



**JOE MOROLONG**  
LOCAL MUNICIPALITY

# **ANNUAL REPORT**

## **2022/2023 FINANCIAL YEAR**

## Contents

CHAPTER 1 – MAYOR’S FOREWORD .....	6
COMPONENT A : MAYOR’S FOREWORD .....	6
COMPONENT B : EXECUTIVE SUMMARY .....	8
1.1 Municipal Manager’s Overview .....	8
1.2 Municipal Functions, Population and Environmental Overview .....	9
1.3 Service Delivery Overview .....	12
1.4 Financial Health Overview .....	14
1.5 Organisational Development Overview .....	15
1.6 Auditor-General Report .....	17
Report of the auditor-general to the Northern Cape Provincial Legislature and the council on Joe Morolong Local Municipality .....	17
1. Report on the audit of the financial statements .....	17
2. Disclaimer of opinion .....	17
3. Basis for disclaimer of opinion .....	17
30. Other matter .....	26
32. Responsibilities of the accounting officer for the financial statements .....	26
33. Responsibilities of the auditor-general for the audit of the financial statements .....	27
34. Report on the audit of the annual performance report .....	27
36. Other matters .....	30
39. Report on compliance with legislation .....	30
40. Internal control deficiencies .....	33
41. Material irregularities .....	34
42. Status of previously reported material irregularities .....	34
Annexure to the auditor’s report .....	38
46. Auditor-general’s responsibility for the audit .....	38
50. Compliance with legislation – selected legislative requirements .....	40
1.7 Statutory Annual Report Process .....	42
CHAPTER 2 – GOVERNANCE .....	44
COMPONENT A : