI MUNICIPALITY

Municipal Manager's Overview

In terms of the legislative prescripts governing municipal reporting, the Draft Annual Report is required to be submitted by 31 January of each calendar year. Emthanjeni Local Municipality has adhered to these requirements and confirms that the Draft Annual Report was submitted within the prescribed timeframe.

The Municipality successfully prepared and submitted its Annual Financial Statements for the 2024/25 financial year by 31 August 2025, in compliance with the provisions of the Municipal Finance Management Act. The Audit Report, issued in December 2025 by the Auditor-General of South Africa, resulted in a Qualified Audit Opinion on the financial statements.

Notwithstanding the audit outcome, the Municipality has demonstrated notable progress in performance management with achieving performance levels exceeding 74% against the Service Delivery and Budget Implementation Plan (SDBIP). The administration remains committed to strengthening performance systems and improving audit outcomes in future financial years.

The Draft Annual Report was subjected to the required public participation processes and oversight by the Municipal Public Accounts Committee (MPAC), after which the Final Annual Report will be tabled for adoption by Council.

The Municipality acknowledges the ongoing challenges posed by adverse economic conditions, including a constrained revenue base and increasing service delivery demands. Despite these constraints, Emthanjeni Local Municipality remains committed to enhancing its institutional systems, governance practices, and service delivery performance. Through continued collaboration with Government, Council, and the community, the Municipality is confident in its ability to achieve improved outcomes in the years ahead.

The Annual Report for the 2024/25 financial year is hereby submitted for consideration and adoption by Council, in support of the Executive Mayor's Office for formal tabling.

DISANG MOLAOLE

MUNICIPAL MANAGER

Chapter 1

Executive Summary

1.1 Municipal Overview

This report addresses the performance of the Emthanjeni Municipality in the Northern Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2024/25 Annual Report reflects on the performance of the Emthanjeni Municipality for the period 1 July 2024 to 30 June 2025. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.1.1 Vision and Mission

The Emthanjeni Municipality committed itself to the following vision and mission:

Vision:

"A centre for development and service excellence focused on economic development in pursuit of a better life for all"

Mission:

"To provide a quality service at all times and:

Value our resources both human and financial;

Develop an active citizenry; and

Create a conducive environment for economic growth"

1.2 Municipal Functions, Population and Environmental Overview

1.2.1 Population

Total Population

The 2022 Census (StatsSA) indicates that the total population has increased to 46 587. The population growth from 2011 to 2022 is 9.9%.

The graph below indicates the total population within the municipal area:

Year	2001	2011	2022
Total Population	35 785	42 356	46 587

Table 1: Total Population

Year	African	Coloured	Indian	White	Other
2001	10 435	20 848	40	4 463	-
2011	14 059	24 436	236	3 388	-
2022	14 884	27 905	357	3 421	17

Table 2: Population

The table below indicates that in 2016, females represent (51%) and males (49%) of the total population.

Population – Gender	2001	2011	2022
Females	18 679	21 634	24 212
Males	17 107	20 722	22 375
Total	**35 785**	**42 356**	**46 587**
Source: Census			

Table 3: Gender Statistics

1.2.2 Households

Households	2011	2022
Number of households	10 457	10 622
Average household size	4.1	4.4

Table 4: Total Number of Households

1.2.3 Demographic Information

Municipal Geographical Information

Emthanjeni Local Municipality is a category B municipality consisting of three towns: De Aar, Britstown and Hanover. Emthanjeni, and especially De Aar, is renowned for its central location on the main railway line between Johannesburg, Cape Town, Port Elizabeth and Namibia. It is situated in the Pixley ka Seme District Municipality and is the seat of this district.

Its location is approximately 300 km south-west of Kimberley, 440 km south-east of Upington, 300 km north-east of Beaufort-West and 300 km south-west of Bloemfontein. The land area comprises 11% of the district land area and 3% of the province. It represents approximately 23% of the district population.

Of the main towns that fall within the municipal area, Hanover lies approximately 65 km east of De Aar on N1 main north to south route and Britstown is situated about 55 km west of De Aar on the N12 route. Both these main routes link Johannesburg and Cape Town. These areas are extensive stock farming areas with the emphasis on sheep, mutton and wool farming, especially Merino's.

Emthanjeni Municipality, specifically De Aar, is the seat of Pixley ka Seme District Municipality and hosts all government departments. The Municipality covers an area of approximately 11 390km^2.

The maps of the Northern Cape indicate the location of the Emthanjeni Municipality in the Pixley Ka Seme District area.

Wards

The Municipality was structured into the following 8 Wards:

Ward	Areas
1	Montana, Kareeville, Sunrise and Klein Kareeville
2	Residensia, New bright, Happy Valley, Extension 20, Extension 7 and Macarena
3	Nonzwakazi(from street 11, 10,20 until street 3,15, 16, Izinyoka including left side of street 2), Portion of Waterdal
4	Barcelona, Malay Camp, Leeuwenshof & portion of Nonzwakazi (only street 12 ,18)
5	Portion of town Area and Louisville
6	Kwezi, Nompumelelo, Joe Slovo Park, Tornadoville, Hanover(town)
7	Jansenville, Mziwabantu, Britstown(town), Proteaville
8	Right side of Street 2, 1. 13, 14, 17 (Nonzwakazi), Waterdal and portion of town area up until Van Zyl Street.

Table 5: Municipal Wards

Towns

De Aar

De Aar means “the artery”, and in many senses this town is the lifeblood of the Karoo. It’s the head office of the Emthanjeni Municipality and Pixley Ka Seme District Municipality; home to many artists; there’s an important weather station that can be toured by visitors, and it’s the second most important railway junction in the country. The significance of its situation on the railway line is because it’s central to Gauteng, Cape Town, Port Elizabeth and Namibia.

There are about 110km of railway lines, including 29 rail-tracks in De Aar’s precincts. However, “De Aar” founded in 1904, was so named because of the many water-bearing arteries that occur underground. Unlike many other Karoo towns, it did not start around the Dutch Reformed Church, but in fact started around the railway line. De Aar boasts a weather station gathering climatic data which has literally put De Aar on the world map. De Aar has an average yearly rainfall of 300mm with the lowest minimum temperature of -10 ºC, the highest maximum temperature of 40.7 ºC, an average summer temperature of 24 ºC and an average winter temperature of 14 ºC. De Aar is situated at 1280 m above sea level and has an average humidity of 43%. As a declared industrial growth point, with ample, very reasonably priced industrial sites, affordable labour and the necessary infrastructure, De Aar is the ideal place to establish an industry in the Northern Cape.

Various major industries have already taken advantage of De Aar's central location and excellent rail and road links to establish themselves here. De Aar is also a primary commercial distribution centre for a large area of the central Great Karoo. Major production activities of the area include wool production and livestock farming. The area is also popular for hunting, despite the fact that the region is rather arid. De Aar is increasingly becoming the center for supplying the whole country with the famous "Karoo" mutton, so highly prized for its unique flavour and quality. There are ancient Khoisan rock engravings on the Nooitgedacht and Brandfontein farms. There is also the "Garden of Remembrance", which honours the British troops killed in the Anglo-Boer War.

All the water used in the town comes from boreholes – which is why the town is known for its large number of wind pumps. The town is easily accessible by tarred road, two airfields serve it – one is an all-weather runway that can accommodate any type of aircraft and it’s only 52km away from the national bus route.

Hanover

This attractive and historic little town on the N1 lies more or less halfway between Cape Town, Gauteng and Kwazulu-Natal. It was established in 1854 at the base of some rocky hills on the farm Petrusvallei, which was bought from Gert Gous. Here quested that the town be called Hanover, after his great grandfather’s town in Germany.

When declared a magisterial district in 1876, the town was very fortunate to be appointed with a far-seeing magistrate, Richard Beere. He insisted that trees be planted so that resident’s descendants would have shade. Due to the increase in water consumption caused by an increase in residents, the spring that Hanover was built around dried up, and the number of trees seen in the town today is far less than 100 years ago. Beere loved the Karoo and spent a lot of time on the summit of Trappieskop, where a stone pyramid honouring his contribution to the town was erected when he died.

The older houses were all built right on the road edge – as per authority’s instructions at the time – and when, in later years, home owners built on verandas, they had to pay a one shilling tax for this privilege. Today, they are still paying this tax, which is now R17, 00. Hanover was home to Olive Schreiner – well known South African author – who lived here from 1900 to 1907, and referred to it as “the prettiest little village I have ever seen”. Her husband, Cron, was an agent in town and today his offices are used as a small guest house. Like many small Karoo towns, most of the streets are not tarred and the residential areas are very quiet. However, behind garden walls and front doors there’s plenty of activity going on as the industrious residents carry out their daily business.

The town is home to a variety of artists and crafts people, as well as having several restaurants, a delightful bookshop, coffee shop and a museum. Interesting Karoo architecture is to be seen and many gardens have a wind pump standing sentinel in one corner. Surrounding farms are principally Merino sheep farms, with many of the country’s best breeders farming in the Hanover district. Lesser Kestrels, from Europe and Central Asia, come to nest in trees around town, and can be seen gliding in the dawn and dusk sky from late October to the end of summer.

Britstown

It was in the heady days of The Great Diamond Rush in the year of 1877 that Britstown came into being. Fortune hunters paused here in their frenzied dash to the fabulous diamond field, and a settlement mushroomed to provide fresh horses, fodder, refreshment and accommodation. Soon even a concertina virtuo so made music for happy dancers lubricated by the local brew. First the Fuller and Gibson coaches and then others stopped here. But by the time Britstown gained municipal status in January 1889, a railway line already snaked across the Karoo plains to carry would-be diamond diggers through to Kimberley.

The small haven of Britstown, along the diamond route across the plains, was named after a man who loved the Karoo, Hans Brits. He once accompanied Dr David Livingstone, famous son-in-law of the great missionary Robert Moffat, on a journey to the north. Livingstone originally came to South Africa to help the Moffat`s at their mission in Kuruman, and it was on a journey to the north that he met Brits. They took a liking to each other, and Brits decided to travel with him. But, Livingstone did not get on with the Moffat`s, so he soon announced his intentions of travelling deeper into Africa, a decision that led to him becoming probably the continent's most famous explorer. Brits decided against a life of exploration and returned to the Karoo.

Hans Brits then settled on a farm he named Gemsbokfontein, which is where Britstown now stands. Soon after the discovery of diamonds at Hopetown and Kimberley, Brits realised that he and his neighbours could earn good money serving the growing traffic along the Diamond Route. So Brits arranged for a town to be laid out on a portion of his farm. As a tribute to him it was named Britstown. The thinking was to establish a point between Victoria West and Kimberley that could provide travellers on the Diamond Route with accommodation and refreshment as well as fresh horses and fodder.

Then, in 1877, a group of men, headed by TP Theron, purchased a section of Hans Brits's farm to establish a community centre with a church. This accomplished, they handed over the management of the fledgling settlement to church wardens. Traffic through the town increased when gold was discovered in "The Ridge of White Waters" in the old Transvaal Republic. Many of the fabled mining magnates, such as Cecil John Rhodes, passed through Britstown. In time, the town became a major junction on the route to the then Southwest Africa (Namibia).

Key Economic Activities

Agriculture forms the backbone of Emthanjeni's economy and accounts for the largest labour to date. Despite the harsh climate and poor carrying capacity of the veldt, it still offers opportunities for growth and employment creation. The Municipality is dependent upon the following economic activities:

Key Economic Activities	Description
Services Sector (Community)	The services sector consists of the various government institutions, non-governmental organizations (NGO's), Community based organizations (CBO's) and Non-Profit Organisations (NPOs) that resides within our area of jurisdiction. ABSA, FNB, Standard Bank and CAPITEC
Manufacturing	Stone crushers who specialize in the manufacturing of sand, bricks, cements and rocks
	Colossal Concrete, Green Akker, Vleis Sentraal for meat processing
	Solar Energy
Retail	Purchasing of goods and services
	Checkers, Shoprite, Mr Price, Ackermans, Sheet Street, Fashion Express, Foschini, Total Sport, KFC, Built It, Cash Build, Clicks, Sport Scene, etc.
Agriculture	Game Farming
	Sheep, goat, pig and cattle farming
Transport	Rail infrastructure
	Road infrastructure
	Rail revitalisation
Tourism	To market Emthanjeni as a tourism destination
	To speed up the restoration of existing attractions and the development of new attractions

Table 6: Key Economic Activities

1.3 Service Delivery Overview

1.3.1 Basic Services Delivery Highlights

The table below specifies the basic service delivery highlights for the year:

Highlights	Description
Development of 12 Boreholes in De Aar Northern Scheme – Phase 1 and Completion of Riet Tank	Phase 1 of the Northern Scheme involved equipping 12 boreholes with solar panels and pumps, as well as the construction of a bulk water pipeline. The project also included the successful installation and completion of the Riet Tank to strengthen bulk water storage capacity.
Business Plan for the Upgrading of the Caroluspoort Pipeline	A business plan was prepared for the upgrading of the Caroluspoort pipeline. Once implemented and completed, the project will significantly improve the reliability and efficiency of the municipal water supply system.
Installation of High Mast Lights	The installation of high mast lights provides improved lighting in communities, which helps to enhance public safety. Better illumination reduces crime and, to some extent, deters vandalism, while also contributing to a safer and more secure environment for residents.
Installation of LED Lights in Office Buildings and Streetlights	The installation of energy-efficient LED lights in municipal office buildings and streetlights contributes to significant savings on electricity consumption. This initiative supports cost reduction, promotes environmental sustainability, and enhances long-term energy efficiency in municipal operations.
Refurbishment of Substation B	The refurbishment of Substation B is aimed at improving the reliability of the electricity network and increasing its capacity to accommodate load growth. This upgrade will strengthen service delivery, reduce the risk of outages, and ensure the infrastructure can meet future demand.

Highlights	Description
Implementation of Waste Reduction Initiatives in All Towns	A total of four waste reduction initiatives were implemented across the Municipality with the support of sector departments and partners, including the Department of Forestry, Fisheries and the Environment, PEPCO, CWP, De Aar Recycling, and Booysen & Co Recycling. These initiatives were aimed at diverting waste from landfill sites through recycling and re-use, thereby promoting sustainable waste management practices.
Collection of Household Refuse as per Weekly Schedule	The Municipality successfully adhered to the weekly refuse collection schedule with only minor disturbances. In instances of mishaps or delays, alternative arrangements were implemented promptly to ensure continuity of service and minimise inconvenience to residents.
Maintenance of Landfill Sites	All three landfill sites within the Municipality are maintained regularly, with access control measures in place to ensure compliance, improve site management, and reduce illegal dumping activities.
Quarterly Waste Management Awareness Programmes	Four quarterly awareness programmes were conducted to educate residents about the negative impacts of illegal dumping, including environmental damage and air pollution. These initiatives aimed to encourage responsible waste disposal practices and promote community participation in maintaining a clean and healthy environment.
Construction of 50 Housing Units in Britstown	A contractor has been appointed and is currently on site to construct 50 housing units in Britstown. This project forms part of the Municipality's commitment to providing residents with access to adequate housing on a progressive basis, thereby improving living conditions and reducing the housing backlog.
Electrification of 153 Handed-Over Houses	A total of 153 handed-over houses were electrified, ensuring beneficiaries have access to reliable electricity. This intervention significantly improves the quality of life for residents by enabling safer living conditions and access to modern household services.
Housing Consumer Education Awareness Programmes	Effective housing consumer education awareness sessions were conducted to equip beneficiaries with the knowledge and skills needed to make informed decisions as homeowners. These programmes empower individuals to understand their rights, recognise potential risks, and protect themselves from unfair or harmful practices in the housing market, while also enabling them to make sustainable choices that align with their needs and values.
Distribution of Title Deeds	A total of 268 title deeds were handed over to rightful owners and nominated family representatives. Title deeds are vital legal documents that serve as definitive proof of property ownership, providing legal protection, enabling property-related transactions, and granting access to financial services. Their distribution strengthens tenure security and empowers beneficiaries with a valuable economic asset.

Table 7: Basic Services Delivery Highlights

1.3.2 Basic Services Delivery Challenges

The table below specifies the basic service delivery challenges for the year:

Description	Actions to address
Vandalism of water infrastructure, leading to increased maintenance costs, service disruptions, and reduced reliability of the water supply system.	Strengthen security measures and create job opportunities by employing local residents to safeguard water infrastructure, thereby also contributing to improved employment rates within the Municipality.
Influx of people into town, resulting in increased pressure on existing water infrastructure and difficulties in meeting water demand, particularly during the summer season.	Implement demand management strategies, accelerate infrastructure upgrades, and explore additional water sources to ensure adequate supply and reduce seasonal shortages.

Description	Actions to address
Shortage of staff in the Waste Water section, which impacts the effective operation, maintenance, and monitoring of infrastructure.	Fill critical vacancies with experienced and qualified personnel to strengthen operational capacity, improve compliance with regulatory standards, and ensure sustainable service delivery.
Sewer blockages in all three towns are currently being cleared using manual methods due to the absence of appropriate machinery. This process is time-consuming, labour-intensive, and poses health and safety risks.	Procure a Hydrojet (vacuum sewer unblocking machine), to improve efficiency, reduce health risks, and ensure quicker response times to sewer blockages.
Delay in Upgrading of De Aar West Main Transformers	The upgrade of the De Aar West Main Transformers has experienced delays. To address this, the fast-tracking of a contractor appointment is being prioritised, alongside efforts to secure additional funding to complete the upgrade of both transformers. This intervention is essential to ensure reliability, improve capacity, and strengthen electricity supply in the area.
Vandalism of Electricity Infrastructure and Streetlights	To address the ongoing challenge of vandalism to electricity infrastructure and streetlights, the municipality is implementing a comprehensive strategy that combines prevention, detection, community engagement, and rapid response. This approach aims to minimize damage, safeguard assets, and ensure the continued provision of reliable electricity and public lighting services.
Lack of service providers to repair compactors and sewer trucks, resulting in delays in restoring essential vehicles to operation and impacting service delivery.	Engage and convince local service providers to partner with the Municipality, highlighting that previous payment challenges have been resolved to ensure timely compensation for services rendered.
Absence of buy-back centres within the municipal jurisdiction, limiting opportunities for recycling, waste diversion from landfills, and income generation for local communities.	Engage with local recyclers to establish a buy-back centre, leveraging their existing partnership with PETCO to facilitate implementation and ensure a sustainable recycling initiative.
Inadequate infrastructure and limited resources, combined with the lack of waste segregation, which hampers efficient refuse removal and sewer service delivery.	Procure efficient heavy vehicles to strengthen daily refuse collection and acquire sewer trucks with greater capacity to improve coverage and service reliability across the municipal area.
Air pollution caused by the burning of waste at landfill sites and the spread of plastic pollution, posing environmental and health risks.	Strengthen security at landfill sites to prevent illegal burning of waste and implement stricter controls to manage plastic pollution effectively.
Slow progress in the construction of 240 housing units, causing delays in addressing the housing backlog and extending waiting times for beneficiaries.	Continuous engagements are being held with COGHSTA to address site-related challenges and monitor progress through Project Steering Committee (PSC) meetings, ensuring accountability and improved delivery timelines.
Delay in the finalisation of Level 2 accreditation, limiting the Municipality's ability to assume greater responsibilities in housing delivery.	Engage with both the Provincial and National Offices to fast-track the accreditation process and secure Level 2 accreditation, enabling the Municipality to play a more direct role in managing and implementing housing programmes.
Lack of funding or allocations for top structures, which contributes to the ever-increasing housing backlog and delays in addressing community housing needs.	Engage COGHSTA for additional housing allocations to reduce the backlog. The Municipality will also collaborate with relevant stakeholders to identify and release pockets of suitable land in an effort to accommodate the "missing middle" and expand access to adequate housing.

Table 8: Basic Services Delivery Challenges

1.3.3 Proportion of Households with Access to Basic Services

The table below indicates the proportion of households with access to basic services:

Service	2023/24	2024/25
Electricity service connections *(Represents the number of formal properties which are billed for electricity or have pre paid meters (Excluding Eskom areas as at 30 June)*	11 421	9 712
Water - available within 200 m from dwelling *(Represents the number of formal properties which are billed for water or have pre paid meters as at 30 June)*	8 758	8 508
Sanitation - Households with at least VIP service *(Represents the number of formal properties which are billed for sewerage as at 30 June)*	8 880	8 587
Waste collection - kerbside collection once a week *(Represents the number of formal properties which are billed for refuse removal as at 30 June)*	8 363	8 348

Table 9: Households with Minimum Level of Basic Services

1.4 Financial Health Overview

1.4.1 Financial Viability Highlights

The table below specifies the financial viability highlights for the year:

Highlights	Description
A fully functional financial system has been implemented and is operational	A fully functional financial system has been implemented and is now operational, ensuring that consumer accounts are issued accurately and on time. Monthly billing is processed consistently, which has strengthened revenue collection, while enhanced monitoring and reconciliation of accounts and payments has improved financial control. The system further promotes transparency, efficiency, and compliance with MFMA and GRAP standards, while also supporting more reliable financial reporting to enable informed management decision-making. Previously, the absence of an automated billing system led to delayed or irregular invoices and municipal statements, which negatively affected revenue consistency and contributed to consumer dissatisfaction.
Automation of billing introduced	The Municipality has introduced automation of billing, ensuring that consumer accounts are generated and distributed on time every month. This intervention has reduced delays, improved accuracy, and provided residents and businesses with consistent statements. Previously, the absence of an integrated financial management system resulted in inconsistent and delayed billing, irregular revenue collection, limited capacity to generate timely financial reports, and challenges in monitoring and reconciling consumer accounts. Manual processes further contributed to inefficiencies and increased the risk of errors, all of which have now been significantly mitigated through automation.
Improved revenue collection processes	With the introduction of timely billing and clear account statements, the Municipality has significantly improved its revenue collection processes. Consumers now receive accurate records of their obligations, which has led to faster payment turnaround times, reduced disputes, and greater trust in the billing system. These improvements have strengthened cash flow through more consistent revenue collection,

Highlights	Description
	enhanced financial controls, and improved audit readiness. Furthermore, the Municipality is now better aligned with National Treasury reporting requirements, ensuring compliance and more effective financial management.
A fully functional financial system has been implemented and is operational	A fully functional financial system has been implemented and is now operational, ensuring that consumer accounts are issued accurately and on time. Monthly billing is processed consistently, which has strengthened revenue collection, while enhanced monitoring and reconciliation of accounts and payments has improved financial control. The system further promotes transparency, efficiency, and compliance with MFMA and GRAP standards, while also supporting more reliable financial reporting to enable informed management decision-making. Previously, the absence of an automated billing system led to delayed or irregular invoices and municipal statements, which negatively affected revenue consistency and contributed to consumer dissatisfaction.

Table 10: Financial Viability Highlights

1.4.2 Financial Viability Challenges

The table below specifies the financial viability challenges for the year:

Challenge	Action to address
Migration of accounting system during the financial year	The municipality is working closely with the service provider to ensure continuous monitoring of the new system.
Vacancy of the Chief Financial Officer (CFO)	The municipality should fill the position of CFO.
Lack of capacity amongst employees in the finance department	Continuous employee development should be implemented, and employees should take responsibility for their own development.
Late processing of municipal accounts which leads to high receivable account balance	Municipal accounts should be ready for distribution on the 20th of each month.
Absenteeism in the finance department resulting in reduced productivity	Discipline and human resource processes should be enforced to ensure the reduction of employee absenteeism.
Municipalities financial system being offline	The Municipality had informed consumers about the financial system being offline. The municipality has encouraged the consumers to keep paying their municipal accounts via cash deposits at the bank.

Table 11: Financial Viability Challenges

1.4.3 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators (KPI's) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area (KPA's) namely Municipal Financial Viability and Management.

KPA & Indicator	2023/24	2024/25
Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2020((Total operating revenue-operating grants received)/debt service payments due within the year))	40%	**0%**
Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 (((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	30%	**0%**
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 (Available cash+ investments)/ Monthly fixed operating expenditure)	30	0

Table 12: National KPI's for Financial Viability and Management

1.4.4 Financial Overview

Details	2023/24	2024/25		
		Original budget	Adjustment Budget	Actual
	R'000			
Income				
Grants	97 391	133 918	133 918	98 501
Taxes, Levies and Tariffs	219 578	247 662	247 662	222 632
Other	13 910	21 173	21 173	6 211
Sub Total	**330 879**	**402 753**	**402 753**	**327 345**
***Less* Expenditure**	**(371 758)**	**(376 190)**	**(376 190)**	**(385 850)**
Reversal of impairment loss/ (Impairment Loss) on Receivables	**(55 715)**	**0**	**0**	**(102 978)**
Reversal of Impairment loss/ (Impairment Loss) on Fixed Assets	**0**	**0**	**0**	**0**
Gains/ (loss) on Sale of Fixed Assets	**863**	**0**	**0**	**(3 416)**
Net surplus/ (deficit)	**(95 732)**	**26 563**	**26 563**	**(164 899)**

Table 13: Financial Overview

1.4.5 Total Capital Expenditure

Detail	2023/24	2024/25
	R'000	
Original Budget	47 658	65 461
Adjustment Budget	47 658	65 461
Actual	34 636	31 332

Table 14: Capital Expenditure

1.5 Organisational Development Overview

1.5.1 Municipal Transformation and Organisational Development Highlights

Highlight	Description
Adoption of HR Policies	During the financial year, the municipality reviewed and formally adopted its Human Resource policies. This process ensures compliance with legislative requirements, alignment with the Municipal Staff Regulations, and the promotion of fair, consistent, and transparent management of employees across the organisation.
Presentation of Policies and Code of Conduct to Employees	The municipality presented the Code of Conduct and Human Resource policies to all employees as part of an awareness and compliance initiative. This process promotes understanding of organisational rules and standards, encourages accountability, and ensures that employees are informed of their rights and responsibilities within the workplace.

Table 15: Municipal Transformation and Organisational Development Highlights

1.5.2 Municipal Transformation and Organisational Development Challenges

Challenge	Actions to address
Filling of Vacant Senior Manager Positions	The vacant positions of Chief Financial Officer and Senior Manager: Corporate Services have been identified as critical posts. The filling of these senior manager positions is being prioritised to strengthen leadership capacity, improve governance, and enhance the overall effectiveness of the municipality's administration.
Slow Recruitment Process	The recruitment process for currently advertised vacancies has been identified as slow, which negatively impacts service delivery and organisational efficiency. To address this challenge, the municipality will revisit and review the Recruitment and Selection Policy to streamline procedures, reduce delays, and ensure that critical posts are filled timeously with suitably qualified candidates.
Leave Management	Supervisors and employees will undergo continuous induction on leave management processes. This initiative is aimed at improving compliance with leave policies, ensuring accurate record-keeping, and promoting accountability in managing employee leave entitlements.

Table 16: Municipal Transformation and Organisational Development Challenges

1.5 Auditor-General Report

1.5.1 Audited Outcomes

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the Auditor-General checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending. In turn, this can be described as an audit.

The Auditor-General's annual audit examines 3 areas:

- Fair presentation and absence of significant misstatements in financial statements
- Reliable and credible performance information for predetermined objectives
- Compliance with all laws and regulations governing financial matters

There can be 5 different outcomes to an audit, once the Municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follow:

- **A clean audit**: The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
- **Unqualified audit with findings**: The financial statements contain material misstatements. Unless they express a clean audit outcome, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- **Qualified audit opinion**: The financial statements contain material misstatements in specific amounts, or insufficient evidence for them to conclude that specific amounts included in the financial statements are not materially misstated.
- **Adverse Audit Opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements.
- **Disclaimer of Audit opinion**: The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts or represents a substantial portion of the information contained in the financial statements.

The table below indicates the audit opinion received for the past four financial years:

Year	2021/22	2022/23	2023/24	2024/25
Opinion received	Qualified	Qualified	Qualified	Qualified

Table 17: Opinion Received

CHAPTER 2

Component A: Political and Administrative Governance

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

2.1 Good Governance and Public Participation Highlights

Highlight	Description
Council Meetings convened	Full Component of Council
Executive Committee Meeting	Committee of Council
Infrastructure Committee Meeting	Council Committee of Council
Functional Civil-Society Structures	The mobilisation of various civil-society sectors is essential to strengthen coordination and collective action in addressing the social challenges faced by communities. Establishing functional civil-society structures will enhance collaboration between stakeholders, promote community participation, and ensure more effective responses to social ills such as poverty, unemployment, substance abuse, and crime.
Revival of the Local AIDS Council	The Local AIDS Council is being revived to strengthen and coordinate the fight against HIV/AIDS. This platform will bring together various stakeholders, including government, civil society, and community organisations, to promote awareness, improve prevention strategies, support affected individuals, and ensure a unified and effective response to the epidemic within the Municipality.
Launching of the Book Club	A book club was launched at Phandolwazi Libraries to promote a culture of reading among children. Through this initiative, young readers are encouraged to engage with books, participate in literacy programmes, and develop lifelong learning skills, thereby strengthening educational development within the community.

Table 18: Good Governance and Public Participation Highlights

2.2 Good Governance and Public Participation Challenges

Description	Actions to address
Maintenance of Community Halls	The assistance of the municipal maintenance team is required to ensure the proper upkeep of all community halls. Since the rental of these facilities serves as an important source of income for the municipality, regular maintenance is essential to preserve their condition, enhance user experience, and sustain revenue generation.
Transition from Manual Registry to Electronic Filing System	The municipality is in the process of procuring and implementing an electronic filing system to replace the current manual registry. This transition will improve records management, enhance accessibility, reduce paperwork, and ensure greater efficiency and compliance in handling municipal documentation.

Description	Actions to address
Challenges with Resources for the Youth Centre	The effective use of the youth centre has been limited due to resource constraints. To address this challenge, a budget has been allocated to equip the facility, enabling it to function optimally and provide programmes that benefit the youth and the wider community.
Community Protests on Employment Matters	Protest marches have been organised by community concern groups regarding employment opportunities on external projects. To address these issues, the municipality aims to improve facilitation and communication between service providers and the general public. Clear, transparent processes will help manage expectations, reduce conflict, and ensure fair access to available opportunities.
Challenges with Resources for the Youth Centre	The effective use of the youth centre has been limited due to resource constraints. To address this challenge, a budget has been allocated to equip the facility, enabling it to function optimally and provide programmes that benefit the youth and the wider community.

Table 19: Good Governance and Public Participation Challenges

2.3 Governance Structure

The council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

2.3.1 Council

The table below categorised the councillors within their specific political parties and wards.

Name of councillor	Capacity	Political Party	Ward representing or proportional	Dates of Council Meetings held
GL Nkumbi	Mayor	ANC	PR	**Special Council Meeting** 30 May 2025 **Council Meeting** 29 August 2024 27 November 2024 30 January 2025 27 February 2025 26 March 2025 30 June 2025
MC Kivedo	Speaker	ANC	PR	
F Swanepoel	Councillor	ANC	Ward 1	
MN Mackay	Councillor	ANC	Ward 2	
BM Mvenya	Councillor	ANC	Ward 3	
TJ Brandt	Councillor	ANC	Ward 4	
GK Engelbrecht	Councillor	DA	Ward 5	
LE Andrews	Councillor	ANC	Ward 6	
JM Fortuin	Councillor	ANC	Ward 7	
PP Mhlauli	Councillor	ANC	Ward 8	
NP Bushula	Councillor	EFF	PR	
R Smith	Councillor	DA	PR	
B Swanepoel	Councillor	DA	PR	
R Adams- Beukes	Councillor	DA	PR	
MST Booysen	Councillor	PA	PR	

Table 20: Council

2.3.2 Executive Committee

The Mayor of the Municipality, assisted by the Executive Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below.

Name of member	Portfolio	Meeting Dates
GL Nkumbi	Mayor	27 November 2024 30 January 2025 26 February 2025 30 May 2025 30 June 2025
LE Andrews	Member	
GK Engelbrecht	Member	

Table 21: Executive Committee

2.3.3 Portfolio Committees

Corporate and Human Resource Services Committee		
Chairperson	**Other members**	**Dates of Meetings**
LE Andrews	TJ Brandt	20 November 2024
	RH Adams- Beukes	
Infrastructure Services Committee		
Chairperson	**Other members**	**Dates of Meetings**
GL Nkumbi	BM Mvenya	20 November 2024 24 February 2025
	B Swanepoel	
Community Services Committee		
Chairperson	**Other members**	**Dates of Meetings**
LE Andrews	TJ Brandt	20 November 2024 24 February 2025
	R Smith	
Municipal Public Accounts Committee		
Chairperson	**Other members**	**Dates of Meetings**
MN Mackay	PP Mhlauli	10 October 2024 13 January 2025 17 March 2025 15 April 2025
	GK Engelbrecht	
Rules Committee		
Chairperson	**Other members**	**Dates of Meetings**
MC Kivedo	R Adams- Beukes	No meetings were held
	NP Bushula	
	MST Booysen	

Table 22: Portfolio Committees

Section 80 Committees are permanent committees that specialise in a specific functional area of the Municipality and may in some instances make decisions on specific functional issues. They advise the Executive Committee on policy matters and make recommendations to Council. Section 79 Committees are temporary and appointed by the Executive Committee as needed. They are set up to investigate a particular issue and do not have any decision-making powers. Similar to Section 80 Committees, they can make recommendations to Council. Once their *ad hoc* task had been completed, Section 79 Committees are disbanded. External experts and councillors can be included on Section 79 Committees. The composition of the portfolio committees for the period is stipulated in the tables below:

Corporate and Human Resource Services Committee		
Chairperson	**Other members**	**Dates of Meetings**
LE Andrews	TJ Brandt	20 November 2024
	RH Adams- Beukes	
Infrastructure Services Committee		
Chairperson	**Other members**	**Dates of Meetings**
GL Nkumbi	BM Mvenya	20 November 2024 24 February 2025
	B Swanepoel	
Community Services Committee		
Chairperson	**Other members**	**Dates of Meetings**
LE Andrews	TJ Brandt	20 November 2024 24 February 2025
	R Smith	
Municipal Public Accounts Committee		
Chairperson	**Other members**	**Dates of Meetings**
MN Mackay	PP Mhlauli	10 October 2024 13 January 2025 17 March 2025 15 April 2025
	GK Engelbrecht	
Rules Committee		
Chairperson	**Other members**	**Dates of Meetings**
MC Kivedo	R Adams- Beukes	No meetings were held
	NP Bushula	
	MST Booysen	

Table 23: Portfolio Committees

2.3.4 Administrative Governance Structure

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration and primarily serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitute the management team, whose structure is outlined in the table below:

Name of Official	Department
Mr HM Molaole	Municipal Manager
Mr MH Joka	Community Services

Name of Official	Department
Mr L Ndlovu (Acting CFO)	Financial Services
Mrs DT Mjandana (Acting Senior Manager Corporate Services)	Corporate Services
Mr TH Zingange (Manager Technical Services)	Infrastructure Services

Table 24: Administrative Governance Structure

Component B: Intergovernmental relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another; inform and consult one another on matters of common interest; coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

2.4 Intergovernmental Relations

2.4.1 Intergovernmental Structures

To adhere to the principles of the Constitution as mentioned above the Municipality participates in the following intergovernmental structures:

Name of Structure	Members	Outcomes / Topics Discussed
Technical/Political IGR	Mayor	Political oversight
Safety Forum	Ward Councillors and Special ProgramCo-ordinator	Abuse of women and children
Provincial Tourism Forum	Manager Development and Strategic Services	Promotion of municipalities as tourismdestinations
Local Economic DevelopmentForum	Manager Development and Strategic Services and Local EconomicDevelopment Officer	Promoting local economic development within municipalities
Integrated Development PlanProvincial Engagement	Manager Development and Strategic Services and Integrated Development Plan Officer	Alignment of provincial planning
Municipal Managers Forum	Municipal Manager	Sharing of good practices
Communicators Forum	Manager Mayors Office	Telling of government good story
SALGA working groups	Councillors and officials	Capacitating of councillors and officials
Chief Financial Officer Forum	Chief Financial Office	Discussions on MFMA
Record Management Forum	Records Manager and Chief Registry Clerk	Sharing of information and capacitatingof officials
Speakers Forum	Speaker	Functioning of political structure
Municipal Public AccountCommittee	MPAC Chairperson and Speaker	Check and balance of counciloperations, accountability of administrations
Infrastructure Forum	Senior Manager Infrastructure Service	Implementation of infrastructureprograms
Expanded Public Works Program Forum	Senior Manager Infrastructure Service and Civil Technician	Implementation of Expanded Public Works Programme (EPWP) project

Name of Structure	Members	Outcomes / Topics Discussed
District and Local AIDS Forum	Councillors, Special Program Coordinator and Outreach Officer	HIV/AIDS awareness and educationalprograms
SDF Forum	Skills Development Facilitator	Coordination of skills developmentprograms
HR Practitioner's Forum	Senior Manager Corporate Services	Sharing of best practices and case laws
Librarians Forum	Chief Librarian	Sharing of Best Practices
Karoo Small Town Regeneration Forum	Portfolio Councillor: Development and Acting Manager Development & Strategic Services	Support and capacitating Karoo municipalities.
SANRAL PLC Forum	Manager: Technical Services and Manager Development & Strategic Services	Project implementation feedback
Pixley Ka Seme District Coordinating Forum	Manager Development & Strategic Services and IDP Officer	Renewable Energy IPPs reporting on the projects benefiting the district and municipality
Department of Home Affairs Stakeholders Forum	Manager: Mayor's Office	To ensure a coordinated approach to popularizing government services to improve access.
Technical/Political IGR	Mayor	Political oversight
Safety Forum	Ward Councillors and Special ProgramCo-ordinator	Abuse of women and children
Provincial Tourism Forum	Manager Development and Strategic Services	Promotion of municipalities as tourismdestinations
Local Economic DevelopmentForum	Manager Development and Strategic Services and Local EconomicDevelopment Officer	Promoting local economic development within municipalities

Table 25: Intergovernmental Structures

2.4.2 Joint projects and functions with Sector Departments

All the functions of government are divided between the different spheres, namely national, provincial and local. The Municipality therefore shares their area and community with other spheres of government and their various sector departments and must work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides details of such projects and functions:

Name of project/ function	Expected outcome of the Project	Sector department involved	Contribution of sector department
District War Room	Poverty reduction	Social Development	Coordination of meetings and training of councillors
District Aids Council	HIV/AIDS prevention	District Municipality	Training and administrative support
Crime Prevention	Crime prevention	Department of Transport Safety and Liaison	Training and administration support
District War Room	Poverty reduction	Social Development	Coordination of meetings and training of councillors

Table 26: Joint Projects and Functions

Component C: Public Accountability and Participation

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose, it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP
- establishment, implementation and review of the performance management system
- monitoring and review of the performance, including the outcomes and impact of such performance
- preparation of the municipal budget

2.5 Public Meetings

2.5.1 Ward Committees

The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees function optimally with community information provision, convening of meetings, ward planning, service delivery, IDP formulation and performance feedback to communities.

The composition of the ward committees for the period is stipulated in the tables below:

Ward 1: Montana, Kareeville, Sunrise and Klein Kareeville

<table>
<tr><th>Name of representative</th><th>Capacity representing</th><th>Dates of meetings</th></tr>
<tr><td>Gillian Jejane</td><td>Youth Sector</td><td rowspan="10">11 July 2024
22 August 2024
10 September 2024
28 October 2024
20 November 2024
12 December 2024
12 January 2025
26 February 2025
27 March 2025
24 April 2025
11 June 2025</td></tr>
<tr><td>Benita Louw</td><td>Education Sector</td></tr>
<tr><td>Meagan Vyfers</td><td>Social Development</td></tr>
<tr><td>Rolene Vyfers</td><td>Health Sector</td></tr>
<tr><td>Gregory Afrika</td><td>Sports & Arts Sector</td></tr>
<tr><td>Kenneth Paul</td><td>Elderly Sector</td></tr>
<tr><td>Johhny Karelse</td><td>Business Sector</td></tr>
<tr><td>Sandra Markgrafff</td><td>Human Settlement</td></tr>
<tr><td>Patricia Kok</td><td>Religious Sector</td></tr>
<tr><td>Anastasia De Jagers</td><td>Women & children Sector</td></tr>
</table>

Table 27: Ward 1 Committee Members

Ward 2: Residensia, New Bright, Happy Valley, Extension 20, Extension 7 and Macarena

<table>
<tr><th>Name of representative</th><th>Capacity representing</th><th>Dates of meetings</th></tr>
<tr><td>Anet Williams</td><td>Sports & Arts Sector</td><td rowspan="3">15 August 2024
23 September 2024
10 October 2024
11 November 2024</td></tr>
<tr><td>Elizabeth Jooste</td><td>Women & Children Sector</td></tr>
<tr><td>Levona Van Staden</td><td>Youth Sector</td></tr>
</table>

Name of representative	Capacity representing	Dates of meetings
Charlene Skeffers	Health Sector	9 December 2024 13 January 2025 14 February 2025 25 March 2025 23 April 2025 19 June 2025
Michael Pienaar	Religious Sector	
Junita Rooi	Education Sector	
Lizelle Mitchell	Social Development	
Patrick Van Staden (deceased)	N/A	
Adalia Farao	Human Settlements	

Table 28: Ward 2 Committee Members

Ward 3: Nonzwakazi, Portion of Waterdal

Name of representative	Capacity representing	Dates of meetings
Thandiwe Mpengese	Women & Children Sector	15 July 2024 24 July 2024 30 July 2024 30 October 2024 22 January 2025 19 February 2025 19 March 2025 8 May 2025 12 June 2025
Babalwa Madyo	Safety & Security Sector	
Thembela Kelemi	Education Sector	
Headman Thomas	Health Sector	
Gloria Holland	Human Settlements	
Qaliswa Dyanties	Business Sector	
Thozamile Mooi	Elderly Sector	
Vuyo Monna	Youth Sector	

Table 29: Ward 3 Committee Members

Ward 4: Barcelona, Malay camp, Leeuwenshof & Portion of Nonzwakazi and Mtwana

Name of representative	Capacity representing	Dates of meetings
Mari Louw-Kondile	Women & children Sector	24 September 2024 29 October 2024 28 November 2024 11 December 2024 23 January 2025 30 March 2025 7 May 2025
Gedult Andrew Peer	Sport Sector	
Delia Swartz	Health Sector	
Pamela Schalk	Religious Sector	
Mbonaleli Bosman	Business Sector	
Wendy Tantsi	Education Sector	
Johannes Johnson	Youth Sector	

Table 30: Ward 4 Committee Members

Ward 5: Portion of town Area and Louisville

Name of representative	Capacity representing	Dates of meetings
Johanna Lamberts	Education Sector	16 July 2024 21 August 2024 25 September 2024 22 October 2024 19 November 2024 3 December 2024 5 March 2025
Rosy Stevens	Elderly Sector	
Wilheminah Hendricks	Health Sector	
Auburn Jafta	Business Sector	
Barry Fisher	Safety & Security Sector	

Name of representative	Capacity representing	Dates of meetings
Azola Loko	Youth Sector	15 April 2025 27 May 2025
Prudence White	Social Development Sector	
Ida Arendse	Women & Children Sector	
Gladwin Nieuwenhuizen	Sport Sector	
Ramon Valentine	Religious Sector	

Table 31: Ward 5 Committee Members

Ward 6: Kwezi, Nompumelelo, Joe Slovo Park, Tornadoville, Hanover(town)

Name of representative	Capacity representing	Dates of meetings
Rosie Mzalwana	NGO's Sector	28 June 2024 15 July 2024 29 August 2024 28 October 2024 19 November 2024 3 December 2024 23 January 2025 24 February 2025 20 March 2025 23 April 2025
Ennie Tys	Health Sector	
Nadene Matthews	Religious Sector	
Vuyiseka Nqolo	Youth Sector	
Lwandile Mali	Community Affairs Sector	
Helena Koopman	Elderly Sector	

Table 32: Ward 6 Committee Members

Ward 7: Jansenville, Mziwabantu, Britstown(town), Proteaville

Name of representative	Capacity representing	Dates of meetings
Ntsiki Mdebuka – Mgudlwa	Religious Sector	15 July 2024 20 August 2024 19 September 2024 10 October 2024 25 November 2024 28 November 2024 22 January 2025 17 February 2025 13 March 2025 22 April 2025 22 May 2025
Monica Seko	Community Affairs Sector	
Sera Matthews	Business Sector	
Loretta Davids	Women & Children Sector	
Heinri Jevu Classen-Williams	Youth Sector	
Absolom Welkom	Safety & Security Sector	
Martiens Du Preez	Men Sector	
Thembani Kleinbooi Jali	Sport Sector	
Abednego Peterson	Elderly Sector	

Table 33: Ward 7 Committee Members

Ward 8: Portion of Nonzwakazi, Waterdal and Portion of Town Area

Name of representative	Capacity representing	Dates of meetings
Vacant		Committee not active

Table 34: Ward 8 Committee Members

2.5.2 Representative Forums

Labour Forum

The table below specifies the members of the Local Labour Forum:

Name of representative	Capacity	Dates of meetings
Clr LE Andrews	Chairperson (Employer)	29 May 2025
Mr N Hendricks	Deputy Chairperson (IMATU)	
Mr.BM Mvenya	Employer	
Ms M Mc Kay	Employer	
Mr GK Engelbrecht	Employer	
Mr D. Mjandana	Employer	
Ms MN. Ntloko	Employer	
Ms T Mosia (July till March 2025)	Member (SAMWU)	
Mr R Kivido	Member (SAMWU)	
Ms V. Booysen	Member (SAMWU)	
Ms BM Lenga	Member (IMATU)	
Mr V Mkosana	Member (IMATU)	

Table 35: Labour Forum

Component D: Corporate Governance

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.6 Risk Management

In terms of Section 62(1)(c)(i) of the MFMA "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- that the municipality has and maintains effective, efficient and transparent systems – of financial and risk management and internal control;"...

The management of risk is the process by which the Accounting Officer, Chief Financial Officer and the other senior management of a Municipality will pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost-effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

The Risk Policy addresses key elements of the implementation and maintenance of the Risk Management Framework for the management of risks within defined risk/return parameters, risk appetite and tolerances, as well as Risk Management Standards. It provides a framework for the effective identification, evaluation, management measurement and reporting of the Municipality's risks.

The objective of the Risk Policy is to ensure that a strategic plan is developed that should address the following:

- An effective risk management architecture
- A reporting system to facilitate risk reporting
- An effective culture of risk assessment

The role of the service departments is to identify, review and manage their risks on an ongoing basis, making risk management an integral or natural part of the organisational processes and procedures. Risk management should be embedded in the organisation, since it is an intrinsic part of business planning and decision making - there is no direction taken without looking at potential risks.

The table below includes the top 10 risks of the Municipality:

Risk	Current Controls	Residual Risk Exposure	Risk Owner	Action Plans
1. Unauthorised, Irregular, Fruitless and Wasteful Expenditure.	Ensure proper adherence to Budgetary and Accounting reporting formats.	Low	Municipal Manager & Chief Financial Officer	Consequence management. MPAC should investigate the difference between the Budgetary and AFS reporting.
2. Under spending of conditional grants.	Planning and procurement should be done timeously to address this risk. Monitoring and supervision of service providers, procurement plans in place. Proper master plans, approved business plans as back up.	High	Municipal Manager, Chief Financial Officer & Senior Manager Infrastructure	Enforcement and monitoring of the procurement plan.
3. Tempering of meters by communities.	Inspection records to be kept and meter seals are being replaced with LGM type. Penalties charged for by passing and case is open to the affected employees.	High	Senior Manager Infrastructure Services	Follow up on all replaced meters and spot check to the staff and community members. need to request a report on low consumption to monitor whether the tempering of meters when fleet is available.
4. LED forum quarterly meeting not conducted.	Start implementation of quarterly LED Forum meetings from new financial year	Low	Senior Manager Corporate Services	LED Forum meetings to be
5. Water shortage in certain areas of De Aar due to loadshedding.	• Delivery of water with trucks • Development of 12 boreholes project to increase water capacity.	High	Senior Manager Infrastructure	Implementation of Development of 12 boreholes project in process. Funding assistance required to install solar water pumps at boreholes to pump uninterrupted.
6. Insufficient fleet for Traffic Services, Infrastructure basic service delivery and Community services delivery.	Ensure that Vehicle Policy is adhered to and budget accordingly to obtain sufficient fleet.	High	Senior Managers Community Services & Infrastructure and Chief Financial Services	Proper budgeting; Proper fleet management.
7. Aging infrastructure	• Maintenance plans for service delivery infrastructure. • Continuous maintenance.	High	Senior Manager Infrastructure	Submission of business plans to upgrade aging infrastructure.

Risk	Current Controls	Residual Risk Exposure	Risk Owner	Action Plans
8. Vandalism of municipal infrastructure	Limited security controls in place.	High	Chief Financial Officer & Senior Manager Corporate Services	Appointment of Security Company on three-year tender. Safeguard municipal property with fencing and CCTV cameras.
9. Inadequate management on health and safety	Health and Safety Policy. Health and Safety Committee.	High	Senior Manager Corporate Services	Ensure committee is functional. Perform OHS Risk Assessment. Designated Health and Safety responsibilities allocated to an official.
10. Flooded subway that links De Aar West with De Aar East during loadshedding and heavy rainfall.	Drainage pump	High	Senior Manager Infrastructure	Upgrade stormwater drainage at subway through procurement of an emergency standby plant.

Table 36: Top Ten Risks

The role of the Risk Committee is to provide a timely and useful enterprise risk management report to the Audit Committee of the Municipality. The report contains the current top risks of the Municipality, which includes:

- The key strategic and financial risks facing the Municipality (all extreme and high-risk exposures)
- The key operational risks per strategic goal (top 5 risks per objective as per risk exposure from high to low)

Further details of the roles of the Risk Committee are included in the approved Risk Committee Charter.

The Risk Committee consists of the following members:

Name of Committee Member	Capacity	Meeting date
S Jordan	Acting Chief Financial Officer	16 April 2025 11 November 2025
D Mjandana	Acting Senior Manager Corporate Services	
M Joka	Senior Manager Community Services	
L Thiso	Senior Manager Infrastructure Services	
Z Mtwana	PMS Risk Officer	

Table 37: Risk Committee

2.7 Anti-Corruption and Anti-Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1)(m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

2.7.1 Developed Strategies

Name of strategy	Developed (Yes/No)	Date Adopted
Fraud and Corruption Policy	Yes	November 2023
Supply Chain Management Policy	Yes	May 2024
Cost Containment Policy	Yes	May 2024

Table 38: Strategies

2.7.2 Implementation of Strategies

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
To address any issue of fraud and corruption	Override processes and controls	Review the controls and assessed risks regularly
To avoid any Irregular, Fruitless and Wasteful Expenditure	To ensure that service providers are appointed correctly	Report to Municipal Public Accounts Committee (MPAC) and Executive Committee (EXCO) on a continuous basis
Make payments for actual goods and services received or rendered	Ensure that proper audit trails are complied with	Review the Standard Operating Procedures (SOP's) on a regular basis to ensure that before payments are made it is in compliance with specifications

Table 39: Implementation of the Strategies

2.8 Audit Committee

Section 166(2) of the MFMA states that an Audit Committee (AC) is an independent advisory body which must –

(a) advise 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
- effective governance

The AC have the following main functions as prescribed in Section 166 (2)(a-e) of the MFMA and the Local Government Municipal Planning and Performance Management Regulation (Reg 796):

2.7.1 Functions of the Audit Committee

- To advise the Council on all matters related to compliance and effective governance
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation
- Respond to the Council on any issues raised by the Auditor-General in the audit report
- To review the quarterly reports submitted to it by the internal audit
- To evaluate audit reports pertaining to financial, administrative and technical systems

- The compilation of reports to Council, at least twice during a financial year
- To review the performance management system and make recommendations in this regard to Council
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised
- To review the annual report of the Municipality
- Review the plans of the internal audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available
- Provide support to the internal audit function
- Ensure that no restrictions or limitations are placed on the internal audit section
- Evaluate the activities of the internal audit function in terms of their role as prescribed by legislation

2.8.2 Members of the Audit Committee

The following table indicates the members of the Audit Committee:

Name of representative	Capacity	Dates of meetings
AF Jaftha	Chairperson: Audit Committee	2 December 2024 21 January 2025
NP Mdaka	Audit Committee Member	
NP Jacobs	Audit Committee Member	

Table 40: Members of the Audit Committee

2.9 Performance Audit Committee

The Municipal Planning and Performance Management Regulation require that the Performance Audit Committee (PAC) is comprised of a minimum of three members. Section 14(2) (b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the PAC who is neither a Councillor nor an employee of the Municipality as the chairperson of the committee.

In terms of Section 166(4)(a) of the MFMA, an AC must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the Municipality.

Section 166(5) of the MFMA, requires that the members of an AC must be appointed by the Council of the Municipality. One of the members, not in the employ of the Municipality, must be appointed as the chairperson of the committee. No Councillor may be a member of an AC.

Section 14(3)(a) of the Regulations requires that the PAC of a Municipality must meet at least twice during each financial year. However, additional special meetings of the PAC may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3)(b) of the Regulations.

2.9.1 Functions of the Performance Audit Committee

In terms of Section 14(4)(a) of the Regulations the PAC has amongst others the responsibility to -

i) review the quarterly reports produced and submitted by the internal audit process

ii) review the Municipality's performance management system and make recommendations in this regard to the Council of the Municipality

iii) at least twice during each financial year submit a performance audit report to the Council of the Municipality

2.9.2 Members of the Performance Audit Committee

The following table indicates the members of the Performance Audit Committee:

Name of representative	Capacity	Dates of meetings
AF Jaftha	Chairperson: Audit Committee	14 May 2025
NP Mdaka	Performance Audit Committee Member	
NP Jacobs	Performance Audit Committee Member	

Table 41: Members of the Performance Audit Committee

2.10 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa, 1996 and other statutory enactments all impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication strategy therefore links the people to the municipality's programme for the year. Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Functional complaints management system	Yes
Customer satisfaction survey	No

Table 42: Communication Activities

Newsletters

Type of Newsletter	Distributed
Internal	No
External	No

Table 43: Newsletter

Additional Communication Channels Utilised

Channel	Yes/No
SMS system	Yes
Call system and WhatsApp	Yes
Facebook	Yes
Flyers	Yes
Website	Yes
Local Radio station	Yes

Table 44: Additional Communication Channels Utilised

2.11 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21(a-b) of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality's communication strategy.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2024/25	No
Adjusted Budget 2024/25	Yes
Asset Management Policy	No
Customer Care, Credit Control & Debt Collection Policy	No
Indigent Policy	No
Investment & Cash Management Policy	No
Rates Policy	No
Supply Chain Management Policy	Yes
Tariff Policy	No
Virement Policy	No
Travel and Subsistence Policy	Yes
Top Layer SDBIP 2024/25	Yes
Budget and Treasury Office Structure	No
Integrated Development Plan and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
IDP for 2024/25	Yes
IDP Process Plan for 2024/25	Yes
Supply Chain Management (Sections 14(2), 33, 37 &75(1)(e)&(f) and 120(6)(b)of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	No
Long-term borrowing contracts	No
SCM contracts above R30 000	No
Section 37 of the MFMA; No 56 of 2003 (Unsolicited Bids/Contracts)	No

Description of information and/or document	Yes/No
Public invitations for formal price quotations	No
Reports (Sections 52(d), 71, 72 &75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2023/24	Yes
Oversight reports 2023/24	Yes
Mid-year budget and performance assessment 2023/24	No
Quarterly Reports	No
Monthly Budget Statement	No
Local Economic Development (Section 26(c) of the MSA)	
Local Economic Development Strategy	Yes
LED Policy Framework	No
Economic Profile	Yes
LED Projects	No
Performance Management (Section 75(1)(d) of the MFMA)	
Performance Agreements for employees appointed as per S57 of the MSA	Yes

Table 45: Website Checklist

2.12 B-BBEE Compliance Performance Information

Section 121(3)(k) of the MFMA indicates that the annual report of a municipality should include any other information as may be prescribed. The Broad Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003; as amended by Act 46 of 2013) read in conjunction with the B-BEE Regulations of 2016 states in Section 13G(1) that all spheres of government, public entities and organs of state must report on their compliance with broad-based black economic empowerment in their Annual Financial Statements and Annual Reports. In accordance with the explanatory notice (Notice 1 of 2018) issued by the B-BBEE Commission the following tables provide details on the municipality's compliance with regard to broad-based black economic empowerment:

2.12.1 Senior Management

Category	Number	Race Classification	Gender	Disability
Senior Management	3 (2 vacant)	3 African	2 Male 1 Female	0

Table 46: Senior Management

2.12.2 Skills Development

Category	Number	Race Classification	Gender	Disability	Total Amount Spend
Black employees	0	0	0	0	0
Black non-employees	0	0	0	0	0
Black people on internships, apprenticeship, learnership	2	1 Coloured 1 Black	1 Female 1 Male	0	2
Unemployed black people on any programme under the learning programme matrix	0	0	0	0	0

Category	Number	Race Classification	Gender	Disability	Total Amount Spend
Black people absorbed at end of internships, apprenticeship, learnership	0	0	0	0	0

Table 47: Skills Development

2.12.3 Enterprise and Supplier Development

Total Procurement Spend			
Total Number of Suppliers	277	**Total Value Spend**	R20 650 153.39
Total number of Exempt Micro Enterprises (EME's) suppliers	**Total value spend**	**% Black Ownership**	**%Black women ownership**
271	R9 817 189.63	77%	37%
Total number of Qualifying Small Enterprises (QSE's) suppliers	**Total value spend**	**% Black Ownership**	**%Black women ownership**
n/a	n/a	n/a	n/a
Total number of large suppliers	**Total value spend**	**% Black Ownership**	**%Black women ownership**
6	R10 832 963.76	90%	0%

Table 48: Enterprise and Supplier Development

CHAPTER 3

This chapter provides an overview of the key service achievements of the Municipality that came to fruition during 2024/25 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

3.1 Overview of Performance within the Organisation

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the Municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

3.1.1 Legislative Requirements

The Constitution of the RSA, 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 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
- to facilitate a culture of public service and accountability amongst staff

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 to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

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, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

In terms of Section 46(1)(a) of the MSA a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3.1.2 Organisational Performance

Strategic performance indicates how well the Municipality is meeting its objectives and whether policies and processes are working effectively. All government institutions must measure and report on their strategic performance to ensure that service delivery is done in an efficient, effective and economical manner. Municipalities must therefore develop strategic plans and allocate resources for the implementation. The implementation of the plans must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the strategic objectives and performance on the National Key Performance Indicators (KPI's) as prescribed in terms of Section 43 of the MSA.

3.1.3 Performance Management System

The Municipality continues to implement performance in terms of the performance management framework that was approved by Council in May 2024.

3.1.4 The IDP and the Budget

The IDP and the main budget for 2024/25 was approved by Council on in May 2024. As the IDP and the performance management process are integrated, the IDP fulfils the planning stage of performance management whilst performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

The Mayor approved the Top Layer Service Delivery Budget Implementation Plan (SDBIP) in June 2024. The Top layer SDBIP indicators are aligned with the budget which was prepared in terms of the reviewed IDP. The indicators in the Top Layer SDBIP include indicators required by legislation, indicators that will assist to achieve the objectives adopted in the IDP and indicators that measure service delivery responsibilities.

The actual performance achieved in terms of the KPI's was reported on quarterly. The indicators and targets were adjusted after the finalisation of the previous year budget and mid-year budget assessment. The Top Layer SDBIP was revised with the adjustments budget in terms of Section 26(2)(c) of the Municipal Budget and Reporting Regulations and an amended Top Layer SDBIP was approved by Council. The performance agreements of the senior managers were compiled and revised in terms of the SDBIP indicators and the portfolio of evidence that support the actual targets reported.

3.1.5 Actual Performance

The Municipality utilizes an electronic web-based system on which KPI owners update actual performance monthly. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set
- A performance comment
- Actions to improve the performance against the target set, if the target was not achieved

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

3.1.6 Monitoring of the Service Delivery Budget Implementation Plan

Municipal performance is measured as follows:

Quarterly reports were submitted to Council on the actual performance in terms of the Top Layer SDBIP

Mid-year assessment and submission of the mid-year report to the Mayor in terms of Section 72(1)(a) and 52(d) of the Local Government MFMA to assess the performance of the Municipality during the first half of the financial year.

Adjustment SDBIP 2024/25

Section 26 (1) and (2)(c) of the Municipal Budget and Reporting Regulations and in terms of the MFMA Section 54 (1) (c) the Municipality may amend/adjust the SDBIP together with the Adjustment Budget by 28 February. Council approved the adjustment SDBIP. The Senior Managers Annexure A's (Performance Plans) were comprehensively reviewed and revised, in accordance with the adjustments made to the SDBIP.

Furthermore, the adjustments made to the specific KPI's are in line with the criteria as set out by Circular 129, Section 7.4.

The following amendments/adjustments were made:

Top Layer Number	Indicators Removed
TL30	KPI was removed because PKSDM is currently preparing a report on improvements in water quality as they have inspected existing system and also not sure where the bottle necks could be. Once the report is concluded, the KPI will be moved to the Manager as they will need to make sure operations on the ground are carried out.
TL36	KPI was because the De Aar West Transformer needs municipal funds under maintenance. The Department of trade and industry might have to be roped in for assistance with funding. At the current rate the municipality is not in a financial position to implement the project.

Table 49: TL SDBIP 2024/25 Indicators Amended

3.1.7 Individual Performance Management

Performance management is prescribed in the MSA and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the regulation 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, organized and managed, including determining the responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the IDP, budget, SDBIP and individual and service provider performance.

Municipal Manager and Managers directly accountable to the Municipal Manager

The MSA prescribes that the municipality must enter into performance-based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the Municipal Manager and applicable senior managers for the 2024/25 financial year were signed in July 2024.

The appraisal of the actual performance in terms of the signed agreement takes place twice per annum as regulated. The final evaluation of the 2023/24 financial year (1 January 2023 to 30 June 2024) took place on 26 November 2024.

The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Mayor
- Portfolio Councillors
- Municipal Manager
- Chairperson of the Audit Committee
- External Municipal Manager

3.2 Introduction to Strategic and Municipal Performance for 2024/25

This section provides an overview of the key service achievements of the Municipality that came to fruition during 2024/25 in terms of the deliverables achieved against the strategic objectives of the IDP

3.2.1 Strategic Service Delivery Budget Implementation Plan (Top Layer)

This section provides an overview on the achievement of the Municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP assists with documenting and monitoring of the Municipality's strategic plan and shows the strategic alignment between the IDP, budget and performance plans.

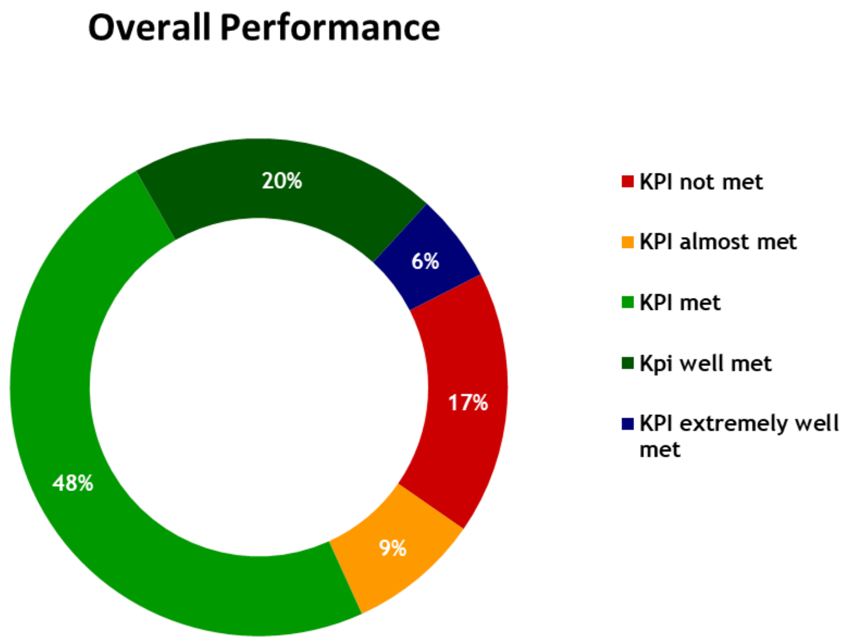
In the graphs and tables below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2024/25 in terms of the IDP strategic objectives.

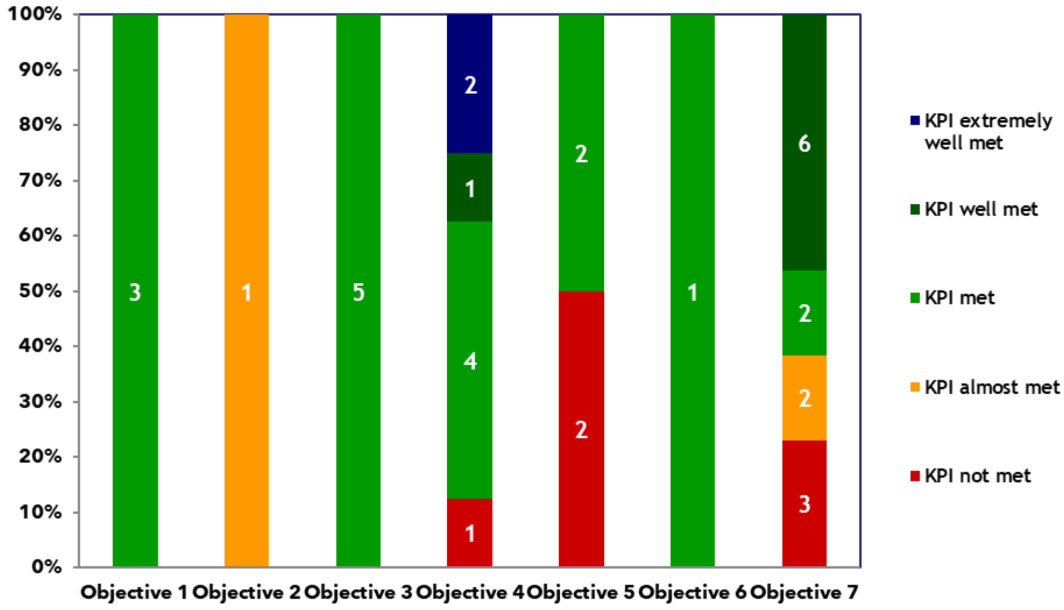
The following table explains the method by which the overall assessment of the actual performance against the targets set for the KPI's of the SDBIP are measured:

Category	Colour	Explanation
KPI Not Met	R	0% > = Actual/Target< 75%
KPI Almost Met	O	75% > = Actual/Target < 100%
KPI Met	G	Actual/Target = 100%
KPI Well Met	G2	100% > Actual/Target < 150%
KPI Extremely Well Met	B	Actual/Target > = 150%

Table 50: SDBIP Measurement Criteria

The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the tables and graphs below:





Graph 1: Top Layer SDBIP Performance per Strategic Objective

Measurement Category	Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties	Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor	Development and transformation of the institution with the aim of capacitating the Municipality in meeting their objectives	Maintaining a financially sustainable and viable Municipality	Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality	Promote the equitable creation and distribution of wealth in Emthanjeni Municipal area	Provision of access to all basic services rendered to residents within the available resources
	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Objective 7
KPI Not Met	0	0	0	1	2	0	3
KPI Almost Met	0	1	0	0	0	0	2
KPI Met	3	0	5	4	2	1	2
KPI Well Met	0	0	0	1	0	0	6
KPI Extremely Well Met	0	0	0	2	0	0	0
Total	3	1	5	8	4	1	13

Table 51: Top Layer SDBIP Performance per Strategic Objective

Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties

Int. Ref	KPI	Unit of Measurement	Ward	Actual 2023/24	Overall Performance 2024/25						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL10	Review and sign a MOU with the Department of Defense by 30 June 2025 for support with fire brigade services	MOU reviewed and signed by 30 June 2025	All	1	0	0	0	1	**1**	**1**	G
TL11	Review the disaster management plan that includes contingency plans and submit to Council by 30 June 2025	Disaster management plan reviewed and submitted to Council by 30 June 2025	All	1	0	0	0	1	**1**	**1**	G
TL13	Submit a business plan to potential funders for the upgrading of the Fire Brigade by 30 June 2025	Business plan submitted by 30 June 2025	All	1	0	0	0	1	**1**	**1**	G

Table 52: Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties

Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor

Int. Ref	KPI	Unit of Measurement	Ward	Actual 2023/24	Overall Performance 2024/25						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL18	Provide free basic services to indigent households as at 30 June 2025	Number of indigent households receiving free basic services as at 30 June 2025	All	3 048	3 300	3 300	3 300	3 300	**3 300**	**2 760**	O
Reason and/or Corrective Action		Monthly updating indigent on new system									

Table 53: Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor

Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives

Int. Ref	KPI	Unit of Measurement	Ward	Actual 2023/24	Overall Performance 2024/25						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL2	The number of people from employment equity target groups employed (newly appointed) in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan by 30 June 2025	Number of people employed (newly appointed)	All	1	0	0	0	1	**1**	**1**	G
TL3	0.1% of the personnel budget spent on training as per the approved Skills Development Plan by 30 June 2025 [(Actual total training expenditure/total personnel budget)x100]	% of the personnel budget spent on training by 30 June 2025	All	0.10%	0%	0%	0%	0.10%	**0.10%**	**0.10%**	G
TL4	Review the EEP and submit to the Portfolio Committee by 30 June 2025	EEP reviewed and submitted to the Portfolio Committee by 30 June 2025	All	1	0	0	0	1	**1**	**1**	G
TL5	Limit vacancy rate to 20% of budgeted posts by 30 June 2025 [(Number of funded posts vacant divided by budgeted funded posts)x100)	[(Number of funded posts vacant divided by budgeted funded posts)x100)	All	3.92%	0%	20%	0%	20%	**20%**	**20%**	G
TL9	Review the organogram and submit to Council by 30 June 2025	Reviewed organogram submitted to Council by 30 June 2025	All	1	0	0	0	1	**1**	**1**	G

Table 54: Development and transformation of the institution with the aim of capacitating the municipality in meeting their objectives

Maintaining a financially sustainable and viable Municipality

Int. Ref	KPI	Unit of Measurement	Ward	Actual 2023/24	Overall Performance 2024/25						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL20	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2025 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grants)	Debt coverage as at 30 June 2025	All	40%	0%	0%	0%	45%	**45%**	**0%**	B
TL21	Financial viability measured in terms of the outstanding service debtors as at 30 June	% of outstanding service debtors as at 30 June 2024	All	30%	0%	0%	0%	45%	**45%**	**0%**	B

Int. Ref	KPI	Unit of Measurement	Ward	Actual 2023/24	Overall Performance 2024/25						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	2024 (Total outstanding service debtors minus provision for bad debt)/ (revenue received for services)										
TL22	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2025 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	30	0	0	0	3	**3**	**0**	R
Reason and/or Corrective Action		Improvement in payments towards Eskom account, Improve Collection rate									
TL23	Submit the annual financial statements to the Auditor-General by 31 August 2024	Statements submitted to the AG by 31 August 2024	All	1	1	0	0	0	**1**	**1**	G
TL24	Achievement of a payment percentage of 55% by 30 June 2025 {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	Payment % achieved	All	55%	55%	55%	55%	55%	**55%**	**68%**	G2
TL25	Prepare and submit the adjustments budget to Council by the 28 February 2025	Adjustments budget submitted by 28 February 2025	All	1	0	0	1	0	**1**	**1**	G
TL26	Prepare and submit the draft budget to Council by 31 March 2025	Draft budget submitted by 31 March 2025	All	1	0	0	1	0	**1**	**1**	G
TL27	Prepare and submit the final budget to Council by 31 May 2025	Final budget submitted by 31 May 2025	All	1	0	0	0	1	**1**	**1**	G

Table 55: Maintaining a financially sustainable and viable Municipality

Promote representative governance through the sustainable utilisation of available resources in consultation with the with the residents of Emthanjeni Municipality

Int. Ref	KPI	Unit of Measurement	Ward	Actual 2023/24	Overall Performance 2024/25						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL1	Develop Risk based audit plan (RBAP) for 2025/26 and submit to the Audit Committee by 30 June 2025	RBAP for 2025/26 submitted to the Audit Committee by 30 June 2025	All	1	0	0	0	1	**1**	**1**	G
TL6	Review the Risk Committee and sent appointment letters to members by 31 March 2025	Risk Committee reviewed and appointment letters sent to members by 31 March 2025	All	0	0	0	1	0	**1**	**1**	G
TL7	Complete the annual risk assessment and submit to the Risk Committee by 30 June 2025	Risk assessment completed and submit to the Risk Committee by 30 June 2025	All	1	0	0	0	1	**1**	**0**	R
Reason and/or Corrective Action		Risk committee established and trained in May, all committee members were appointed, and meetings will start from next quarter									
TL8	Review the Communication Strategy and submit to Council by 30 June 2025	Reviewed Communication Strategy submitted to Council by 30 June 2025	All	New KPI for 2023/24	0	0	0	1	**1**	**0**	R
Reason and/or Corrective Action		Consultation to be done with SALGA to assist us to draft a strategy and take it to council for approval.									

Table 56: Promote representative governance through the sustainable utilisation of available resources in consultation with the residents of Emthanjeni Municipality

Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area

Int. Ref	KPI	Unit of Measurement	Ward	Actual 2023/24	Overall Performance 2024/25						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL28	Create temporary jobs - FTE's in terms of EPWP by 30 June 2025 (Person days / FTE (230 days))	Number of FTE's created	All	61	0	0	0	50	**50**	**50**	G

Table 57: Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area

Provision of access to all basic services rendered to residents within available resources

Int. Ref	KPI	Unit of Measurement	Ward	Actual 2023/24	Overall Performance 2024/25						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL12	Review the Human Settlement Plan and submit to Council by 30 June 2025	Human Settlement Plan reviewed and submitted to Council by 30 June 2025	All	New KPI for 2023/24	0	0	0	1	**1**	**1**	G

Int. Ref	KPI	Unit of Measurement	Ward	Actual 2023/24	Overall Performance 2024/25						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL14	Number of formal properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2025	Number of properties which are billed for water or have pre paid meters as at 30 June 2025	All	8 758	8 000	8 000	8 000	8 000	**8 000**	**8 508**	G2
TL15	Number of formal properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2025	Number of properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2025	All	11 421	10 000	10 000	10 000	10 000	**10 000**	**9 712**	O
Reason and/or Corrective Action		Actual is lower due to data cleansing									
TL16	Number of formal properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2024	Number of properties which are billed for sewerage as at 30 June 2025	All	8 880	7 200	7 200	7 200	7 200	**7 200**	**8 587**	**G2**
TL17	Number of formal properties for which refuse is removed once per week and billed for the service as at 30 June 2025	Number of properties which are billed for refuse removal as at 30 June 2025	All	8 363	7 200	7 200	7 200	7 200	**7 200**	**8 348**	G2
TL19	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2025 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% of capital budget spent by 30 June 2025	All	99.49%	25%	50%	75%	95%	**95%**	**81.97%**	O
Reason and/or Corrective Action		Spending will be closely monitored									
TL29	Limit unaccounted for water to 17% by 30 June 2025 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / (Number of Kilolitres Water Purchased or Purified) x 100]	% unaccounted water by 30 June 2025	All	29.5%	0%	0%	0%	17%	**17%**	**28.7%**	**R**
Reason and/or Corrective Action		The calculation was based on apparent losses rather than the total (overall) water losses figure. The calculation utilised apparent losses—which reflect estimated non-physical losses such as meter inaccuracies and unauthorised consumption—instead of the total water losses, which would include both apparent and real (physical) losses.									
TL31	Limit % electricity unaccounted for to 10% by 30 June 2025 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) /	% of electricity unaccounted for at 30 June 2025	All	5.80%	0%	0%	0%	10%	**10%**	**12%**	R

Int. Ref	KPI	Unit of Measurement	Ward	Actual 2023/24	Overall Performance 2024/25						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	Number of Electricity Units Purchased) x 100]										
Reason and/or Corrective Action		Finance to ensure customers are billed correctly. This will provide us with the accurate losses so that we are able to mitigate against losses as per the Stats report									
TL32	Compile maintenance plans for waste water, roads and stormwater and electricity that include weekly, monthly, quarterly and annual actions and submit to Municipal Manager for approval by 30 June 2025	Number of plans submitted to Municipal Manager by 30 June 2025	All	0	0	0	0	3	**3**	**3**	G
TL33	95% of approved budget spent by 30 June 2025 for the development of 12 boreholes in De Aar (Northern scheme) {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	108.6%	25%	50%	75%	95%	**95%**	**97%**	G2
TL34	95% of approved budget spent by 30 June 2025 for the Installation of High Mast Lighting in De Aar and Britstown {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	104.37%	25%	50%	75%	95%	**95%**	**120%**	G2
TL35	95% of approved budget spent by 30 June 2025 to pave streets in the municipal area {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	New KPI for 2023/24	25%	50%	75%	95%	**95%**	**120%**	G2
TL37	95% of approved budget spent by 30 June 2025 for the refurbishment of Substation A {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	New KPI for 2023/24	25%	50%	75%	95%	**95%**	**0%**	R
Reason and/or Corrective Action		The appointed Contractor took longer to refurbish SUB B due to lead times from Suppliers for the 5MVA Transformer. This delayed the implementation of SUB A. The completion of Substation B was delayed beyond its original completion date due to unforeseen delays in the delivery of critical substation equipment. As a result, Substation B remained the active project during the reporting period and was therefore reported on, instead of the newly initiated Substation A project.									

Table 58: Provision of access to all basic services rendered to residents within available resources

3.2.2 Service Providers Strategic Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. A service provider:

- Means a person or institution or any combination of persons and institutions which provide a municipal service to or for the benefit of the local community
- Means an external mechanism referred to in Section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in Section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

During the year under review the Municipality did not appoint any service providers who provided a municipal service to or for the benefit of the local community on behalf of the Municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract are complied with.

3.2.3 Municipal Functions

The table below indicates the functional areas that the Municipality are responsible for in terms of the Constitution:

Municipal Function	Municipal Function (Yes/ No)
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
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	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
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
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes

Municipal Function	Municipal Function (Yes/ No)
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 59: Functional Areas

Component A: Basic Services

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.3 Water Provision

3.3.1 Introduction to Water Services

The Emthanjeni Local Municipality is entirely dependent on groundwater (boreholes) for its water supply. The effective and sustainable management of this resource is therefore of critical importance to ensure a cost-effective and reliable supply of water to all communities.

To strengthen water security, grant funding was received for the Northern Scheme to equip 12 boreholes, thereby increasing the Municipality's capacity to provide potable water. In addition, the implementation of Water Conservation and Water Demand Management (WCWDM) strategies remains a key priority, aimed at reducing water losses and maintaining water costs at affordable levels for residents.

The Municipality's water storage and distribution infrastructure is supported by a range of reservoirs and dams across its towns:

- De Aar: Two main reservoirs, located in De Aar West and East, with capacities of 13.6ML and 12ML respectively.
- Hanover: One collecting reservoir (1.659ML) and the Trappieskop reservoir (0.42ML).
- Britstown: Four small dams with capacities ranging from 0.207ML to 1.189ML, complemented by two pressure towers with a combined capacity of 0.174ML (0.087ML each).

This infrastructure forms the backbone of the Municipality's water supply system, ensuring that communities have access to potable water despite the area's dependence on groundwater resources.

3.3.2 Highlights: Water Services

The table below specifies the highlights for the year:

Highlights	Description
Development of 12 Boreholes in De Aar Northern Scheme – Phase 1 and Completion of Riet Tank	Phase 1 of the Northern Scheme involved equipping 12 boreholes with solar panels and pumps, as well as the construction of a bulk water pipeline. The project also included the successful installation and completion of the Riet Tank to strengthen bulk water storage capacity.
Business Plan for the Upgrading of the Carooluspoort Pipeline	A business plan was prepared for the upgrading of the Carooluspoort pipeline. Once implemented and completed, the project will significantly improve the reliability and efficiency of the municipal water supply system.

Table 60: Water Services Highlights

3.3.3 Challenges: Water Services

The table below specifies the challenges for the year:

Description	Actions to address
Shortage of staff in the Water Section, which limits the Municipality's ability to effectively operate, maintain, and monitor water supply systems.	Fill critical vacancies with experienced and qualified personnel to strengthen operational capacity, improve service delivery, and ensure sustainable water management.
Vandalism of water infrastructure, leading to increased maintenance costs, service disruptions, and reduced reliability of the water supply system.	Strengthen security measures and create job opportunities by employing local residents to safeguard water infrastructure, thereby also contributing to improved employment rates within the Municipality.
Influx of people into town, resulting in increased pressure on existing water infrastructure and difficulties in meeting water demand, particularly during the summer season.	Implement demand management strategies, accelerate infrastructure upgrades, and explore additional water sources to ensure adequate supply and reduce seasonal shortages.

Table 61: Water Services Challenges

3.3.3 Service Delivery Levels: Water Services

The table below specifies the service delivery levels for the year:

Households		
Description	**2023/24**	**2024/25**
***Water:* (above min level)**		
Piped water inside dwelling	5 588	5 588
Piped water inside yard (but not in dwelling)	2 967	2 967
Using public tap (within 200m from dwelling)	189	189
Other water supply (within 200m)	0	0
Minimum Service Level and Above sub-total	**8 744**	**8 744**
Minimum Service Level and Above Percentage	**100**	**100**
***Water:* (below min level)**		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling	0	0
No water supply	0	0
Below Minimum Service Level sub-total	**0**	**0**
Below Minimum Service Level Percentage	**0**	**0**
Total number of households	**8 744**	**8 744**
Include informal settlements		

Table 62: Water Service Delivery Levels: Households

3.3.4 Employees: Water Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	11	7	4	36.36
4 - 6	6	4	2	33
7 - 9	5	1	4	80
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**23**	**13**	**10**	**43.48**
As at 30 June				

Table 63: Employees: Water Services

3.3.5 Capital: Water Services

The following table indicates the capital expenditure for this division:

Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Boreholes	R31 000 000	R 25 627 000	R23 716 749	R5 373 000	R89 203 560

Table 64: Capital Expenditure: Water Services

3.4 Waste Water (Sanitation) Provision

3.4.1 Introduction to Waste Water (Sanitation) Provision

The De Aar Waste Water Treatment Works (WWTW) is currently not operational, which places additional pressure on the Municipality's ability to provide reliable wastewater services. To address this, the Phase 2 upgrade of the WWTW has been planned, with funding approval pending from the Water Services Infrastructure Grant (WSIG). The successful implementation of this project will be critical in restoring functionality, improving compliance with environmental standards, and ensuring sustainable wastewater management for the community.

In addition, the Municipality continues to face challenges with the Urine Diversion System (UDS) toilets in Hanover. These facilities are not meeting community needs and require conversion to a full waterborne sewerage system to ensure dignity, hygiene, and long-term sustainability. The Municipality intends to address this issue through Ward project funds, ensuring improved sanitation services in line with community priorities.

3.4.2 Challenges: Waste Water (Sanitation) Provision

The table below specifies the challenges for the year:

Description	Actions to address
Shortage of staff in the Waste Water section, which impacts the effective operation, maintenance, and monitoring of wastewater infrastructure.	Fill critical vacancies with experienced and qualified personnel to strengthen operational capacity, improve compliance with regulatory standards, and ensure sustainable service delivery.
Sewer blockages in all three towns are currently being cleared using manual methods due to the absence of appropriate machinery. This process is time-consuming, labour-intensive, and poses health and safety risks.	Procure a Hydrojet (vacuum sewer unblocking machine), to improve efficiency, reduce health risks, and ensure quicker response times to sewer blockages.

Table 65: Waste Water (Sanitation) Provision Challenges

3.4.3 Service Delivery Levels: Waste Water (Sanitation) Provision

The table below specifies the different sanitation service delivery levels per households for the financial years 2023/24 and 2024/25 in the areas in which the Municipality is responsible for the delivery of the service:

Households		
Description	**2023/24**	**2024/25**
***Sanitation/sewerage:* (above minimum level)**		
Flush toilet (connected to sewerage)	7 184	7 184
Flush toilet (with septic tank)	1 400	1 400
Chemical toilet	22	22
Pit toilet (ventilated)	0	0
Other toilet provisions (above min. service level)	2	2
Minimum Service Level and Above sub-total	**8 608**	**8 608**
Minimum Service Level and Above Percentage	**98.40**	**98.40**
***Sanitation/sewerage:* (below minimum level)**		
Bucket toilet	138	138
Other toilet provisions (below min. service level)	0	0
No toilet provisions	0	0
Below Minimum Service Level sub-total	**138**	**138**
Below Minimum Service Level Percentage	**1.60**	**1.60**
Total households	**8 746**	**8 746**
Including informal settlements		

Table 66: Waste Water (Sanitation) Provision Service Delivery Levels

3.4.4 Employees: Waste Water (Sanitation) Provision

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	15	15	0	0
4 - 6	5	4	1	20
7 - 9	3	2	1	33.33
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**23**	**21**	**2**	**8.69**
As at 30 June				

Table 67: Employees Waste Water (Sanitation) Provision

3.5 Electricity

3.5.1 Introduction to Electricity

Local Government plays a critical role in the provision of electricity. In terms of Section 153 of the Constitution, municipalities are tasked with ensuring the sustainable provision of services to communities, thereby supporting both economic and social development.

For the 2023/24 financial year, the Municipality recorded energy losses of 6.39%, which increased to 17% in 2024/25. This reflects a 10.61% rise in energy losses, posing a significant concern for operational efficiency and revenue protection.

Currently, there is no backlog in the provision of electricity to households within the municipal supply area. However, a key challenge remains in Hanover, where Eskom is the service provider. To address this, Council has initiated a process to explore the feasibility of taking over electricity supply in this area to ensure a uniform, consistent, and more efficient electricity distribution system across the Municipality.

3.5.2 Highlights: Electricity

The table below specifies the highlights for the year:

Highlights	Description
Installation of High Mast Lights	The installation of high mast lights provides improved lighting in communities, which helps to enhance public safety. Better illumination reduces crime and, to some extent, deters vandalism, while also contributing to a safer and more secure environment for residents.
Installation of LED Lights in Office Buildings and Streetlights	The installation of energy-efficient LED lights in municipal office buildings and streetlights contributes to significant savings on electricity consumption. This initiative supports cost reduction, promotes environmental sustainability, and enhances long-term energy efficiency in municipal operations.

Highlights	Description
Refurbishment of Substation B	The refurbishment of Substation B is aimed at improving the reliability of the electricity network and increasing its capacity to accommodate load growth. This upgrade will strengthen service delivery, reduce the risk of outages, and ensure the infrastructure can meet future demand.

Table 68: Electricity Highlights

3.5.3 Challenges: Electricity

The table below specifies the challenges for the year:

Description	Actions to address
Delay in Upgrading of De Aar West Main Transformers	The upgrade of the De Aar West Main Transformers has experienced delays. To address this, the fast-tracking of a contractor appointment is being prioritised, alongside efforts to secure additional funding to complete the upgrade of both transformers. This intervention is essential to ensure reliability, improve capacity, and strengthen electricity supply in the area.
Vandalism of Electricity Infrastructure and Streetlights	To address the ongoing challenge of vandalism to electricity infrastructure and streetlights, the municipality is implementing a comprehensive strategy that combines prevention, detection, community engagement, and rapid response. This approach aims to minimize damage, safeguard assets, and ensure the continued provision of reliable electricity and public lighting services.
Shortage of Staff in Electro-Technical Services Department	The Electro-Technical Services Department is currently experiencing a shortage of staff, which impacts service delivery and operational efficiency. To address this challenge, the filling of vacancies with qualified personnel is being prioritised to strengthen technical capacity and improve overall performance.

Table 69: Electricity Challenges

3.5.4 Service Delivery Levels: Electricity

The table below specifies the service delivery levels for the year:

Households		
Description	**2023/24**	**2024/25**
Energy: **(above minimum level)**		
Electricity (at least min. service level)	2 093	2 093
Electricity - prepaid (min. service level)	10 533	10 533
Minimum Service Level and Above sub-total	**12 626**	**12 626**
Minimum Service Level and Above Percentage	**100**	**100**
Energy: **(below minimum level)**		
Electricity (< min. service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
Below Minimum Service Level sub-total	**0**	**0**
Below Minimum Service Level Percentage	**0**	**0**

Households		
Description	2023/24	2024/25
Total number of households	12 626	12 626

Table 70: Electricity Service Delivery Levels

3.5.5 Employees: Electricity

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	11	3	8	72.72
4 - 6	10	5	5	50
7 - 9	4	3	1	25
10 - 12	8	5	3	37.5
13 - 15	0	0	0	0
16 - 18	1	0	1	100
19 - 20	0	0	0	0
Total	**34**	**16**	**18**	**52.94**
As at 30 June				

Table 71: Employees: Electricity Services

3.5.6 Capital: Electricity

The following table indicates the capital expenditure for this division:

Capital Projects	2024/25				
	Budget	Adjustment Budget	Actual Expendi-ture	Variance from original budget	Total Project Value
High Mast Lights (Phase 1 & 2)	R22 519 729	R22 519 729	R19 728 405	R5 720 000	R22 519 729
Electrification of 153 Houses	R3 825 000	R3 325 000	R2 626 521	R500 000	R3 325 000

Table 72: Capital Expenditure: Electricity

3.6 Waste Management (Refuse collections, waste disposal, street cleaning and recycling)

3.6.1 Introduction to Waste Management

Domestic refuse is removed on a weekly basis in all residential areas of Emthanjeni, ensuring that households receive consistent and reliable waste collection services. In addition to this, the Municipality has prioritised regular clean-up programmes across all towns to address the ongoing challenge of informal dumping and littering, which remains a significant concern.

Street cleaners have been deployed in various areas to clear litter on a daily basis, helping to maintain cleaner and healthier environments for communities. Furthermore, the Municipality has introduced additional programmes aimed at strengthening waste management practices, reducing illegal dumping, and promoting a cleaner and more sustainable municipal area.

3.6.2 Highlights: Waste Management

The table below specifies the highlights for the year:

Highlights	Description
Implementation of Waste Reduction Initiatives in All Towns	A total of four waste reduction initiatives were implemented across the Municipality with the support of sector departments and partners, including the Department of Forestry, Fisheries and the Environment, PEPCO, CWP, De Aar Recycling, and Booysen & Co Recycling. These initiatives were aimed at diverting waste from landfill sites through recycling and re-use, thereby promoting sustainable waste management practices.
Collection of Household Refuse as per Weekly Schedule	The Municipality successfully adhered to the weekly refuse collection schedule with only minor disturbances. In instances of mishaps or delays, alternative arrangements were implemented promptly to ensure continuity of service and minimise inconvenience to residents.
Maintenance of Landfill Sites	All three landfill sites within the Municipality are maintained regularly, with access control measures in place to ensure compliance, improve site management, and reduce illegal dumping activities.
Quarterly Waste Management Awareness Programmes	Four quarterly awareness programmes were conducted to educate residents on the negative impacts of illegal dumping, including environmental damage and air pollution. These initiatives aimed to encourage responsible waste disposal practices and promote community participation in maintaining a clean and healthy environment.

Table 73: Waste Management Highlights

3.6.3 Challenges: Waste Management

The table below specifies the challenges for the year:

Description	Actions to address
Lack of service providers to repair compactors and sewer trucks, resulting in delays in restoring essential vehicles to operation and impacting service delivery.	Engage and convince local service providers to partner with the Municipality, highlighting that previous payment challenges have been resolved to ensure timely compensation for services rendered.
Absence of buy-back centres within the municipal jurisdiction, limiting opportunities for recycling, waste diversion from landfills, and income generation for local communities.	Engage with local recyclers to establish a buy-back centre, leveraging their existing partnership with PETCO to facilitate implementation and ensure a sustainable recycling initiative.
Inadequate infrastructure and limited resources, combined with the lack of waste segregation, which hampers efficient refuse removal and sewer service delivery.	Procure efficient heavy vehicles to strengthen daily refuse collection and acquire sewer trucks with greater capacity to improve coverage and service reliability across the municipal area.
Air pollution caused by the burning of waste at landfill sites and the spread of plastic pollution, posing environmental and health risks.	Strengthen security at landfill sites to prevent illegal burning of waste and implement stricter controls to manage plastic pollution effectively.

Table 74: Waste Management Challenges

3.6.4 Service Delivery Levels: Waste Management

The table below specifies the service delivery levels for the year:

Description	Households	
	2023/24	2024/25
Solid Waste Removal: **(Minimum level)**		
Removed at least once a week	12 901	13 231
Minimum Service Level and Above sub-total	**12 901**	**13 231**
Minimum Service Level and Above percentage	**100**	**100**
Solid Waste Removal: **(Below minimum level)**		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below Minimum Service Level sub-total	**0**	**0**
Below Minimum Service Level percentage	**0**	**0**
Total number of households	**12 901**	**13 231**

Table 75: Waste Management Service Delivery Levels

3.6.5 Employees: Waste Management

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	69	33	36	52.17
4 - 6	17	11	6	35.29
7 - 9	4	2	2	50
10 - 12	0	0	0	0
13 - 15	2	2	0	0
16 - 18	0	0	0	0
19 - 20	1	1	0	0
Total	**93**	**49**	**44**	**47.31**
As at 30 June				

Table 76: Employees: Waste Management

3.7 Housing

3.7.1 Introduction to Housing

The Emthanjeni Housing Unit invested significant time and capacity in rethinking and restructuring its delivery methodology and strategic plan. The result has been a fundamental shift from the historic approach of targeting individual areas of housing need to one in which full and meaningful integration is central. This paradigm shift began in 2010, when the Council and the Northern Cape provincial government (COGHSTA) embarked on a project to eradicate the entire backlog within the towns of De Aar, Hanover and Britstown.

Apart from having shifted the Housing Unit focus from mere housing provision to comprehensive human settlement development and management, this integrated approach has also resulted in key strategic development.

This supports the building of safe households and communities, the most vulnerable through access to service and infrastructure, promotes and fosters social inclusion as well as providing for social and economic opportunities. Undertaking a focused programme to improve home-ownership, creditworthiness levels among the residents of the greater Emthanjeni Local Municipality. Focused communication to adjust and manage of stakeholders expectations, this Housing Unit not only aims to create a more holistic approach within the Municipality itself, but also to integrate the division efforts with those of other areas within the municipal boundaries, therefore the MHSP is aligned with Emthanjeni IDP. Although we have the following projects planned for the Emthanjeni LM, much more needs to be done in order to source funding to address the housing needs of ELM. The following projects will be implemented during the period 2022/23 till 2025/26:

- Electrification of 240 houses at the De Aar 2386 housing project, in total it will be 345 houses which is already approved.
- Construction of 240 houses for 2024/2025 in De Aar, is in progress
- Funding is also available for the construction of 50 houses in Britstown.

In terms f Section 9 (1) of the National Housing Act 107 of 1997, every Municipality must, as part of their Integrated Development Plan process, take all reasonable and necessary steps to ensure that the inhabitant within its area of jurisdiction have access to adequate housing on a progressive basis by setting housing delivery goals, identifying suitable land for housing development in its area of jurisdiction.

Housing need:

Given the strategic decision to focus on subsidy and gap housing, the needs can be summarized as follows:

Subsidy	5 895
Gap	487
Total	6 382

Table 77: Housing Needs

3.7.2 Highlights: Housing

The table below specifies the highlights for the year:

Highlights	Description
Construction of 50 Housing Units in Britstown	A contractor has been appointed and is currently on site to construct 50 housing units in Britstown. This project forms part of the Municipality's commitment to providing residents with access to adequate housing on a progressive basis, thereby improving living conditions and reducing the housing backlog.
Electrification of 153 Handed-Over Houses	A total of 153 handed-over houses were electrified, ensuring beneficiaries have access to reliable electricity. This intervention significantly improves the quality of life for residents by enabling safer living conditions and access to modern household services.
Housing Consumer Education Awareness Programmes	Effective housing consumer education awareness sessions were conducted to equip beneficiaries with the knowledge and skills needed to make informed decisions as homeowners. These programmes empower individuals to understand their rights, recognise potential risks, and protect themselves from unfair or harmful practices in the housing market, while also enabling them to make sustainable choices that align with their needs and values.
Distribution of Title Deeds	A total of 268 title deeds were handed over to rightful owners and nominated family representatives. Title deeds are vital legal documents that serve as definitive proof of property ownership, providing legal protection, enabling property-related transactions, and granting access to financial services. Their distribution strengthens tenure security and empowers beneficiaries with a valuable economic asset.

Table 78: Highlights: Housing

3.7.3 Challenges: Housing

The table below specifies the challenges for the year:

Description	Actions to address
Slow progress in the construction of 240 housing units, causing delays in addressing the housing backlog and extending waiting times for beneficiaries.	Continuous engagements are being held with COGHSTA to address site-related challenges and monitor progress through Project Steering Committee (PSC) meetings, ensuring accountability and improved delivery timelines.
Delay in the finalisation of Level 2 accreditation, limiting the Municipality's ability to assume greater responsibilities in housing delivery.	Engage with both the Provincial and National Offices to fast-track the accreditation process and secure Level 2 accreditation, enabling the Municipality to play a more direct role in managing and implementing housing programmes.
Lack of funding or allocations for top structures, which contributes to the ever-increasing housing backlog and delays in addressing community housing needs.	Engage COGHSTA for additional housing allocations to reduce the backlog. The Municipality will also collaborate with relevant stakeholders to identify and release pockets of suitable land in an effort to accommodate the "missing middle" and expand access to adequate housing.

Table 79: Housing Challenges

3.7.4 Housing Statistics

The table below specifies the service delivery levels for the year:

Number of households with access to basic housing			
Year end	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2023/24	13 141	12 734	98%
2024/25	13 231	12 824	99%

Table 80: Households with Access to Basic Housing

The following table shows the number of people on the housing waiting list:

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2022/23	4 304	0.9
2023/24	5 129	19.2
2024/25	5 895	35

Table 81: Housing Waiting List

Financial year	Number of houses built	Number of sites serviced
2022/23	70	2 413 (De Aar 1 400, Britstown 848, Hanover 165)
2023/24	82	2 413
2024/25	90	0

Table 82: Houses Built and Sites Services

3.7.5 Employees: Housing

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	7	6	1	14.29
7 - 9	0	0	0	0
10 - 12	1	0	1	100
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**9**	**7**	**2**	**22.22**
As at 30 June				

Table 83: Employees: Housing

3.8 Overarching Services

3.8.1 Employees: Building Maintenance

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	6	6	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**8**	**8**	**0**	**0**
As at 30 June				

Table 84: Employees: Building Maintenance

3.8.2 Employees: Infrastructure Services: Administration

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	1	1	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	1	1	0	0
Total	**5**	**4**	**1**	**20**
As at 30 June				

Table 85: Employees: Infrastructure Services: Administration

3.8.3 Employees: Mechanical Workshop & Fleet Management

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0
4 - 6	4	1	3	75
7 - 9	1	1	0	0
10 - 12	2	2	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**8**	**5**	**3**	**37.5**
As at 30 June				

Table 86: Employees: Mechanical Workshop & Fleet Management

3.9 Free Basic Services and Indigent Support

Indigent applications are processed annually but new applications are assessed and updated monthly. The indigent register was reconciled with the financial system (Inzalo EMS) and the pre-paid electricity system. Credit control officials are continuously updating indigent households on the pre-paid electricity system.

New indigent household applications were processed and approved, so that these households received their levied free basic services (FBS) during the month. Indigent households will receive their FBS on the first of the month following the approval of their applications.

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved Indigent Policy of the Municipality, all households earning less than R 6 000 per month will receive the free basic services as prescribed by national policy.

Financial year	Number of households									
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2023/24	12 810	3 099	24.19%	3 099	24.19%	3 099	24.19%	3 099	24.19%
2024/25	12 810	2 760	21.55%	2 760	21.55%	2 760	21.55%	2 760	21.55%

Table 87: Free Basic Services to Indigent Households

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000
2023/24	3 099	50.00	3 217	9 120	50.00	9 467	591	50.00	613
2024/25	2 760	50.00	3 415	9 459	50.00	9 785	591	50.00	613

Table 88: Free Basic Electricity Services to Indigent Households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value R'000	No. of HH	R value per HH	Value R'000
2023/24	3 099	144.34	5 378	9 711	144.34	16 820
2024/25	2 760	152.23	5 854	2 760	152.53	17 166

Table 89: Free Basic Water Services to Indigent Households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value R'000	No. of HH	R value per HH	Value R'000
2023/24	3 099	248.14	9 228	9 450	248.14	28 139
2024/25	2 760	260.54	9 568	10 050	260.54	28 695

Table 90: Free Basic Sanitation Services to Indigent Households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value R'000	No. of HH	R value per HH	Value R'000
2023/24	3 099	154.73	5 754	9 450	154.73	17 546
2024/25	2 760	162.47	6 035	10 050	162.47	18 567

Table 91: Free Basic Refuse Removal Services to Indigent Households

Component B: Road Transport

3.10 Roads

3.10.1 Introduction to Roads

The Roads Department plays a vital role in ensuring safe and reliable transport infrastructure that supports economic growth, accessibility, and service delivery within the municipal area. The total length of tarred roads currently stands at 91.40 km, while approximately 55% of all municipal streets remain gravel roads. This presents ongoing challenges, as gravel roads are particularly affected during periods of heavy rainfall, where they become muddy and difficult to access, and during strong winds, when dust pollution impacts the quality of life for residents.

In response to these challenges, the Municipality continues to prioritise maintenance programmes, including routine pothole repairs, re-gravelling of roads, and stormwater management interventions, to ensure roads remain accessible. However, the ageing road infrastructure, increased traffic from heavy trucks, and population growth linked to renewable energy projects place additional strain on the road network.

Despite limited financial resources, the Municipality is committed to improving the road infrastructure through business plan submissions to the Municipal Infrastructure Grant (MIG), procurement of materials for timely maintenance, and the hiring of equipment such as graders to maintain gravel roads. The following sections provide a summary of the highlights, challenges, and service delivery statistics for the year under review.

3.10.2 Highlights: Roads

The table below specify the highlight for the year:

Highlight	Description
Pothole Maintenance – Timely Procurement of Materials	All materials required for pothole repairs were procured on time, enabling the Municipality to implement annual and quarterly routine road maintenance effectively and without delay.

Table 92: Roads Highlights

3.10.3 Challenges: Roads

The table below specify the challenge for the year:

Description	Actions to address
Insufficient Budget	Business plans were submitted to the Municipal Infrastructure Grant (MIG) for the approval of additional funding to support road construction and maintenance projects.
Damaged road infrastructure caused by heavy trucks entering the town and additional strain from the influx of people linked to renewable energy projects. The increased traffic has accelerated wear and tear on roads that have already exceeded their intended lifespan and design capacity.	Prioritise the upgrading and rehabilitation of the aged road infrastructure to strengthen capacity, extend lifespan, and accommodate increased traffic volumes.
The Municipality does not have a grader available internally, which limits its ability to conduct regular re-gravelling and maintenance of gravel roads.	Hire a grader to re-gravel and maintain gravel roads, ensuring improved accessibility and reduced inconvenience for residents.

Table 93: Roads Challenges

3.10.4 Statistics: Roads

The table below specifies the service delivery levels for the year:

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to paving	Gravel roads graded/maintained
2023/24	114.47	0	0	114.47
2024/25	114.12	0	0.350	114.12

Table 94: Gravel Road Infrastructure

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2023/24	91.40	0	0	0	91.40
2024/25	91.40	0	0	0	91.40

Table 95: Tarred Road Infrastructure

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements	Resealed	Maintained
	R'000		
2023/24	0	0	244
2024/25	0	0	2 000
The cost for maintenance includes stormwater			

Table 96: Cost of Construction/Maintenance of Roads

3.10.5 Employees: Roads

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	20	20	0	0
4 - 6	17	7	10	58.82
7 - 9	3	2	1	50
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**41**	**30**	**11**	**26.83**
As at 30 June				

Table 97: Employees: Roads

3.11 Waste Water (Stormwater)

The Stormwater Division is responsible for the management, maintenance, and upgrading of stormwater infrastructure to ensure effective drainage, reduce flooding risks, and protect both residents and municipal assets. A well-maintained stormwater system is essential for safeguarding road infrastructure, limiting property damage, and promoting environmental health within the municipal area.

During the year under review, the Municipality focused on the routine cleaning and maintenance of stormwater channels and drainage systems to ensure their functionality, particularly during the rainy season. Quarterly programmes were implemented to prevent blockages, improve water flow, and reduce the risk of localised flooding.

Despite these proactive measures, challenges persist, particularly the illegal dumping of litter and waste into stormwater canals, channels, and catchpits. Such practices undermine the effectiveness of the system, create blockages, and increase maintenance costs. To address this, the Municipality has prioritised budgeting and awareness programmes aimed at mitigating illegal dumping while continuing to maintain existing stormwater infrastructure.

The following sections provide an overview of the highlights, challenges, and service delivery statistics for stormwater services in the 2024/25 financial year.

3.11.1 Highlights: Waste Water (Stormwater)

The table below specify the highlight for the year:

Highlight	Description
Cleaning of Stormwater Drainage Channels	Quarterly routine maintenance of stormwater channels was undertaken to prevent blockages, ensure effective water flow, and reduce the risk of flooding during the rainy season.

Table 98: Waste Water (Stormwater) Highlights

3.11.2 Challenges: Waste Water (Stormwater)

The table below specifies the challenges for the year:

Description	Actions to address
Dumping of litter in stormwater canals, channels, and catchpits, which causes blockages, reduces system efficiency, and increases the risk of flooding.	Allocate budget for measures to mitigate illegal dumping in stormwater channels, including public awareness campaigns, stricter enforcement of by-laws, and regular cleaning programmes.

Table 99: Waste Water (Stormwater) Challenges

3.11.3 Service Delivery Statistics

The table below shows the total kilometers of stormwater system maintained and upgraded as well as the kilometers of new stormwater pipes installed:

Stormwater Infrastructure: Kilometres			
Year	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2023/24	0	0	6.28
2024/25	0	0	7.5

Table 100: Waste Water (Stormwater) Services Delivery Statistics

3.11.4 Employees: Waste Water (Stormwater)

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	3	0	3	100
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**3**	**0**	**3**	**100**
As at 30 June				

Table 101: Employees: Waste Water (Stormwater)

Component C: Planning And Local Economic Development (LED)

3.12 Planning

3.12.1 Introduction to Planning

Town Planning and Building Control falls under the Manager: Project Management Unit (PMU). The position of the PMU Manager and Building Control Officer was filled however, the position of Town Planner is still vacant.

With the implementation of SPLUMA (Act No 16 of 2013), there is now a great need for a permanent qualified town planner who can also execute the function of Land Development Officer (LDO).

The Manager: Project Management Unit currently deals with all issues related to Land Use.

Spatial Development Framework (SDF) and Land Use Management Scheme (LUMS)

The finalized Emthanjeni SDF requires formal approval and adoption by Council as mandated by the Spatial Planning and Land Use Management Act (SPLUMA). The adoption of Final SDF Report for Emthanjeni Municipality was done on 27 May 2024 by the Council.

The Emthanjeni Local Municipal Spatial Development Framework (SDF) reflects the commitment to addressing the challenges and opportunities that lie ahead. Developed through extensive consultations and partnerships with stakeholders across various sectors, including private entities, the updated SDF aligns with national and provincial legislation, paving the way for sustainable growth and resource utilization.

The Municipality has a Land Use Scheme (LUS) that is SPLUMA compliant. The purpose of the Land Use Management Scheme is to regulate, to handle and standardise general land uses and associated applications for the total municipal area.

Implementation of SPLUMA

All municipalities falling under the Pixley ka Seme District Municipality accepted the option of a District Municipal Planning Tribunal (DMPT). Emthanjeni Municipality currently does not comply with SPLUMA. It is eminent for the Municipality to appoint a Town Planner and review its SDF in order to be SPLUMA compliant.

3.12.2 Highlights: Planning

The table below specify the highlight for the year:

Highlight	Description
Renewable energy projects approved by Development Management Planning Tribunal (DMPT)	Renewable energy projects are being approved by the DMPT, boosting the town's economy. Construction has commenced, creating job opportunities and stimulating local investment.

Table 102: Planning Highlights

3.12.4 Statistics: Planning

The table below specifies the service delivery levels for the year:

Applications for Land Use Development				
Detail	Formalisation of Townships		Rezoning	
	2023/24	2024/25	2023/24	2024/25
Planning application received	0	0	21	22
Determination made in year of receipt	0	0	19	19
Determination made in following year	0	0	0	0
Applications withdrawn	0	0	2	0
Applications closed	0	0	18	19
Applications outstanding at year end	0	0	3	2
Awaiting DEA&DP decision	0	0	0	2

Table 103: Applications for Land Use Development

Type of service	2023/24	2024/25
Building plans application processed	48	37

Type of service	2023/24	2024/25
Total surface (m^2)	6 978.86	6 1420.8
Approximate value	R3 655 659	R18 780 087
New residential dwellings	9	16
Residential extensions	18	11
New Business buildings	1	3
Business extensions	2	1
Land use applications processed	0	0

Table 104: Additional Performance Town Planning and Building Control

3.12.5 Employees: Planning

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	2	1	1	50
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**3**	**2**	**1**	**33.33**
As at 30 June				

Table 105: Employees: Planning

3.13 Local Economic Development(LED)-including tourism and market places

The current Local Economic Development (LED) Strategy of Emthanjeni Municipality was developed in 2018 with support from the Department of Economic Development and the Pixley Ka Seme District Municipality. The Department of Economic Development and Tourism has indicated that it will assist local municipalities with the review of their LED Strategies during the upcoming financial year.

The Municipality's Integrated Development Plan (IDP) incorporates both the Investment Plan and the Economic Transformation Agenda, which are aligned with the LED Strategy to attract investors to the municipal area. The LED Strategy provides an economic analysis of the Emthanjeni municipal area and plays a critical role in enabling the Municipality to meet its constitutional mandate of promoting and driving local economic development through the creation of business and employment opportunities.

A key challenge, however, remains the lack of funding for the implementation of the strategy and identified projects. To strengthen its economic development agenda, Emthanjeni Municipality has been selected by SALGA to participate in a pilot project for the development of a Trade and Investment Strategy, as part of SALGA's broader trade and investment guidelines roll-out programme. The implementation of this programme will continue into the next financial year.

3.13.1 Highlights: LED

The table below includes the highlights with the implementation of the LED Strategy:

Highlights	Description
Renewable Energy Hub / Energy Mix	The municipality is strengthening its renewable energy mix through the signing-off of an Independent Power Producer, the Total Energies Hydra Storage Project, to operate within its jurisdiction. This initiative will contribute to a constant and reliable supply of energy, support sustainability goals, and enhance long-term energy security for the community.
Lease of Portion of Erf 4543	A portion of Erf 4543 has been leased to support Small, Medium, and Micro Enterprise (SMME) development. This initiative provides local entrepreneurs with access to space and opportunities that foster business growth, stimulate economic activity, and contribute to job creation within the municipal area.
De Aar Taxi Rank Disposal	The disposal of the De Aar Taxi Rank forms part of the municipality's broader Urban Renewal Project. This initiative is aimed at revitalising the urban environment, improving land use efficiency, and creating opportunities for future development that supports economic growth and community upliftment.
Karoo Small Town Regeneration Initiative	As part of the Karoo Small Town Regeneration Initiative, the Municipality is exploring the potential development of a Government Precinct. This project aims to centralize government services, improve accessibility for residents, stimulate local economic growth, and contribute to the long-term regeneration and modernization of the town.

Table 106: LED Highlights

3.13.2 Challenges: LED

The table below includes the challenge with the implementation of the LED Strategy:

Description	Actions to address
Outdated LED Strategy	The Municipality's LED Strategy is outdated and requires a comprehensive review. Updating the strategy will ensure alignment with current economic conditions, sector opportunities, and national and provincial development priorities, while also providing a clear framework to attract investment, stimulate local enterprise growth, and create sustainable employment opportunities.

Table 107: Challenges LED

3.13.3 Job Creation: EPWP

Details	Full Time Equivalent (FTE's) created through EPWP projects
	No.
2023/24	42
2024/25	44

Table 108: Job Creation Through EPWP Projects

3.13.4 Employees: LED

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	0	0	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**1**	**1**	**0**	**0**
As at 30 June				

Table 109: Employees: LED

3.13.5 Tourism

Introduction

The Council previously adopted a 10-year Tourism Plan (2010–2020), which is now due for review. However, the implementation of the Strategy has been constrained by limited funding for its activities, making it difficult to realise its intended outcomes. Furthermore, the vacancy of the Tourism/Communications Officer has weakened institutional capacity to drive tourism initiatives. The Tourism Office is further constrained by a lack of updated promotional materials and public information resources. As a result, the Municipality has been unable to participate in major tourism events such as *INDABA*, limiting opportunities for showcasing the area and accessing valuable industry information and networks.

Challenges: Tourism

The table below includes the challenge for Tourism:

Description	Actions to address
Outdated Tourism Strategy	Request technical and financial assistance from the Department of Economic Development and Tourism to review and update the Tourism Strategy of Emthanjeni Local Municipality, ensuring alignment with current trends, opportunities, and provincial/national priorities.

Table 110: Challenges: Tourism

Component D: Community And Social Services

3.14 Libraries

3.14.1 Introduction to Libraries

The Municipality has five operational libraries serving the local communities. Although library services are a provincial government competency, they are delivered at municipal level as an agency service. The communities in all three towns value and welcome the services provided by library staff, who continue to play an important role in promoting literacy, education, and access to information.

New books are introduced on a regular basis to ensure that collections remain current and relevant. In addition, the libraries now provide free internet services, expanding access to digital resources and bridging the digital divide within communities. Membership continues to grow steadily, reflecting the importance of libraries as community hubs for learning, research, and development.

3.14.2 Highlights: Libraries

The table below specifies the highlights for the year:

Highlights	Description
Infrastructure Development of Libraries	Five libraries received support through renovations and emergency maintenance to improve functionality and service delivery. Water conservation measures were also prioritised to ensure a reliable water supply at libraries at all times, enhancing the sustainability and resilience of these facilities.
Upgrading of Library Assets	Libraries benefitted from upgrades to Information and Communication Technology (ICT) systems and improved security measures. These enhancements strengthen digital access for users, safeguard resources, and support the delivery of modern, secure, and efficient library services.
Literacy and Advocacy Programmes	A total of five literacy and advocacy programmes were implemented, focusing on current affairs and calendar-based themes as part of the Library's annual planning. These programmes aimed to promote reading, raise awareness on relevant social issues, and strengthen the role of libraries as centres of community learning and engagement.
Fumigation of Libraries	All five libraries were fumigated to protect library collections and facilities from book insects, centipedes, and other pests. This intervention ensured the preservation of library materials and maintained a safe and hygienic environment for users and staff.

Table 111: Libraries Highlights

3.14.3 Challenges: Libraries

The table below specifies the challenges for the year:

Description	Actions to address
Budget constraints limit the ability to fully meet the growing demand for library services, infrastructure upgrades, and community programmes.	Ensure that the gap between service needs and actual demand is clearly reflected in the business plan for the Library Development Grant, enabling stronger motivation for additional funding support.
Decline in the number of Book Club members, reducing participation in reading initiatives and limiting the reach of literacy programmes.	Focus on recruiting new Book Club members by engaging with social groups, schools, and other stakeholders, while introducing incentives to encourage participation and sustain membership growth.

Table 112: Libraries Challenges

3.14.4 Service Statistics for Libraries

The table below specifies the service statistics for the year:

Service statistic	2023/24	2024/25
Number of libraries	5	5
Library members	7 280	7 553
Books circulated	21 228	23 014
Exhibitions held	18	22
Internet users	4 520	4 499
New library service points or Wheelie Wagons	0	0
Children programs	15	17
Visits by school groups	25	31
Book group meetings for adults	10	8

Table 113: Service Statistics for Libraries

3.14.5 Employees: Library Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	10	4	6	60
4 - 6	7	7	0	0
7 - 9	7	7	0	0
10 - 12	1	0	1	100
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**25**	**18**	**7**	**28**
As at 30 June				

Table 114: Employees: Libraries

3.15 Cemeteries

Procedures and management measures for the operations of cemeteries is regulated in terms of the Cemeteries By-law (No 6 of 2008). The by-law describes a cemetery as "and or part thereof, including the buildings and works thereon, that is owned and controlled by the Municipality, duly set aside and reserved for burials and make available for public use from time to time for burials".

Emthanjeni's cemeteries includes the following:

De Aar	Britstown	Hanover
Caroluspoort, Kareeville, Barcelona, Nonzwakazi, Old Philipstown Road	N12 Town, Mziwabantu, Proteaville Churches, New Cemetery (Proteaville)	N1 Town, Burgerville

Table 115: Emthanjeni Cemeteries

3.15.1 Highlights: Cemeteries

The table below specifies the highlights for the year:

Highlights	Description
Maintenance of Cemeteries	Eleven cemeteries across the municipal area were maintained to ensure dignified burial spaces, proper upkeep of public facilities, and a respectful environment for communities to honour their loved ones.
Implementation of Cemetery Registry	Cemetery registers were implemented and maintained for eleven cemeteries within the municipal area. These registers are critical tools for managing burial spaces effectively and serve as valuable records for historical, cultural, and genealogical research. They also uphold cultural and religious traditions while providing important demographic data that reflects community development over time. Preserving these records ensures both the protection of heritage and the sustainable management of burial spaces in the future.

Table 116: Cemeteries Highlights

3.15.2 Challenges: Cemeteries

The table below specifies the challenges for the year:

Description	Actions to address
Cemetery management systems require improvement, with current administrative processes lacking efficiency and consistency.	Strengthen administrative processes through the introduction of additional forms and documentation, while holding regular meetings with affected parties to ensure improved coordination and accountability in cemetery management.
Continued vandalism, damage to graves, theft of fencing, and stray animal invasions at cemeteries, which compromise the dignity, safety, and upkeep of burial spaces.	Submit a business plan to secure financial support for improved cemetery security. Priority will be given to the installation of proper fencing to reduce vandalism, theft, and animal intrusions, thereby ensuring the protection and respect of these facilities.
Concerns regarding the quality of tombstones and related services provided by certain funeral undertakers, leading to dissatisfaction among bereaved families.	Conduct meetings with funeral undertakers to address issues of poor service and workmanship, ensuring improved standards, accountability, and the provision of dignified services to the community.
Hard rock surfaces at Caroluspoort and Burgerville cemeteries make grave digging difficult and time-consuming, delaying burials and increasing operational costs.	Procure a jackhammer to improve efficiency in grave preparation, reduce delays, and ensure timely service delivery to bereaved families.

Table 117: Cemeteries Challenges

3.15.3 Service Statistics for Cemeteries

The table below specifies the service delivery levels for the year:

Type of service	2023/24	2024/25
Burials	712	649

Table 118: Service Statistics for Cemeteries

Component E: Security And Safety

The aim of Council is to ensure the safety of all residents and visitors in this municipal area through law enforcement. Currently municipal law enforcement officers work closely with SAPS to combat crime, while the traffic law enforcement officers are assisting those agencies. Integrated operations are held to prevent crime increase in this municipal area through proper planning. The willingness of the community to report crime assists the different law enforcement agencies tremendously in the fight against crime.

3.16 Traffic Services

3.16.1 Introduction to Traffic Services

The Traffic Department is structured into four functional sections, namely the Driver's License Testing Centre, Motor Registrations and Licensing, the Vehicle Testing Station, and Traffic Law Enforcement. Together, these sections are responsible for managing traffic-related services, ensuring road safety, and monitoring compliance with municipal by-laws. The Department plays a critical role in regulating the use of public roads, providing essential licensing and testing services, and enforcing traffic legislation to enhance safety and order within the municipal area.

3.16.2 Highlights: Traffic Services

The table below specifies the highlights for the year:

Highlights	Description
Road Safety Awareness Campaigns	Four road safety awareness campaigns were conducted across the Municipality to educate road users on safe driving practices, compliance with traffic laws, and the prevention of road accidents. These initiatives aimed to promote responsible road use and enhance community safety.
Maintenance and Calibration of Testing Centre Equipment	Regular maintenance and calibration of equipment at the Driving Licence Testing Centre (DLTC) and Vehicle Testing Centre (VTC) in De Aar were undertaken to ensure full compliance with regulatory standards and to maintain the accuracy and reliability of testing services.
Bi-Weekly School Visits	A total of 72 bi-weekly visits were conducted at schools to ensure pedestrian and traffic control around school premises. These visits are aimed to enhance the safety of learners, manage traffic congestion during peak hours, and promote road safety awareness among school communities.

Highlights	Description
Expenditure of Road Marking Budget	90% of the road marking budget was utilised on municipal roads to improve the visibility of road markings and traffic signs. This investment enhances traffic management, supports law enforcement, and contributes to safer driving conditions for all road users.
Training of Traffic Wardens	Five traffic wardens received formal training to strengthen their capacity in executing law enforcement duties within the jurisdiction of Emthanjeni Municipality. This initiative enhanced the Department's ability to enforce traffic regulations, promote compliance, and improve overall road safety.

Table 119: Traffic Services Highlights

3.16.3 Challenges: Traffic Services

The table below specify the challenge for the year:

Description	Actions to address
An ageing fleet within the Traffic Section, which limited operational efficiency and the ability to respond effectively to enforcement and service delivery needs.	Two old vehicles were replaced with new ones, and two additional vehicles were repaired to ensure the Traffic Section is adequately equipped to perform its functions.

Table 120: Traffic Services Challenges

3.16.4 Service Statistics for Traffic Services

The table below specifies the service delivery levels for the year:

Details	2023/24	2024/25
Number of road traffic accidents during the year	349	290
Number of by-law infringements attended	36	227
Number of Traffic officers in the field on an average day	3	7
Number of Traffic officers on duty on an average day	8	10
Animals impounded	0	0
Motor vehicle licenses processed	6 454	8 965
Learner driver licenses processed	4 280	7 870
R-value of fines collected	27 175	55 839
Roadblocks held	18	17
Complaints attended to by Traffic Officers	28	292

Table 121: Service Statistics for Traffic Services

3.16.5 Employees: Traffic Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	5	4	1	20
4 - 6	4	2	2	50
7 - 9	8	4	4	50
10 - 12	4	3	1	25
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**22**	**14**	**8**	**36.36**
As at 30 June				

Table 122: Employees: Traffic Services

3.16.6 Employees: Law Enforcement

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	5	4	1	20
7 - 9	0	0	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**5**	**4**	**1**	**20**
As at 30 June				

Table 123: Employees: Law Enforcement

3.17 Fire Services and Disaster Management

3.17.1 Introduction to Fire Services and Disaster Management

Fire services in the Municipality are delivered primarily through a voluntary service model, with trained volunteers on standby to respond to incidents across the municipal area. The main fire station is located in De Aar and serves as the central hub for operations, providing support to all towns within the Municipality.

Although Britstown and Hanover do not have dedicated fire stations, volunteer firefighters are based in these towns to ensure localised response capacity and to provide initial support until additional resources arrive. This approach helps to extend coverage across the Municipality, despite infrastructure and resource limitations.

3.17.2 Highlights: Fire Services and Disaster Management

The table below specifies the highlights for the year:

Highlights	Description
Appointment of Firefighters	Five qualified firefighters were appointed on one-year contracts to strengthen fire and rescue capacity within the Municipality, improving response times and ensuring better protection of communities and assets.
Acquisition of Fire Trailer Unit	The Municipality received one fire trailer unit from the Pixley Ka Seme District, enhancing local firefighting capacity and improving the ability to respond to fire incidents, particularly in areas without dedicated fire stations.

Table 124: Fire Services and Disaster Management Highlights

3.17.3 Challenges: Fire Services and Disaster Management

The table below specifies the challenges for the year:

Description	Actions to address
Shortage of modern fire equipment and apparatus, which limits the effectiveness of firefighting operations and emergency response.	Procure new fire equipment and apparatus to improve operational readiness, enhance the safety of firefighters, and ensure effective service delivery during emergencies.
Lack of a fully equipped fire station in certain areas, which delays personnel response times to emergency calls and limits service coverage.	Establish additional fire stations to provide proper facilities for firefighters, enabling quicker mobilisation and improved response to incidents across the Municipality.

Table 125: Fire Services and Disaster Management Challenges

3.17.4 Service Statistics for Fire Services and Disaster Management

The table below specifies the service delivery levels for the year:

Details	2023/24	2024/25
Total fires attended in the year	35	54
Average turnout time - urban areas	12 min	12 min
Average turnout time - rural areas	±30 min	30 min
Reservists and volunteers trained	16	12

Table 126: Service Statistics for Fire Services

Component F: Sport And Recreation

3.18 Sport and Recreation

The Sport and Recreation Department plays a critical role in promoting healthy lifestyles, community development, and social cohesion across the municipal area. Through the provision and maintenance of community parks, swimming pools, sport fields, and recreational facilities, the Municipality seeks to create safe and accessible spaces where residents can engage in physical activity, competitive sport, and leisure.

During the year under review, the Department focused on maintaining existing facilities while also addressing the challenges of ageing infrastructure, limited funding, and vandalism. Although income generation from the rental of sport facilities remains low, the Municipality continues to prioritise partnerships and funding applications to upgrade infrastructure such as the tartan track at Nonzwakazi and De Aar West.

Furthermore, the safeguarding of municipal sport and recreation infrastructure has become an increasing priority, with efforts being made to strengthen security measures at facilities. These interventions not only aim to protect public assets but also contribute to local job creation.

The following sections outline the highlights, challenges, and service delivery statistics for Sport and Recreation during the reporting period.

3.18.1 Highlights: Sport and Recreation

The table below specify the highlight for the year:

Highlight	Description
Community Parks Maintained	Six wards benefited from accessible community parks, with four of these parks equipped with play park equipment.

Table 127: Sport and Recreation Highlights

3.18.2 Challenges: Sport and Recreation

The table below specifies the challenges for the year:

Description	Actions to address
Lack of income generated from the rental of sport facilities, limiting the Municipality's ability to reinvest in the upkeep and improvement of infrastructure.	Strengthen the promotion and marketing of municipal sport facilities to increase community usage and rental income, while exploring partnerships with local sport associations and schools to boost utilisation.
Limited funding for the upgrade of the new tartan track at Nonzwakazi and De Aar West, delaying the completion of the project and affecting access to quality athletic facilities.	Engage with the Department of Cultural Affairs and Sport (DCAS) to secure additional funding support for the project, ensuring its timely completion and improved access for athletes and the community.
Vandalism of Sport and Recreation infrastructure, resulting in damage to community assets, increased maintenance costs, and disruption of facility use by residents.	Strengthen security measures at facilities by employing dedicated security personnel. This approach will not only safeguard municipal infrastructure but also contribute to job creation and improved employment opportunities within the municipal area.

Table 128: Sport and Recreation Challenges

3.18.3 Service Statistics for Sport and Recreation

The table below specifies the service delivery levels for the year:

Type of service	2023/24	2024/25
Community parks		
Number of parks with play park equipment	4	4
Number of wards with community parks	6	6
Swimming pools		
R-value collected from entrance fees	0	0
Sport fields		
Number of wards with sport fields	6	6
R-value collected from utilization of sport fields	R40 000	R36 000
Sport halls		
Number of wards with sport halls	0	0
Number of sport associations utilizing sport halls	0	0
R-value collected from rental of sport halls	0	0

Table 129: Service Statistics for Sport and Recreation

3.18.4 Employees: Parks and Cemeteries

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	19	18	1	5.26
4 - 6	2	2	0	0
7 - 9	1	1	0	0
10 - 12	1	1	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**23**	**22**	**1**	**4.35**
As at 30 June				

Table 130: Employees: Parks and Cemeteries

3.18.5 Employees: Sport and Recreation

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	14	7	7	50
4 - 6	1	0	1	100
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**16**	**8**	**8**	**50**
As at 30 June				

Table 131: Employees: Sport and Recreation

Component G: Corporate Policy Offices And Other Services

This component includes executive and council; financial services; human resource services; ICT services; legal services; and procurement services.

3.19 Office of the Mayor

3.19.1 Highlights: Office of the Mayor

The table below specifies the highlights for the year:

Highlights	Description
Functional Civil-Society Structures	The mobilisation of various civil-society sectors is essential to strengthen coordination and collective action in addressing the social challenges faced by communities. Establishing functional civil-society structures will enhance collaboration between stakeholders, promote community participation, and ensure more effective responses to social ills such as poverty, unemployment, substance abuse, and crime.
Revival of the Local AIDS Council	The Local AIDS Council is being revived to strengthen and coordinate the fight against HIV/AIDS. This platform will bring together various stakeholders, including government, civil society, and community organisations, to promote awareness, improve prevention strategies, support affected individuals, and ensure a unified and effective response to the epidemic within the Municipality.
Launching of the Book Club	A book club was launched at Phandolwazi Libraries to promote a culture of reading among children. Through this initiative, young readers are encouraged to engage with books, participate in literacy programmes, and develop lifelong learning skills, thereby strengthening educational development within the community.

Table 132: Office of the Mayor Highlights

3.19.2 Challenges: Office of the Mayor

The table below specifies the challenges for the year:

Description	Actions to address
Challenges with Resources for the Youth Centre	The effective use of the youth centre has been limited due to resource constraints. To address this challenge, a budget has been allocated to equip the facility, enabling it to function optimally and provide programmes that benefit the youth and the wider community.
Community Protests on Employment Matters	Protest marches have been organised by community concern groups regarding employment opportunities on external projects. To address these issues, the municipality aims to improve facilitation and communication between service providers and the general public. Clear, transparent processes will help manage expectations, reduce conflict, and ensure fair access to available opportunities.

Table 133: Office of the Mayor Challenges

3.19.3 Employees Office of the Mayor

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	2	1	1	50
4 - 6	3	3	0	0
7 - 9	1	1	0	0
10 - 12	5	3	2	40
13 - 15	1	0	1	100
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**12**	**8**	**4**	**33.33**
As at 30 June				

Table 134: Employees: Office of the Mayor

3.20 Office of Municipal Manager

3.20.3 Employees: Office of the Municipal Manager

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	0	0	0	0
13 - 15	0	0	0	0
16 - 18	0	0	0	0

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
19 - 20	1	1	0	0
Total	**2**	**2**	**0**	**0**
As at 30 June				

Table 135: Employees: Office of the Municipal Manager

3.21 Corporate Services: Administration

3.21.1 Highlights: Corporate Services: Administration

The table below specifies the highlights for the year:

Highlights	Description
Council Meetings convened	Full Component of Council
Executive Committee Meeting	Committee of Council
Infrastructure Committee Meeting	Council Committee of Council

Table 136: Corporate Services: Administration Highlights

3.21.2 Challenges: Corporate Services: Administration

The table below specifies the challenges for the year:

Description	Actions to address
Maintenance of Community Halls	The assistance of the municipal maintenance team is required to ensure the proper upkeep of all community halls. Since the rental of these facilities serves as an important source of income for the municipality, regular maintenance is essential to preserve their condition, enhance user experience, and sustain revenue generation.
Transition from Manual Registry to Electronic Filing System	The municipality is in the process of procuring and implementing an electronic filing system to replace the current manual registry. This transition will improve records management, enhance accessibility, reduce paperwork, and ensure greater efficiency and compliance in handling municipal documentation.
Filling of Vacant Senior Manager Positions	The vacant positions of Chief Financial Officer and Senior Manager: Corporate Services have been identified as critical posts. The filling of these senior manager positions is being prioritised to strengthen leadership capacity, improve governance, and enhance the overall effectiveness of the municipality's administration.

Table 137: Corporate Services: Administration Challenges

3.21.3 Employees: Corporate Services: Administration

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	14	11	3	21.43
4 - 6	6	5	1	16.67
7 - 9	1	1	0	0
10 - 12	5	5	0	0
13 - 15	1	1	0	0
16 - 18	0	0	0	0
19 - 20	1	0	1	100
Total	**28**	**22**	**5**	**17.85**
As at 30 June				

Table 138: Employees: Corporate Services: Administration

3.22 Human Resource Services

3.22.1 Introduction to Human Resources

The primary objective of Human Resource Management is to provide an innovative and integrated service that supports both skills development and administrative functions. This includes building organisational capacity through targeted training and development programmes, ensuring effective recruitment and retention of staff, and maintaining sound labour relations. In addition, Human Resource Management plays a critical role in aligning workforce planning with the municipality's strategic objectives, ensuring compliance with legislative requirements, and fostering a supportive environment that enhances employee performance and service delivery.

3.22.2 Highlights: Human Resources

The table below specifies the highlights for the year:

Highlights	Description
Adoption of HR Policies	During the financial year, the municipality reviewed and formally adopted its Human Resource policies. This process ensures compliance with legislative requirements, alignment with the Municipal Staff Regulations, and the promotion of fair, consistent, and transparent management of employees across the organisation.
Presentation of Policies and Code of Conduct to Employees	The municipality presented the Code of Conduct and Human Resource policies to all employees as part of an awareness and compliance initiative. This process promotes understanding of organisational rules and standards, encourages accountability, and ensures that employees are informed of their rights and responsibilities within the workplace.

Table 139: Human Resources Highlights

3.22.3 Challenges: Human Resources

The table below specify the challenge for the year:

Description	Actions to address
Slow Recruitment Process	The recruitment process for currently advertised vacancies has been identified as slow, which negatively impacts service delivery and organisational efficiency. To address this challenge, the municipality will revisit and review the Recruitment and Selection Policy to streamline procedures, reduce delays, and ensure that critical posts are filled timeously with suitably qualified candidates.
Leave Management	Supervisors and employees will undergo continuous induction on leave management processes. This initiative is aimed at improving compliance with leave policies, ensuring accurate record-keeping, and promoting accountability in managing employee leave entitlements.

Table 140: Human Resources Challenges

3.22.4 Employees: Human Resources

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	1	0	0
10 - 12	3	1	2	66.67
13 - 15	0	0	0	0
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**4**	**2**	**2**	**50**
As at 30 June				

Table 141: Employees: Human Resources

3.23 Development and Strategic Services

3.23.1 Introduction to Development and Strategic Services

The Development and Strategic Services Unit comprises the following components, namely: Integrated Development Planning, Local Economic Development, Performance Management & Risk Management, Commonage as well as Tourism. Each component is championed by an official except for Tourism.

3.23.2 Highlights: Development and Strategic Services

The table below specifies the highlights for the year:

Highlights	Description
Renewable Energy Hub / Mix – constant energy generation within municipal jurisdiction	Signing off of an Independent Power Producer (IPP), namely the *TotalEnergies Hydra Storage Project*, to operate within the municipal area of jurisdiction. This project will enhance energy security, diversify the local renewable energy mix, and ensure a stable supply of power for households, businesses, and municipal services.

Table 142: Development and Strategic Services Highlights

3.23.3 Challenges: Development and Strategic Services

The table below specify the challenge for the year:

Description	Actions to address
LED Summit not conducted annually	Convene preparatory planning meetings with key stakeholders, develop a detailed action plan with timelines, and secure budget allocation to ensure the LED Summit is held annually as per strategic objectives.
Unsigned and outdated contracts of SMMEs	Develop and maintain an up-to-date LED Contract Register to track all SMME contracts, ensure timely renewals, and fast-track the signing of outstanding agreements.
No SMME workshops conducted	Implement a programme of quarterly SMME workshops focusing on compliance, capacity building, access to funding, and business opportunities to strengthen local economic development.

Table 143: Development and Strategic Services Challenges

3.23.4 Employees: Development and Strategic Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0
4 - 6	0	0	0	0
7 - 9	1	0	1	100
10 - 12	2	1	1	50
13 - 15	2	1	1	50
16 - 18	0	0	0	0
19 - 20	0	0	0	0
Total	**5**	**2**	**3**	**60**
As at 30 June				

Table 144: Employees: Development and Strategic Services

3.24 Financial Services

3.24.1 Introduction: Financial Services

The Finance Directorate provide various services to the communities of Emthanjeni Municipality, Council and the staff. These services include revenue collection, expenditure management, budget and treasury reporting and supply chain management amongst others.

Financial viability and financial discipline are the pillars under which these services are rendered. The payment of services by consumers are the backbone of any municipality which underpins the financial ability of a municipality to honour its commitments. The mission is to ensure that the payment percentage and culture of the Municipality rises above the 95% for all the main services throughout the financial year.

3.24.2 Highlights: Financial Services

The table below specifies the highlights for the year:

Highlights	Description
A fully functional financial system has been implemented and is operational	A fully functional financial system has been implemented and is now operational, ensuring that consumer accounts are issued accurately and on time. Monthly billing is processed consistently, which has strengthened revenue collection, while enhanced monitoring and reconciliation of accounts and payments has improved financial control. The system further promotes transparency, efficiency, and compliance with MFMA and GRAP standards, while also supporting more reliable financial reporting to enable informed management decision-making. Previously, the absence of an automated billing system led to delayed or irregular invoices and municipal statements, which negatively affected revenue consistency and contributed to consumer dissatisfaction.
Automation of billing introduced	The Municipality has introduced automation of billing, ensuring that consumer accounts are generated and distributed on time every month. This intervention has reduced delays, improved accuracy, and provided residents and businesses with consistent statements. Previously, the absence of an integrated financial management system resulted in inconsistent and delayed billing, irregular revenue collection, limited capacity to generate timely financial reports, and challenges in monitoring and reconciling consumer accounts. Manual processes further contributed to inefficiencies and increased the risk of errors, all of which have now been significantly mitigated through automation.
Improved revenue collection processes	With the introduction of timely billing and clear account statements, the Municipality has significantly improved its revenue collection processes. Consumers now receive accurate records of their obligations, which has led to faster payment turnaround times, reduced disputes, and greater trust in the billing system. These improvements have strengthened cash flow through more consistent revenue collection, enhanced financial controls, and improved audit readiness. Furthermore, the Municipality is now better aligned with National Treasury reporting requirements, ensuring compliance and more effective financial management.

Table 145: Financial Services Highlights

3.24.3 Challenges: Financial Services

The table below specifies the challenges for the year:

Description	Actions to address
Migration of accounting system during the financial year	The municipality is working closely with the service provider to ensure continuous monitoring of the new system.
Vacancy of the Chief Financial Officer (CFO)	The municipality should fill the position of CFO.
Lack of capacity amongst employees in the finance department	Continuous employee development should be implemented, and employees should take responsibility for their own development.
Late processing of municipal accounts which leads to high receivable account balance	Municipal accounts should be ready for distribution on the 20th of each month.
Absenteeism in the finance department resulting in reduced productivity	Discipline and human resource processes should be enforced to ensure the reduction of employee absenteeism.
Municipalities financial system being offline	The Municipality had informed consumers about the financial system being offline. The municipality has encouraged the consumers to keep paying their municipal accounts via cash deposits at the bank.

Table 146: Financial Services Challenges

3.24.4 Employees: Financial Services

The following table indicates the staff composition for this division:

Job Level	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	4	3	1	25
4 - 6	26	19	7	26.92
7 - 9	5	5	0	0
10 - 12	5	4	1	20
13 - 15	0	0	0	0
16 - 18	2	1	1	50
19 - 20	1	0	1	100
Total	**43**	**32**	**11**	**25.58**
As at 30 June				

Table 147: Employees: Financial Services

3.25 Procurement Services

3.25.1 Highlights: Procurement Services

The table below specify the highlight for the year:

Highlight	Description
Centralization of Procurement	Most of the procurement is centralized in the municipality and this is something we are happy with and slowly the departments are starting to respond well.

Table 148: Procurement Services Highlights

3.25.2 Challenges: Procurement Services

The table below specifies the challenges for the year:

Description	Actions to address
Shortage of staff	To be assisted with interns while waiting to reconfigure the organo-gram.

Table 149: Procurement Services Challenges

3.25.3 Service Statistics for Procurement Services

The table below specifies the service delivery levels for the year:

Description	2023/24	2024/25
Requests processed	726	614
Orders processed	684	258
Requests cancelled or referred back	0	42
Extensions	0	0
Bids received (number of documents)	26	8
Bids awarded	9	6
Bids awarded ≤ R200 000	0	0
Appeals registered	0	0
Successful Appeals	0	0

Table 150: Service Statistics for Procurement Division

3.25.4 Total Awards Made

A total of 6 bids of an estimated value of R 10 832 963.76 (excluding term tenders or tenders where rates are applicable) were awarded during 2024/25.

3.25.5 Awards Made by the Bid Adjudication Committee

In terms of paragraph 5(2)(b) of Council's Supply Chain Management policy, only the Bid Adjudication Committee may award a bid between R200 000 and below R10 000 000. These powers were sub-delegated to the Bid Adjudication Committee as prescribed in terms of the Regulations.

The Bid Adjudication Committee awarded **0** bids during 2024/25.

3.25.6 Awards Made by the Accounting Officer

In terms of paragraph 5(2)(a) of Council's Supply Chain Management policy, only the Accounting Officer may award a bid which is in excess of R10 000 000. The power to make such an award may not be sub-delegated by the Accounting Officer.

The Municipal Manager awarded bids of an estimated value of R 10 832 963.76 (excluding term tenders or tenders where rates are applicable).

Bid number	Title of bid	Directorate	Successful Bidder	Value of bid awarded
T01/2025	Supply and Delivery of Water Material	Infrastructure	Cabani Consulting	2 959 892.38
T03/2025	Supply and Delivery of Premix for Period of 12 months	Infrastructure	Letselebe	197.00 per bag
T04/2025	Supply and Delivery of Water Material for 15 months	Infrastructure	Cabani Consulting	1 362 799.70
T06/2025	Procurement of Fleet	All Departments	Dolce Investment	5 397 846.43
T05/2025	Hiring of Fleet for period not exceeding 12 months	Infrastructure and Community Services	Letselebe	505 000.00
T06/2025	Supply and Delivery of Electrical Material for period not exceeding 15months	Infrastructure	Letselebe	607 425.25

Table 151: Awards made by Accounting Officer

3.25.7 Details of Deviations for Procurement Services

The following table provides a summary of deviations approved for 2024/25:

Type of deviation	Number of deviations	Value of deviations R	Number of deviations	Value of deviations R
	2023/24		2024/25	
Clause 36(1)(a)(i)- Emergency	13	590 886.26	15	2 475 916.42
Clause 36(1)(a)(ii)- Sole Supplier	59	1 576 993.22	67	712 455.07
Clause 36(1)(a)(iii)- Unique arts	0	0	0	0
Clause 36(1)(a)(v)- Impractical/impossible	0	0	0	0

Table 152: Statistics of Deviations from the SCM Policy

Component G: Service Delivery Priorities For 2025/26

The main development and service delivery priorities for 2025/26 forms part of the Municipality's Top Layer SDBIP for 2025/26 and are indicated in the table below:

3.26 Development and Service Delivery Priorities for 2025/26

3.26.1 Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties

Int. Ref	KPI	Unit of Measurement	Ward	Annual Target
TL25	Review and sign a MOU with the Department of Defense by 30 June 2026 for support with fire brigade services	MOU reviewed and signed by 30 June 2026	All	**1**
TL26	Review the disaster management plan that includes contingency plans and submit to Council by 30 June 2026	Disaster management plan reviewed and submitted to Council by 30 June 2026	All	**1**
TL28	Submit a business plan to potential funders for the upgrading of the Fire Brigade by 30 June 2026	Business plan submitted by 30 June 2026	All	**1**

Table 153: Service Delivery Priorities– Contribute to the creation of communities where residents and visitors can work, live and play without threat to themselves or their properties

3.26.2 Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor

Int. Ref	KPI	Unit of Measurement	Ward	Annual Target
TL7	Provide free basic services to indigent households as at 30 June 2026	Number of indigent households receiving free basic services as at 30 June 2026	All	**2 700**

Table 154: Service Delivery Priorities– Contribute to the development and protection of the rights and needs of all residents with a particular focus on the poor

3.26.3 Development and transformation of the institution with the aim of capacitating the Municipality in meeting their objectives

Int. Ref	KPI	Unit of Measurement	Ward	Annual Target
TL16	The number of people from employment equity target groups employed (newly appointed) in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan by 30 June 2026	Number of people employed (newly appointed)	All	**3**
TL17	0.1% of the personnel budget spent on training as per the approved Skills Development Plan by 30 June 2026 [(Actual total training expenditure/total personnel budget)x100]	% of the personnel budget spent on training by 30 June 2026	All	**0.10%**
TL18	Limit vacancy rate to 10% of budgeted posts by 30 June 2026 [(Number of funded posts vacant divided by budgeted funded posts)x100)	[(Number of funded posts vacant divided by budgeted funded posts)x100)	All	**10%**
TL21	Review the organogram and submit to Council by 30 June 2026	Reviewed organogram submitted to Council by 30 June 2026	All	**1**

Int. Ref	KPI	Unit of Measurement	Ward	Annual Target
TL22	Prepare the revised final IDP and submit to Council to ensure compliance with legislation by 31 May 2026	Final IDP completed to submitted to Council	All	**1**

Table 155: Services Delivery Priorities - Development and transformation of the institution with the aim of capacitating the Municipality in meeting their objective

3.26.4 Maintaining a financially sustainable and viable Municipality

Int. Ref	KPI	Unit of Measurement	Ward	Annual Target
TL9	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2026 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grants)	Debt coverage as at 30 June 2026	All	**45%**
TL10	Financial viability measured in terms of the outstanding service debtors as at 30 June 2026 (Total outstanding service debtors minus provision for bad debt)/ (revenue received for services)	% of outstanding service debtors as at 30 June 2026	All	**45%**
TL11	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2026 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	**1**
TL12	Submit the annual financial statements to the Auditor-General by 31 August 2025	Statements submitted to the AG by 31 August 2025	All	**1**
TL13	Achievement of a payment percentage of 75% by 30 June 2026 {(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off)/Billed Revenue x 100}	Payment % achieved	All	**75%**
TL14	Prepare and submit the adjustments budget to Council by the 28 February 2026	Adjustments budget submitted by 28 February 2026	All	**1**
TL15	Prepare and submit the final budget to Council by 31 May 2026	Final budget submitted by 31 May 2026	All	**1**
TL9	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2026 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grants)	Debt coverage as at 30 June 2026	All	**45%**

Table 156: Services Delivery Priorities - Maintaining a financially sustainable and viable Municipality

3.26.5 Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality

Int. Ref	KPI	Unit of Measurement	Ward	Annual Target
TL1	Develop Risk based audit plan (RBAP) for 2026/27 and submit to the Audit Committee by 30 June 2026	RBAP for 2026/27 submitted to the Audit Committee by 30 June 2026	All	**1**
TL2	Submit the Final Annual Report to Council by 31 March 2026	Final Annual Report submitted by 31 March 2026	All	**1**
TL19	Review the Risk Committee and sent appointment letters to members by 31 March 2026	Risk Committee reviewed and appointment letters sent to members by 31 March 2026	All	**1**
TL20	Complete the annual risk assessment and submit to the Risk Committee by 30 June 2026	Risk assessment completed and submit to the Risk Committee by 30 June 2026	All	**1**

Table 157: Services Delivery Priorities - Promote representative governance through the sustainable utilization of available resources in consultation with the residents of Emthanjeni Municipality

3.26.6 Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area

Int. Ref	KPI	Unit of Measurement	Ward	Annual Target
TL23	Review and submit the Local Economic Development (LED) Strategy to Council by 31 May 2026	Reviewed LED Strategy submitted by 31 May 2026	All	**1**
TL24	Review and submit the Tourism Strategy to Council by 31 May 2026	Reviewed Tourism Strategy submitted by 31 May 2026	All	**1**
TL32	Create temporary jobs - FTE's in terms of EPWP by 30 June 2026 (Person days / FTE (230 days))	Number of FTE's created	All	**20**

Table 158: Service Delivery Priorities - Promote the equitable creation and distribution of wealth in the Emthanjeni municipal area

3.26.7 Provision of access to all basic services rendered to residents within the available resources

Int. Ref	KPI	Unit of Measurement	Ward	Annual Target
TL3	Number of formal properties that receive piped water that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2026	Number of properties which are billed for water or have pre paid meters as at 30 June 2026	All	**8 000**
TL4	Number of formal properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2026	Number of properties which are billed for electricity or have pre paid meters (Excluding Eskom areas) as at 30 June 2026	All	**10 000**
TL5	Number of formal properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2026	Number of properties which are billed for sewerage as at 30 June 2026	All	**7 200**
TL6	Number of formal properties for which refuse is removed once per week and billed for the service as at 30 June 2026	Number of properties which are billed for refuse removal as at 30 June 2026	All	**7 200**
TL8	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2026 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% of capital budget spent by 30 June 2026	All	**95%**

Int. Ref	KPI	Unit of Measurement	Ward	Annual Target
TL27	Review the Human Settlement Plan and submit to Council by 30 June 2026	Human Settlement Plan reviewed and submitted to Council by 30 June 2026	All	**1**
TL29	Submit a quarterly report to Department of Forestries, Fisheries and the Environment on the upgrading of landfill sites	Number of reports submitted	All	**4**
TL30	Spend 100% of conditional grants applicable to Community Services by 30 June	% of grant conditional grants spent	All	**100%**
TL31	95% of approved budget spent by 30 June 2026 on the procurement of a vehicle for Community Services {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	**95%**
TL33	Limit unaccounted for water to 17% by 30 June 2026 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / (Number of Kilolitres Water Purchased or Purified) x 100]	% unaccounted water by 30 June 2026	All	**17%**
TL34	Limit % electricity unaccounted for to 10% by 30 June 2026 [(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased) x 100]	% of electricity unaccounted for at 30 June 2026	All	**10%**
TL35	Compile maintenance plans for waste water, roads and stormwater and electricity that include weekly, monthly, quarterly and annual actions and submit to Municipal Manager for approval by 30 June 2026	Number of plans submitted to Municipal Manager by 30 June 2026	All	**3**
TL36	95% of approved budget spent by 30 June 2026 for the development of 12 boreholes in De Aar (Phase 2) (Northern scheme) {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	**95%**
TL37	95% of approved budget spent by 30 June 2026 on the procurement of vehicles for Infrastructure Services {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	**95%**
TL38	95% of approved budget spent by 30 June 2026 for the upgrade of Caroluspoort Water Supply (Phase1) {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spent	All	**95%**

Table 159: Service Delivery Priorities - Provision of access to all basic services rendered to residents within available resources

CHAPTER 4

4.1 National Key Performance Indicators – Municipal Transformation and Organisational Development

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organizational Development.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2023/24	2024/25
The 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	0	0
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.10	0.10

Table 160: National KPIs– Municipal Transformation and Organisational Development

4.2 Introduction to the Municipal Workforce

The Municipality currently employs **304** with an approved organogram of **429** officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.2.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "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".

Employment Equity targets/actual

African		Coloured		Indian		White	
Target June	Actual June	Target June	Actual June	Target June	Actual June	Target June	Actual June
0	0	0	0	0	0	0	0

Table 161: 2024/25 EE Targets/Actual by Racial Classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
0	0	n/a	1	0	No	0	0	n/a

Table 162: 2024/25 EE Targets/Actual by Gender Classification

Employment Equity: Total Positions Filled

Description	African	Coloured	Indian	White	Total
Number for positions filled	5	3	0	0	8

Table 163: Employment Equity: Total Positions Filled

Specific Occupational Categories - Race

The table below indicates the number of employees by race within the specific occupational categories:

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Top Management	2	0	0	0	1	0	0	0	**3**
Senior management	3	1	0	1	2	0	0	0	**7**
Professionally qualified and experienced specialists and mid- management	1	0	0	0	1	3	0	0	**5**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	17	11	0	0	12	4	0	0	**44**
Semi-skilled and discretionary decision making	15	15	0	0	26	24	0	1	**81**
Unskilled and defined decision making	57	60	0	0	24	15	0		**156**
Total permanent	**95**	**87**	0	**1**	**66**	**46**	0	**1**	**296**
Non- permanent employees	1	1	0	0	4	2	0		**8**
Total	**96**	**88**	**0**	**1**	**70**	**48**	**0**	**1**	**304**

Table 164: Occupational Categories

4.2.2 Vacancy Rate

The approved organogram for the Municipality has **429** positions for the 2024/25 financial year. The actual permanent positions filled are **304**. Therefore, **125** positions were vacant at the end of 2024/25 resulting in a vacancy rate of 29.1% in terms of the budgeted posts on the organogram.

Below is a table that indicates the vacancies within the municipality:

Per Post Level		
Post level	Filled	Vacant
MM & MSA section 57 & 56	3	2
Senior management	7	4
Professionals and Middle management	5	6

Per Post Level		
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	44	0
Semi - skilled	81	52
Unskilled and defined decision making	156	70
Total	**295**	**134**
Per Functional Level		
Per Department	**Filled**	**Vacant**
Office of the Municipal Manager	2	2
Corporate Services	37	28
Financial Services	33	15
Community Services	132	57
Infrastructure Services	91	26
Total	**295**	**128**

Table 165: Vacancy Rate per Post and Functional Level

4.2.3 Employee Turnover Rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the employee turnover rate within the Municipality. The rate shows a decrease from 19.49% in 2023/24 to 9.21% in 2024/25.

The table below indicates the employee turnover rate over the last two years:

Financial year	Total no appointments at the end of the financial year	New appointments	No Terminations during the year	Employee Turnover Rate
2023/24	318	9	62	19.49%
2024/25	304	13	28	9.21%

Table 166: Employee Turnover Rate

4.3 Managing the Municipal Workforce

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The table below indicates the total number of injuries within the different directorates for 2023/24 and 2024/25:

Directorates	2023/24	2024/25
Office of the Municipal Manager	0	0
Corporate Services	0	0
Financial Services	0	0
Infrastructure Services	0	5
Community Services	1	4
Total	**1**	**9**

Table 167: Injuries

4.3.2 Sick Leave

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2023/24	2024/25
Office of the Municipal Manager	21	22
Corporate Services	168	297
Financial Services	278	194
Infrastructure Services	743	942
Community Services	838	1 333
Total	**2 048**	**2 788**

Table 168: Sick Leave

4.3.3 Human Resource Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the Human Resource policies and plans that are approved:

Approved Policies	
Name of policy	**Date approved/ revised**
Attendance and Punctuality Policy	23 May 2024
Bereavement Policy	23 May 2024
Bursary Policy (Study Aid Policy)	25 June 2015
Cell Phone	21 January 2012
Chronic Illness Policy	29 November 2010
Dress Code Policy	23 May 2024
Education, Training and Development Policy	23 May 2024
Employee Health and Wellness Policy	23 May 2024
Employee Dress Code Policy	25 September 2015
Employment Equity	29 May 2023

Approved Policies	
Name of policy	**Date approved/ revised**
Employment Policy	31 August 2007
Essential Users Scheme Policy	31 November 2012
Guidelines for Medical Surveillance	25 September 2015
Guidelines and Procedures on Injury on Duty	25 September 2015
Guidelines for Study Assistance Policy	25 September 2015
HIV/Aids Policy	12 March 2020
Housing Allowance	29 November 2010
Incapacity /Health	24 May 2004
Induction Training and Staff Orientation	14 March 2011
Internal Control: Salaries and Grants	6 January 2006
Language	9 August 2008
Legal Aid Policy for Councillors and Employees	23 May 2024
Nepotism Policy	29 November 2010
Overtime Policy	12 March 2020
Private Work	29 November 2010
Recruitment Policy	23 May 2024
Scarce Skills	31 November 2012
Sexual Harassment	29 November 2010
Skill Retention Policy	31 November 2012
Smoking Policy	31 December 2012
Staff Statements to the Media	29 November 2010
Study Assistance Policy (Employee Study Assistance Policy)	23 May 2024
Succession Planning and Career Pathing Policy	23 May 2024
Substance Abuse	23 May 2024
Task Job Evaluation Policy	23 May 2024
Uniform Protective Clothing	25 September 2015
Unpaid Leave	25 September 2015
Whistle Blowing Policy	23 May 2024
Occupational Health and Safety Policy	23 May 2024
Acting Policy	23 May 2024
Leave Policy	23 May 2024
Performance Management Policy	23 May 2024
Employee Attraction Policy	23 May 2024
Vehicle Policy	29 May 2023
Human Resource Development Plan	23 May 2024
Telecommunications Policy	23 May 2024

Table 169: Human Resource Policies and Plans

4.4 Capacitating the Municipal Workforce

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.4.1 Skills Matrix

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training	Number of Employees that received training
MM and S57	Female	1	0
	Male	3	0
Legislators, senior officials and managers	Female	10	5
	Male	10	6
Associate professionals and Technicians	Female	0	0
	Male	0	0
Professionals	Female	5	0
	Male	5	0
Clerks	Female	2	2
	Male	1	1
Service and sales workers	Female	1	1
	Male	2	2
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	0
	Male	0	0
Elementary occupations	Female	0	0
	Male	0	0
Sub total	**Female**	**19**	**8**
	Male	**21**	**9**
Total		**40**	**17**

Table 170: Skills Matrix

4.4.2 Skills Development – Training Provided

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Skills programmes & other short courses
		Total
		Actual
MM and S57	Female	0
	Male	0
Legislators, senior officials and managers	Female	5
	Male	6
Professionals	Female	0
	Male	0
Technicians and associate professionals	Female	0
	Male	0
Clerks	Female	2
	Male	1
Service and sales workers	Female	1
	Male	2
Craft and related trade workers	Female	0
	Male	0
Plant and machine operators and assemblers	Female	0
	Male	0
Elementary occupations	Female	0
	Male	0
Sub total	**Female**	**8**
	Male	**9**
Total		**17**

Table 171: Skills Development

4.4.3 MFMA Competencies

In terms of Section 83(1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the MFMA. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcome based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, “(1) No municipality or municipal entity may, with effect 1 January 2013, employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations.”

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	1	1	1
Chief financial officer	0	0	0	0
Senior managers	2	2	2	2
Any other financial officials	2	2	2	2
Supply Chain Management Officials				
Heads of supply chain management units	1	1	1	1
Supply chain management senior managers	1	1	1	1
Total	**6**	**6**	**6**	**6**

Table 172: Budget Allocated and Spent for Skills Development

4.5 Managing the Municipal Workforce Expenditure

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.5.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the municipality is well within the national norm of between 35% to 40%:

Financial year	Total Expenditure Salary and Allowances	Total Operating Expenditure	Percentage
	R'000		
2023/24	123 972	310 602	39.91%
2024/25	109 521	292 644	37.42%

Table 173: Personnel Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2023/24	2024/25		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Councillors (Political Office Bearers plus Other)				
Salary	3 904	3 923	7 846	4 544
Pension Contributions	0	0	0	0
Medical Aid Contributions	0	0	0	0
Motor vehicle allowance	1 335	1 176	2 051	1 366
Cell phone allowance	664	668	1 337	694
Housing allowance	0	0	0	0
Other benefits or allowances	25	25	50	0
In-kind benefits	0	0	0	0
Sub Total	**5 928**	**5 792**	**11 285**	**6 604**
Senior Managers of the Municipality				
Salary	3 475	3 567	4 069	2 477
Pension Contributions	487	593	489	310
Medical Aid Contributions	176	176	0	162
Motor vehicle allowance	927	931	931	920
Cell phone allowance	204	197	197	183
Housing allowance	0	0	0	13
Performance Bonus	0	0	0	652
Other benefits or allowances	529	229	229	652
In-kind benefits	0	0	0	0
Sub Total	**5 798**	**5 693**	**5 917**	**5 369**
Other Municipal Staff				
Basic Salaries and Wages	78 870	85 037	74 918	70 062
Pension Contributions	15 643	24 874	24 874	12 388
Medical Aid Contributions	2 894	2 853	4 029	3 126
Motor vehicle allowance	1 624	1 274	1 274	1 086
Cell phone allowance	247	248	248	198
Housing allowance	201	13 670	188	251

Financial year	2023/24	2024/25		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Overtime	1 785	1 793	1 793	6 871
Other benefits or allowances	9 982	3 674	2 832	3 563
Sub Total	**112 246**	**133 423**	**110 158**	**97 545**
Total	**123 972**	**140 664**	**116 075**	**102 914**

Table 174: Personnel Expenditure

CHAPTER 5

This chapter provides details regarding the financial performance of the Municipality for the 2024/25 financial year.

Component A: Statements Of Financial Performance

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the Municipality.

5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2024/25 financial year:

The table below shows a summary of performance against budgets:

Description	2023/24	2024/25			2024/25 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000					
Financial Performance						
Property rates	49,675	46,640	63,912	55,209	15.52	-15.76
Service charges	161,522	201,022	196,789	166,062	-21.05	-18.50
Investment revenue	3,727	4,582	4,582	3,105	-47.56	-47.56
Transfers recognised - operational	61,383	68,457	68,457	67,170	-1.92	-1.92
Other own revenue	19,935	16,591	16,617	4,467	-271.38	-271.96
Total Revenue (excluding capital transfers and contributions)	**296,243**	**337,292**	**350,357**	**296,013**	-13.94	-18.36
Employee costs	105,320	140,664	116,076	102,922	-36.67	-12.78
Remuneration of councillors	5,720	5,793	11,285	6,607	12.32	-70.82
Debt Impairment	0	0	0	0	0	0
Depreciation & asset impairment	53,757	10,869	10,708	49,541	78.06	78.39
Finance charges	49,038	10,917	11,000	40,542	73.07	72.87
Bulk Purchases	94,084	98,772	86,772	110,060	10.26	21.16
Other Materials	12,391	6,847	18,646	12,615	45.72	-47.81
Contracted Services	21,265	25,235	35,086	27,489	8.20	-27.64
Transfers and grants	0	0	0	0	0	0
Other expenditure	30,183	79,813	61,120	36,076	-121.24	-69.42
Loss on disposal of PPE	0	0	0	0	0	0
Total Expenditure	**371,758**	**378,909**	**350,693**	**385,850**	**1.80**	**9.11**
Surplus/(Deficit)	**(75,515)**	**(41,617)**	**(336)**	**(89,837)**	53.67	99.63
Transfers recognised - capital	34,636	54,468	44,468	31,332	-73.84	-41.93
Contributions recognised - capital & contributed assets	0	0	0	0	0	0

Description	2023/24	2024/25			2024/25 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000					
Surplus/Deficit) after capital transfers & contributions	**330,878**	**391,760**	**394,825**	**327,345**	**-19.68**	**-20.61**
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital	0	44,468	44,468	0	0	0
Public contributions & donations	0	0	0	0	0	0
Borrowing	0	0	0	0	0	0
Internally generated funds	0	10,993	11,128	0	0	0
Total sources of capital funds	**0**	**55,461**	**55,596**	**0**	**0**	**0**
Financial position						
Total current assets	185,547	3,074,447	3,188,892	202,658	-1417.06	-1473.53
Total non-current assets	806,685	2,261,835	2,252,132	804,728	-181.07	-179.86
Total current liabilities	370,918	2,741,886	2,795,347	542,424	-405.49	-415.34
Total non-current liabilities	143,838	23,823	23,823	152,384	84.37	84.37
Community wealth/Equity	312,577	2,570,574	2,577,723	477,477	-438.37	-439.86
Cash flows						
Net cash from (used) operating	207,117	53,693	50,063	219,114	75.50	77.15
Net cash from (used) investing	(50,152)	(127,642)	(52,153)	(51,150)	-149.55	-1.96
Net cash from (used) financing	2,514	0	0	219	100.00	100.00
Cash/cash equivalents at the year end	**(73,949)**	**(73,949)**	**(2,090)**	**33,816**	**318.68**	**106.18**
Cash backing/surplus reconciliation						
Cash and investments available	26,309	0	0	36,909	100.00	100.00
Application of cash and investments	0	0	0	0	0	0
Balance - surplus (shortfall)	**26,309**	**0**	**0**	**36,909**	**100.00**	**100.00**
Asset management						
Asset register summary (WDV)	0	2,261,811	2,252,107	784,743	-188.22	-186.99
Depreciation & asset impairment	53,757	10,869	10,708	49,541	78.06	78.39
Renewal of Existing Assets	0	0	0	0	0	0
Repairs and Maintenance	12,391	3,143	9,917	8,345	62.34	-18.83
Free services						
Cost of Free Basic Services provided	0	0	0	0	0	0
Revenue cost of free services provided	14,957	39,519	39,519	5,255	0	0
Households below minimum service level						
Water:	0	6,584,274	6,584,274	1,269,566	-418.62	-418.62
Sanitation/sewerage:	0	16,483,010	16,483,010	3,183,965	-417.69	-417.69

<table>
<tr><th rowspan="3">Description</th><th>2023/24</th><th colspan="3">2024/25</th><th colspan="2">2024/25 %Variance</th></tr>
<tr><th>Actual</th><th>Original Budget</th><th>Adjusted Budget</th><th>Actual</th><th rowspan="2">Original Budget</th><th rowspan="2">Adjustments Budget</th></tr>
<tr><th colspan="4">R'000</th></tr>
<tr><td>Energy:</td><td>0</td><td>5,187,551</td><td>5,187,551</td><td>232,081</td><td>0.00</td><td>0.00</td></tr>
<tr><td>Refuse:</td><td>0</td><td>11,263,777</td><td>11,263,777</td><td>569,874</td><td>0.00</td><td>0.00</td></tr>
<tr><td colspan="7">Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</td></tr>
</table>

Table 175: Financial Performance

<table>
<tr><th rowspan="3">Financial Year</th><th colspan="4">Revenue</th><th colspan="4">Operating expenditure</th></tr>
<tr><th>Budget</th><th>Actual</th><th>Diff.</th><th rowspan="2">%</th><th>Budget</th><th>Actual</th><th>Diff.</th><th rowspan="2">%</th></tr>
<tr><th colspan="3">R'000</th><th colspan="3">R'000</th></tr>
<tr><td>2023/24</td><td>316,811</td><td>330,878</td><td>14,067</td><td>4</td><td>276,232</td><td>371,758</td><td>(95,526)</td><td>-35</td></tr>
<tr><td>2024/25</td><td>337,293</td><td>327,345</td><td>(9,948)</td><td>-3</td><td>378,910</td><td>385,850</td><td>(6,940)</td><td>-2</td></tr>
</table>

Table 176: Performance Against Budgets

5.1.1 Revenue collection by Vote

The table below indicates the Revenue collection performance by Vote:

<table>
<tr><th rowspan="3">Vote</th><th>2023/24</th><th colspan="3">2024/25</th><th colspan="2">2024/25 %Variance</th></tr>
<tr><th>Actual</th><th>Original Budget</th><th>Adjusted Budget</th><th>Actual</th><th rowspan="2">Original Budget</th><th rowspan="2">Adjusted Budget</th></tr>
<tr><th colspan="4">R'000</th></tr>
<tr><td>Vote 1 - Mayor and Council</td><td>0</td><td>580</td><td>580</td><td>0</td><td>-386566.67</td><td>-386566.67</td></tr>
<tr><td>Vote 2 - Office of Municipal Manager</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Vote 3 - Financial Services</td><td>45,517</td><td>58,695</td><td>30,471</td><td>45,517</td><td>-28.95</td><td>33.06</td></tr>
<tr><td>Vote 4 - Corporate Services</td><td>753</td><td>10,439</td><td>439</td><td>753</td><td>-1287.19</td><td>41.66</td></tr>
<tr><td>Vote 5 - Community and Social Services</td><td>30,241</td><td>15,091</td><td>59,395</td><td>30,241</td><td>50.10</td><td>-96.41</td></tr>
<tr><td>Vote 6 - Infrastructure Services</td><td>254,373</td><td>306,956</td><td>303,939</td><td>254,373</td><td>-20.67</td><td>-19.49</td></tr>
<tr><td>Total Revenue by Vote</td><td>330,884</td><td>391,761</td><td>394,824</td><td>330,884</td><td>-18.40</td><td>-19.32</td></tr>
<tr><td colspan="7">Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</td></tr>
</table>

Table 177: Revenue by Vote

5.1.2 Revenue collection by Source

The table below indicates the revenue collection performance by source for the 2024/25 financial year:

<table>
<tr><th rowspan="3">Description</th><th>2023/24</th><th colspan="3">2024/25</th><th colspan="2">2024/25 %Variance</th></tr>
<tr><th>Actual</th><th>Original Budget</th><th>Adjusted Budget</th><th>Actual</th><th rowspan="2">Original Budget</th><th rowspan="2">Adjustments Budget</th></tr>
<tr><th colspan="4">R'000</th></tr>
<tr><td>Property rates</td><td>49,675</td><td>46,640</td><td>63,912</td><td>55,209</td><td>15.52</td><td>-15.76</td></tr>
<tr><td>Service Charges - electricity revenue</td><td>92,610</td><td>138,602</td><td>138,076</td><td>110,086</td><td>-25.90</td><td>-25.43</td></tr>
</table>

Description	2023/24	2024/25			2024/25 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000					
Service Charges - water revenue	44,954	39,471	38,760	28,220	-39.87	-37.35
Service Charges - sanitation revenue	25,056	15,269	13,488	22,429	31.92	39.86
Service Charges - refuse revenue	13,860	7,681	6,464	10,582	27.42	38.91
Rentals of facilities and equipment	758	476	476	560	15.00	15.00
Interest earned - external investments	3,727	4,582	4,582	3,105	-47.56	-47.56
Interest earned - outstanding debtors	14,085	9,240	9,240	0	0	0
Fines	408	3,120	3,120	658	-373.87	-373.87
Licences and permits	859	1,707	1,707	904	0	0
Agency services	0	0	0	0	0	0
Transfers recognised - operational	61,383	68,457	68,457	67,170	-1.92	-1.92
Other revenue	3,831	2,048	2,074	2,345	12.68	11.57
Income Forgone	0	0	0	(5,255)	0.00	0.00
Total Revenue (excluding capital transfers and contributions)	**311,206**	**337,292**	**350,356**	**296,013**	**-13.95**	**-18.36**
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						

Table 178: Revenue by Source

5.1.3 Operational Services Performance

Description	2023/24	2024/25			2024/25 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Water	N/A	10,585	12,472	25,847	59.05	51.75
Waste Water (Sanitation)	N/A	9,736	7,069	20,526	52.57	65.56
Electricity	N/A	115,369	97,572	124,589	7.40	21.68
Waste Management	N/A	13,045	6,729	19,176	31.97	64.91
Housing	N/A	3,263	1,234	3,038	-7.38	59.40
Component A: sub-total	**N/A**	**151,999**	**125,076**	**193,177**	**21.32**	**35.25**
Roads and Stormwater	N/A	15,731	7,918	18,563	15.26	57.34
Transport	N/A	0	0	0	0.00	0.00
Component B: sub-total	**N/A**	**15,731**	**7,918**	**18,563**	**15.26**	**57.34**
Planning	N/A	2,312	2,308	4,006	42.29	42.40
Local Economic Development	N/A	2,921	7,813	8,259	64.63	5.41

Description	2023/24	2024/25			2024/25 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Component C: sub-total	**N/A**	**5,233**	**10,120**	**12,266**	**57.33**	**17.49**
Libraries	N/A	7,540	1,967	4,746	-58.86	58.55
Social services & community development	N/A	29,170	7,819	10,056	0	0
Component D: sub-total	**N/A**	**36,710**	**9,786**	**14,803**	**-147.99**	**33.89**
Environmental Protection	N/A	0	0	0	0	0
Component E: sub-total	**N/A**	**0**	**0**	**0**	**0**	**0**
Traffic & Licensing	N/A	9,866	3,643	9,559	-3.20	61.89
Fire Services and Disaster Management	N/A	892	221	478	-86.54	53.70
Component F: sub-total	**N/A**	**10,757**	**3,864**	**10,037**	**-7.17**	**61.50**
Holiday Resorts and Campsites	N/A	69	7,728	20,075	99.66	61.50
Stadiums and Sport Ground	N/A	1,644	1,398	1,535	-7.13	8.94
Component G: sub-total	**N/A**	**1,713**	**9,126**	**21,610**	**92.07**	**57.77**
Financial Services	N/A	55,909	133,025	76,366	26.79	-74.19
Office of the MM	N/A	66,259	30,916	23,122	-186.57	-33.71
Administration	N/A	24,298	14,253	25,528	4.82	44.17
Infrastructure	N/A	148,179	187,321	146,625	-1.06	-27.75
Component H: sub-total	**N/A**	**294,645**	**365,515**	**271,641**	**-8.47**	**-34.56**
Total Expenditure	**N/A**	**516,789**	**531,407**	**542,097**	**4.67**	**1.97**
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 179: Operational Services Performance

5.2 Grants

5.2.1 Grant Performance

The table below indicates the Grant performance for the 2024/25 financial year.The performance in the spending of these grants is summarised as follows:

Description	2023/24	2024/25			2024/25 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget	Adjust-ments Budget
	R'000				%	
Operating expenditure of Transfers and Grants						
National Government:	**2,792**	**3,000**	**3,000**	**3,403**	**11.84**	**11.84**
Finance Management Grant	1,848	1,800	1,800	1,800	0.00	0.00
EPWP Incentive	944	1,200	1,200	1,603	25.14	25.14
Municipal Infrastructure Grant	0	0	0	0	0	0
Integrated National Electrification Program	0	0	0	0	0	0
Energy Efficiency and Demand Management Grant	0	0	0	0	0	0
Provincial Government:	**1,014**	**1,090**	**1,090**	**1,153**	**5.44**	**5.44**
PGWC Financial Management Capacity Build-ing Grant	0	0	0	0	0	0
Transport Infrastructure Grant	0	0	0	0	0	0
Library Services: MRFG	1,014	1,090	1,090	1,153	5.44	5.44
Capital expenditure of Transfers and Grants						
National Government:	**28,767**	**44,468**	**44,468**	**29,729**	**-49.58**	**-49.58**
Municipal Infrastructure Grant (MIG)	12,050	13,468	13,468	9,155	-47.11	-47.11
Water Services Infrastructure Grant	16,717	31,000	31,000	20,574	0.00	0.00
Provincial Government:	**0**	**0**	**0**	**33,816**	**0**	**0**
Human Settlement Development Grant (Ben-eficiaries)	0	0	0	0	0	0
Municipal Drought Support	0	0	0	0	0	0
Library Services: MRFG	0	0	0	33,816	100.00	100.00
Total Operating Transfers and Grants	**32,573**	**48,558**	**48,558**	**68,101**	**28.70**	**28.70**

Table 180: Grant Performance

Details	2023/24	2024/25			2024/25 Variance	
	Actual (Audited Out-come)	Budget	Adjustments Budget	Actual	Variance	
					Budget	Adjustments Budget
	R'000				%	
Operating expenditure of Transfers and Grants						

Details	2023/24	2024/25			2024/25 Variance	
	Actual (Audited Out-come)	Budget	Adjustments Budget	Actual	Variance	
					Budget	Adjustments Budget
	R'000				%	
Operating expenditure of Transfers and Grants						
National Government:	**2,792**	**3,000**	**3,000**	**3,403**	**11.84**	**11.84**
Finance Management	1,848	1,800	1,800	1,800	0.00	0.00
EPWP Incentive	944	1,200	1,200	1,603	25.14	25.14
Municipal Infrastructure Grant (PMU)	0	0	0	0	0	0
Municipal Infrastructure Grant (VAT)	0	0	0	0	0	0
Water Services Infrastructure Grant (VAT)	0	0	0	0	0	0
Integrated National Electrification Grant (VAT)	0	0	0	0	0	0
Municipal Disaster Relief Grant (Drought Re-lief)	0	0	0	0	0	0
Provincial Government:	**1,014**	**1,090**	**1,090**	**1,153**	**5.44**	**5.44**
PGWC Financial Management Capacity Build-ing Grant	0	0	0	0	0	0
Transport Infrastructure Grant	0	0	0	0	0	0
Library Services: MRFG	1,014	1,090	1,090	1,153	5.44	5.44
Thusong Service Centre (Sustainability Opera-tional Support)	0	0	0	0	0	0
CDW Support	0	0	0	0	0	0
Human Settlement Development Grant	0	0	0	0	0	0
Acceleration of housing deliveries (VAT)	0	0	0	0	0	0
Municipal Drought Support (VAT)	0	0	0	0	0	0
Graduate Internship Grant	0	0	0	0	0	0
Municipal Capacity Building Grant	0	0	0	0	0	0
Financial Management Support Grant	0	0	0	0	0	0
Emergency and Disaster - COVID-19	0	0	0	0	0	0
Municipal Disaster Grant (Drought Relief)	0	0	0	0	0	0
Capital expenditure of Transfers and Grants						
National Government:	**28,767**	**44,468**	**44,468**	**29,729**	**-49.58**	**-49.58**
Municipal Infrastructure Grant (MIG)	12,050	13,468	13,468	9,155	-47.11	-47.11
Water Services Infrastructure Grant	16,717	31,000	31,000	20,574	0.00	0.00
Integrated National Electrification Grant (INEG)	0	0	0	0	0	0
Municipal Disaster Relief Grant (Drought Re-lief)	0	0	0	0	0	0
Provincial Government:	**0**	**0**	**0**	**33,816**	**0**	**0**

Details	2023/24	2024/25			2024/25 Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Variance	
					Budget	Adjustments Budget
	R'000				%	
Human Settlement Development Grant (Beneficiaries)	0	0	0	0	0	0
Municipal Drought Support	0	0	0	0	0	0
Acceleration of housing deliveries	0	0	0	0	0	0
Library Services: MRFG	0	0	0	33,816	100.00	100.00
Financial Management Support Grant	0	0	0	0	0	0
Total	**32,573**	**48,558**	**48,558**	**68,101**	**28.70**	**28.70**
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

5.2.2 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2023/24	61,383	296,243	**20.72**
2024/25	67,170	296,013	**22.69**

Table 181: Reliance on Grants

5.3 Asset Management

5.3.1 Treatment of the Three Largest Assets

Three Largest Assets		
Asset 1		
Name	**LANDFILL SITE: DE AAR**	
Description	Solid waste	
Asset Type	Infrastructure Asset	
Key Staff Involved	Community Services Personnel	
Staff Responsibilities	Ensure that refuse is disposed of in correct manner	
Asset Value as at	**2023/24 R million**	**2024/25 R million**
	22,690	25,493
Capital Implications	N/A	
Future Purpose of Asset	Ensure that landfill site is appropriately rehabilitated	
Describe Key Issues	N/A	
Policies in Place to Manage Asset	Asset Management Policy	
Asset 2		
Name	**De Aar East Reservoir**	
Description	Reservoir	
Asset Type	Infrastructure Asset	

Three Largest Assets		
Key Staff Involved	Infrastructure Directorate Personnel	
Staff Responsibilities	Ensure a fully functional reservoir in order to provide quality water to the community	
Asset Value as at	**2023/24 R million**	**2024/25 R million**
	9,507	9,473
Capital Implications	Ongoing Maintenance	
Future Purpose of Asset	Storage and Regulation of Water Supply	
Describe Key Issues	Provision of Quality Water to the Community of De Aar	
Policies in Place to Manage Asset	Asset Management Policy	
Asset 3		
Name	**STORMWATER CHANNEL**	
Description	Storm water	
Asset Type	Infrastructure Asset: Storm water	
Key Staff Involved	Infrastructure Directorate Personnel	
Staff Responsibilities	Ensure that the stormwater Channel does not become blocked.	
Asset Value as at	**2023/24 R million**	**2024/25 R million**
	73,187	64,693
Capital Implications	Ongoing Maintenance	
Future Purpose of Asset	To channel excess water away from the community in times of heavy rain/flood.	
Describe Key Issues	Protection for the community to channel water into a drainage system.	
Policies in Place to Manage Asset	Asset Management Policy	

Table 182: Treatment of the Three Largest Assets

5.3.2 Repairs and Maintenance

Description	2023/24	2024/25			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			%
Repairs and Maintenance Expenditure	12,391	3,143	9,917	8,345	-15.85

Table 183: Repairs & Maintenance

5.4 Financial Ratios

5.4.1 Liquidity Ratio

Description	Basis of calculation	2023/24	2024/25
Current Ratio	Current assets/current liabilities	0.50	0.37
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.17	0.24
Liquidity Ratio	Monetary Assets/Current Liabilities	0.05	0.07

Table 184: Liquidity Financial Ratio

The current ratio indicates a Council's ability to meet its financial obligations such as payment for goods and services supplied. A ratio of 1:1 indicates that unrestricted current assets are available on hand to meet unrestricted current liabilities. It is furthermore an indication of a Council's solvency.

5.4.2 Performance Management Regulation Financial Viability Indicators

Description	Basis of calculation	2023/24	2024/25
Cost Coverage	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	0.82	1.15
Total Outstanding Service Debtors to Revenue	(Total outstanding service debtors minus provision for bad debt)/ (revenue received for services)	3.11	5.32
Debt coverage	((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grants))	2.19	2.69

Table 185: Financial Viability National KPAs

Cost Coverage

This ratio indicates the Municipality's ability to meet its short-term (monthly) expenditures. It takes into consideration all available cash at a particular time including income from investments. The ratio has to be in excess of 1:1. Strict application of the Credit Control Policy and measures implemented to collect outstanding debtors should improve the ratio. However, this ratio should be read in conjunction to other ratios.

Outstanding Service Debtors to Revenue

This ratio indicates how effective revenue collection is being executed by the Municipality. The Municipality should continuously enhance revenue collection mechanisms and enforce debt collection policies.

Debt Percentage

The debt percentage shows the Municipality's debt obligations as percentage of operating revenue less grants. A percentage of 25% is generally considered acceptable assuming the other safety tests have been met.

5.4.3 Employee costs

Description	Basis of calculation	2023/24	2024/25
Employee costs	Employee costs/(Total Revenue - capital revenue)	35.55%	34.77%

Table 186: Employee Costs

The ratio gives an indication of the total percentage paid on employee cost of operating revenue. The ratio increased from 37.54% in 2020/21 to 37.89% in 2022/23, which is still within the national norm of between 35% to 40%.

5.4.4 Repairs & Maintenance

Description	Basis of calculation	2023/24	2024/25
Repairs and Maintenance	R&M (Total Revenue excluding capital revenue)	4.18%	2.82%

Table 187: Repairs & Maintenance

The ratio gives an indication of the total percentage paid on repairs and maintenance of operating revenue. The national norm is at least 8%.

Component B: Spending Against Capital Budget

5.5 Sources of Finance

5.5.1 Capital Expenditure: New Asset Programme

The table below indicates the capital expenditure by new asset programme for the 2024/25 financial year:

Description	2023/24	2024/25			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2025/26	2026/27	2027/28
R'000							
Capital expenditure by Asset							
Infrastructure - Total	**28,767**	**44,468**	**44,468**	**29,729**	**0**	**0**	**0**
Infrastructure: Road transport - Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Roads, Pavements & Bridges	0	0	0	0	0	0	0
Storm water	0	0	0	0	0	0	0
Infrastructure: Electricity - Total	**12,050**	**13,468**	**13,468**	**9,155**	**0**	**0**	**0**
Generation	0	0	0	0	0	0	0
Transmission & Reticulation	0	0	0	0	0	0	0
Street Lighting	12,050	13,468	13,468	9,155	0	0	0
Infrastructure: Water - Total	**16,717**	**31,000**	**31,000**	**20,574**	**0**	**0**	**0**
Dams & Reservoirs	0	0	0	0	0	0	0
Water purification	0	0	0	0	0	0	0
Reticulation	16,717	31,000	31,000	20,574	0	0	0
Infrastructure: Sanitation - Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reticulation	0	0	0	0	0	0	0
Sewerage purification	0	0	0	0	0	0	0
Infrastructure: Other - Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Waste Management	0	0	0	0	0	0	0
Other - Waste Water	0	0	0	0	0	0	0
Community - Total	**0**	**0**	**20,148**	**0**	**0**	**0**	**0**
Parks & gardens	0	0	13,173	(179)	0	0	0
Sports fields & stadia	0	0	0	0	0	0	0
Capital expenditure by Asset Class	**0**	**0**	**0**	**33,816**	**0**	**0**	**0**
Heritage assets - Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Buildings							
Other							
Investment properties - Total	**0**	**0**	**0**	**33,816**	**0**	**0**	**0**

Description	2023/24	2024/25			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2025/26	2026/27	2027/28
R'000							
Housing development							
Other							
Other assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Capital Expenditure on new assets	**28,767**	**44,468**	**64,616**	**29,729**	**0**	**0**	**0**

Table 188: Capital Expenditure: New Asset Programme

5.5.2 Capital Expenditure: Funding Sources

The table below indicates the capital expenditure by funding source for the 2024/25 financial year:

Details	2023/24	2024/25				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of Finance						
Description	**R'000**				**%**	
External loans	0	0	0	0	0	0
Public contributions and donations	0	0	0	0	0	0
Grants and subsidies	0	44,468	44,468	0	0.00	-100.00
Own funding	0	10,993	11,128	0	1.23	-101.23
Total	**0**	**55,461**	**55,596**	**0**	**0.24**	**-100.24**
Percentage of Finance						
External loans	0	0	0	0	0.00	0.00
Public contributions and donations	0	0	0	0	0.00	0.00
Grants and subsidies	0	80	80	0	-0.24	0.00
Own funding	0	20	20	0	0.99	0.00
Capital Expenditure						
Description	**R'000**				**%**	
Water and sanitation	0	0	0	0	0	0
Electricity	12,050	13,468	13,468	9,155	0	0
Housing	0	0	0	0	0	0
Roads and Stormwater	0	0	0	0	0	0
Other	16,717	31,000	51,148	20,574	64.99	-98.63
Total	**28,767**	**44,468**	**64,616**	**29,729**	45.31	-78.46
Percentage of Expenditure						
Water and sanitation	0	0	0	0	0	0
Electricity	42	30	13173400	-179335	66524596	-66524594
Housing	0	0	0	0	0	0
Roads and stormwater	0	0	0	0	0	0
Other	58	70	79	69	13.55	-14.28

Table 189: Capital Expenditure by Funding Source

5.5.3 Capital Spending on Largest Capital Projects

Name of Project	2024/25				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
MIG - High Mast Lights	13,468	13,468	9,155	-32.02%	-32.02%
WSIG - Boreholes	31,000	31,000	20,574	-33.63%	-33.63%

Table 190: Capital Spending on Largest Capital Projects

Component C: Debtors, Borrowing And Investments

5.6 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
	R'000					
2023/24	242,366	117,680	157,220	396	1,904	519,567
2024/25	250,442	207,268	156,877	141	5,401	620,129
Difference	8,076	89,588	(343)	(255)	3,497	100,562
% growth year on year	3	76	0	-64	184	19
Note: Figures exclude provision for bad debt						

Table 191: Gross Outstanding Debtors per Service

5.7 Total Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2023/24	55,804	35,644	15,992	187,150	294,590
2024/25	36,378	33,684	15,132	529,535	614,728
Difference	(19,426)	(1,960)	(860)	342,385	320,138
% growth year on year	-35	-5	-5	183	109
Note: Figures exclude provision for bad debt.					

Table 192: Service Debtor Age Analysis

5.8 Borrowing and Investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.8.1 Borrowings

Instrument	2023/24	2024/25
	R'000	
Long-Term Loans (non-annuity)	13,000	13,000
Total	**13,000**	**13,000**

Table 193: Actual Borrowings

5.8.2 Investments

Investment type	2023/24	2024/25
	R'000	
Deposits - Bank	25,849	29,057
Total	**25,849**	**29,057**

Table 194: Municipal Investments

CHAPTER 6

Component A: Auditor-General Opinion 2023/24

6.1 Auditor-General Report 2023/24

<table>
<tr><th>Main issues raised</th><th>Corrective steps implemented/ to be implemented</th></tr>
<tr><th colspan="2">Emphasis of Matter</th></tr>
<tr><th colspan="2">Trade and other payables from exchange transactions</th></tr>
<tr><td>Auditor was unable to obtain sufficient appropriate audit evidence for trade and other payables included in payables from exchange.</td><td>The municipality is working towards the implementation of regular/monthly supplier reconciliations to ensure that amounts recorded in the control accounts is accurate and complete</td></tr>
<tr><td>The municipality did not account for trade payables in accordance with GRAP 1</td><td rowspan="2">The municipality has acquired a financial system that will assist the management in ensuring that figures of the suppliers control accounts as being updated in the supplier accounts are also filtering through to the sub-ledgers to ensure that the amount reported on the age-analysis agrees to that reported in the sub-ledger.</td></tr>
<tr><td>The municipality did not account for trade payables in accordance with GRAP 1, Presentation of financial statements, as material differences were identified, resulting in trade payables not being measured at the fair value of the consideration paid or payable, as required by the standard.</td></tr>
<tr><th colspan="2">Trade and other payables from non-exchange transactions</th></tr>
<tr><td>Auditor was unable to obtain sufficient appropriate audit evidence for trade and other payables.</td><td>The municipality has acquired a financial system that will assist the management in ensuring that figures of the suppliers control accounts as being updated in the supplier accounts are also filtering through to the sub-ledgers to ensure that the amount reported on the age-analysis agrees to that reported in the sub-ledger. Thus, allows for monthly reconciliation to be conducted on the age analysis and sub-ledgers, also for individual supplier accounts.</td></tr>
<tr><th colspan="2">Receivables from non-exchange transactions</th></tr>
<tr><td>Auditor was unable to obtain sufficient appropriate audit evidence for receivables from non-exchange Transactions.</td><td>Management will investigate the differences identified by the auditor through review of the whole population and possibly where the issue emanates from legacy transaction that management has no control over and no other means to support the figure will then consult with provincial treasury for further intervention to assist in resolving these issues.</td></tr>
<tr><th colspan="2">Receivables from exchange transactions</th></tr>
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<tr><th colspan="2">Provision for impairment of receivables from non-exchange transactions</th></tr>
<tr><td>Insufficient supporting documents in order to support the amounts disclosed in the AFS for provision for impairment included in receivables from non-exchange transactions.</td><td rowspan="2">Management will ensure that GRAP 104, financial instruments is applied when calculating the provision for impairment on receivables from non-exchange and exchange transactions and align the municipalities policy to GRAP 104 for implementation on the reporting on financial statements.</td></tr>
<tr><td>During 2023, the provision for impairment of debtors was not calculated in accordance with the Standards of GRAP 104, Financial Instruments.</td></tr>
</table>

Main issues raised	Corrective steps implemented/ to be implemented
	Management will also, ensure that a detailed transaction investigation is conducted on debtor's accounts when reconciling to the valuation report to ensure completeness of billing reports, ensure that the debtors are categorised correctly on the system to allow for accurate data to be used when computing the provision for impairment on debtors.
Provision for impairment of receivables from exchange transactions	
Auditor found insufficient documents for provision for impairment included in receivables from non-exchange transactions due to the status of the accounting records for impairment, stated at R288 740 144 in note 6 to the financial statements.	Management will ensure that GRAP 104, financial instruments is applied when calculating the provision for impairment on receivables from non-exchange and exchange transactions and align the municipalities policy to GRAP 104 for implementation on the reporting on financial statements. Management will also, ensure that a detailed transaction investigation is conducted on debtor's accounts when reconciling to the valuation report to ensure completeness of billing reports, ensure that the debtors are categorised correctly on the system to allow for accurate data to be used when computing the provision for impairment on debtors
Service charges	
Auditor was unable to obtain sufficient appropriate audit evidence for sale of service.	Management has changed the financial system in which they report, and data is being verified on import to the system. Errors identified in the data by the auditors are being investigated and corrected on the system. The customer data is being verified to the valuation roll to ensure completeness of billing and accuracy in terms of classification. The customers are also being verified to the indigent listing to ensure that rebates are affected correctly to the correct customer. Tariffs billed to the customers are verified to the council approved tariff list to ensure and where errors in calculating the amount to be billed are identified a correction is made.
Revenue from exchange transactions – Service charges not recognized In accordance with GRAP 9.	
The municipality did not account for revenue from service charges in accordance with GRAP 9, Revenue from exchange transactions, as the municipality did not account for all revenue from services charges, as the municipality did not maintain adequate and complete records for all services rendered to customers.	
Interest Earned — Exchange Transactions	
Receivables from exchange transactions – Insufficient evidence obtained to support disclosed amounts.	Management has changed the financial system in which they report, and data is being verified on import to the system. Errors identified in the data by the auditors are being investigated and corrected on the system. The customer data is being verified to the valuation roll to ensure completeness of billing and accuracy in terms of classification. Management will ensure that the interest is billed on customers as per the municipality's policy and that interest earned is reflected accurately on the financial statements for both exchange transaction and non-exchange transactions. Tariffs billed to the customers are verified to the council approved tariff list to ensure and where errors in calculating the amount to be billed are identified a correction is made.
The municipality did not account for interest earned from exchange transactions in accordance with GRAP 1, Presentation of financial statements, as the municipality did not account for all interest earned from exchange transactions, as the municipality did not maintain adequate and complete records for all interest charged to customers was unable to determine the full extent of the understatement of interest and its related receivables from exchange transactions, as it was impracticable to do so.	
Interest Earned — Non-exchange	
Auditor was unable to obtain sufficient appropriate audit evidence for interest earned — non-exchange transactions included in property rates due to a lack of proper record keeping and reconciliation of control accounts.	Management has changed the financial system in which they report, and data is being verified on import to the system. Errors identified in the data by the auditors are being investigated and corrected on the system. The customer data is being verified to the valuation roll to ensure completeness of billing and accuracy in terms of classification.
The municipality did not account for revenue from interest earned — non-exchange in accordance with GRAP 23, Revenue from non-ex-	

Main issues raised	Corrective steps implemented/ to be implemented
change transactions, as the municipality did not account for all revenue from interest earned — non-exchange transactions, as the municipality did not maintain adequate and complete records for all interest earned — nonexchange. I was unable to determine the full extent of the understatement of interest and its related receivables from exchange transactions, as it was impracticable to do so.	Management will ensure that the interest is billed on customers as per the municipality's policy and that interest earned is reflected accurately on the financial statements for both exchange transaction and non-exchange transactions. Tariffs billed to the customers are verified to the council approved tariff list to ensure and where errors in calculating the amount to be billed are identified a correction is made.
Finance costs	
Finance Cost – insufficient evidence obtained to support disclosed amounts.	Management will revisit the population of its creditors listing for completeness and ensure that all interest incurred is disclosed in the financial statements based on the invoices and statements received from suppliers.
Segment Reporting	
The municipality did not account for segment reporting in accordance with GRAP 18, Segment Reporting in the current year, material differences were identified as the municipality did not have adequate systems for the disclosure of segment reporting. I was unable to determine the full extent of the segment reporting disclosure during the financial year as it was impracticable to do so.	Management will ensure that GRAP 18 is read with an understanding of the disclosure items that need to be included in the municipalities financial statements as well as ensuring the applicable of the standard to the municipalities based on its operations and National Treasury guidelines.
Contingent liabilities	
The municipality did not have adequate systems in place to account for contingent liabilities in accordance with GRAP 19, Provisions, Contingent Liabilities and Contingent Assets in the current year, as the policies and procedures of the municipality did not adequately cover the qualitative and quantitative factors used to determine the best estimate required to settle the obligations. Consequently, contingent liabilities disclosed on note 47 to the annual financial statements were overstated in the current year. I could not determine the full extent of the overstatement of contingent liabilities as it was impractical to do so.	Management will liaise with the municipalities attorneys to get an understanding of the methodology used to do the estimated contingencies to be disclosed in the AFS. This methodology will be made available to the auditors as part of the audit file for verification.
Cashflow statement	
The municipality did not account for the cashflow statement in accordance with GRAP 2, Cashflow statements in the current year, as the municipality did not have adequate systems to spilt the interest payable/accrued and paid/received for the disclosure of the cashflow statement. I was unable to determine the full extent of the cashflow statement disclosure during the financial year as it was impracticable to do so.	Management will ensure that there are set parameters within the financial system that will give an accurate amount of the actual interest amount is paid/received from customers. That amount will then be included in the cashflow statement supported by reports that show the total amount allocated from payments to the outstanding interest amount disclosed in the
Limit unaccounted for water to 25% by 30 June 2023 [(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / (Number of Kilolitres Water Purchased or Purified) x 100]	
An achievement of 20% was reported against a target of 17%. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than reported and was not reliable for determining if the target had been achieved.	Management will ensure that the APR is reviewed thoroughly before it is submitted for audit. Management will ensure that achievements are reported as indicated in the POE's and that the POE's that support the APR are availed to the auditors for verification of the input data to the report.
Missing indicator	

Main issues raised	Corrective steps implemented/ to be implemented
In terms of the MFMA, the municipality is responsible for basic service delivery. However, an indicator to measure performance on this responsibility was omitted from the approved planning documents. The municipality did not provide a reason for this. Consequently, the achievement of this legislative mandate was not planned or accounted for, which is likely to result in it not being delivered and undermine transparency and accountability for the delivery of the mandate.	Management will review the planning documents to ensure that all basic service delivery as the municipality's core mandate is adequately planned for and reported on the APR for transparency and accountability by the municipality.
Achieve a 95% water quality quarterly as per SANS 241 requirements for all water sampling points	
The reported measures taken to improve performance against the underachieved target of 95%, did not agree to the audit evidence. The audit evidence indicated the measures to be information was provided as at year end as per their corrective action and not DWS is assisting with checking the root cause for water quality, although chlorine has been procured and treatment as has been conducted there are still failures detected. A thorough study has been carried out by DWS as assistance as reported in the annual performance report. Consequently, the reported measures are not reliable for helping to understand the actions taken by the municipality to address performance gaps and to assess the effectiveness of strategies to improve future performance against the target	The municipality is striving to report on the quality of water accurately in terms of SANS 241 requirements with supporting information from DWS.

Table 195: AG Report on Financial Performance 2023/24

Component B: Auditor-General Opinion 2024/25

6.2 Auditor-General Report 2024/25

Main issues raised	Corrective steps implemented/ to be implemented
Emphasis of Matter	
Receivables from non-exchange transactions	
The municipality did not maintain adequate records for receivables from non-exchange transactions. Receivables were understated by R10 639 432, impacting the allowance for impairment. Unable to confirm balances and determine whether adjustments were required to receivables from non-exchange transactions.	Management acknowledges the finding and will undertake a comprehensive review of receivables from non-exchange transactions to ensure completeness and accuracy. This will include analysing the full population of balances, verifying supporting documentation, and assessing the origin of discrepancies, including the impact of legacy transactions. The identified understatement of R10 639 432 will be investigated, and appropriate correcting journal entries will be processed, including a reassessment of the allowance for impairment in line with applicable accounting standards. Where supporting documentation is insufficient or unavailable, management will apply alternative procedures to substantiate balances and, where necessary, engage with Provincial Treasury for guidance on appropriate treatment.
Receivables from exchange transactions	
The municipality did not account for receivables from exchange transactions relating to service charges in accordance with GRAP 9, Revenue from exchange transactions, as the municipality did not maintain adequate and complete records for receivables from exchange transactions.	A detailed assessment will be performed to identify gaps in record-keeping and to determine the root causes of incomplete or inaccurate data. Where supporting documentation is insufficient, alternative procedures will be applied, and appropriate adjustments will be processed to ensure that receivables are fairly stated.

Main issues raised	Corrective steps implemented/ to be implemented
	In addition, management will strengthen systems and internal controls by improving data management practices, enhancing integration between billing systems and financial records, and implementing regular reconciliations and reviews of receivables. Where necessary, technical support will be sought to ensure proper application of GRAP 9 requirements and to prevent recurrence of similar issues in future reporting periods.
Property, plant and equipment	
The municipality did not have adequate systems in place to account for property, plant and equipment relating to buildings in accordance with GRAP 17. Differences were identified in depreciation due to incorrect remaining useful lives. Property, plant and equipment were overstated by R5 013 707.	The overstatement of R5 013 707 will be investigated, and corrective journal entries will be processed to accurately reflect the carrying value of property, plant and equipment. Where necessary, management will obtain technical support or professional input to ensure the correct application of GRAP 17 requirements. In addition, asset management systems and internal controls will be strengthened, including regular verification of asset information, periodic reassessment of useful lives, and improved record-keeping practices to ensure accurate and compliant reporting in future financial periods.
Investment property	
The municipality did not correctly account for investment property in accordance with GRAP 16. Investment properties were understated by R8 656 703.	The understatement of R8 656 703 will be investigated, and necessary correcting journal entries will be processed to ensure that investment properties are fairly stated. Where required, management will obtain professional valuations and/or technical support to ensure accurate recognition and measurement in line with GRAP 16. In addition, controls will be strengthened through improved record-keeping, regular reconciliations between asset registers and the general ledger, and periodic reviews to ensure ongoing compliance and prevent recurrence of similar issues.
Payables from exchange transactions	
The municipality did not have adequate systems in place to account for unallocated deposits in accordance with GRAP 104. Unallocated deposits were overstated by R5 115 949.	The overstatement of R5 115 949 will be investigated, and appropriate correcting journal entries will be processed to ensure that the liability is accurately stated in the financial records. Where deposits cannot be allocated due to insufficient or missing information, management will assess the nature of these balances and apply appropriate accounting treatment in line with GRAP 104, including consultation with Provincial Treasury where necessary. In addition, controls and systems will be strengthened by improving reconciliation processes, enhancing system controls for deposit allocation, and implementing regular reviews to ensure that unallocated deposits are promptly identified, cleared, and accurately accounted for going forward.
Payables from non-exchange transactions	
Auditor was unable to obtain sufficient appropriate audit evidence for trade and other payables due to poor record keeping.	Record-keeping practices and internal controls will be strengthened by implementing standardised filing systems, enforcing timely capturing and reconciliation of transactions, and instituting regular supervisory reviews to ensure that sufficient appropriate audit evidence is maintained going forward.
Service charges	

Main issues raised	Corrective steps implemented/ to be implemented
The municipality did not account for revenue from electricity correctly in accordance with GRAP 9. Revenue from sale of electricity was overstated by R49 221 051.	Controls will be strengthened to ensure accurate revenue recognition going forward. This includes enhancing reconciliations between the billing system and the general ledger, as well as implementing regular reviews of revenue transactions. Management will also consider obtaining technical support where necessary to ensure proper application of GRAP 9 and to prevent recurrence of similar issues in future financial reporting periods.
Interest earned – exchange transactions	
Auditor was unable to obtain sufficient audit evidence for interest earned.	Controls will be strengthened by implementing regular reconciliations between investment records and the general ledger, maintaining up-to-date investment registers, and enforcing proper record-keeping practices to ensure that sufficient appropriate audit evidence is available in future reporting periods.
Interest earned – non-exchange	
The municipality did not account for interest earned correctly.	Controls will be strengthened by implementing regular reconciliations between investment records and the general ledger, maintaining updated investment registers, and enforcing proper record-keeping practices. Where necessary, management will obtain technical support to ensure correct accounting treatment and to prevent recurrence of similar issues in future financial reporting periods.
Contracted Services	
Auditor was unable to obtain sufficient audit evidence for contracted services due to poor accounting records	Management will strengthen internal controls and record-keeping practices by implementing standardised document management systems, ensuring timely capturing and filing of supporting documentation, and conducting regular reconciliations and supervisory reviews. Furthermore, contract management processes will be enhanced to ensure that all contracted services are supported by valid agreements and complete documentation, thereby improving audit readiness and preventing recurrence of similar findings in future reporting periods.
General expenses	
Auditor was unable to obtain sufficient appropriate audit evidence for travel-local expenditure.	Controls will be strengthened by enforcing compliance with travel and subsistence policies, implementing standardised documentation requirements, and ensuring that all claims are properly reviewed and approved prior to payment. Regular monitoring and supervisory reviews will also be introduced to improve record-keeping practices and ensure that sufficient appropriate audit evidence is maintained for all travel-related expenditure going forward.
Contingent liabilities	
Auditor was unable to obtain sufficient appropriate audit evidence for contingent liabilities as the municipality omitted contingencies and I could not confirm contingent liabilities.	Controls will be strengthened by implementing formal processes for the identification, assessment, and reporting of contingent liabilities, including regular communication between finance and legal units, and periodic reviews to ensure completeness of disclosures.
Unauthorised expenditure	
Unauthorized expenditure was overstated by R28 751 884	management will strengthen controls by enhancing budget monitoring processes, ensuring proper classification of expenditure, and implementing regular reconciliations between the financial system and the unauthorised expenditure register.

Main issues raised	Corrective steps implemented/ to be implemented
	Furthermore, oversight mechanisms will be reinforced through periodic reviews by management and reporting to Council to ensure compliance with legislative requirements and to prevent recurrence of similar misstatements.
Segment reporting	
The municipality did not comply with GRAP 18 requirements for segment reporting.	A detailed assessment will be performed to ensure that all required disclosures, including segment revenue, expenditure, assets, and liabilities, are accurately presented and supported by reliable information. Where necessary, management will obtain technical guidance to ensure correct interpretation and application of GRAP 18 requirements. In addition, processes and controls will be strengthened by improving data collection and reporting systems, implementing regular reconciliations between segment reports and the general ledger, and ensuring ongoing review and oversight of segment reporting as part of the financial reporting process.
Deviations	
Deviation that incurred was not included in the notes to the financial statements as required by the SCM regulations 36(2)	Controls will be strengthened by implementing a formal process to track and report all approved deviations, including regular reconciliations between SCM records and financial reporting. Furthermore, coordination between the SCM unit and the Finance Directorate will be enhanced to ensure that all deviations are accurately recorded, monitored, and disclosed in future financial reporting periods.
Cashflow	
The municipality did not account for the cashflow statement in accordance with GRAP2.	All reconciling items will be analysed and corrected, and the cash flow statement will be recompiled to ensure accuracy, completeness, and alignment with the underlying accounting records. Where necessary, management will obtain technical support to ensure the correct application of GRAP 2 requirements. In addition, controls will be strengthened by implementing formal preparation and review procedures for the cash flow statement, including documented reconciliations and supervisory reviews to ensure compliance and accuracy in future reporting periods.

Table 196: AG Report on Financial Performance 2024/25

List of Tables

LIST OF GRAPHS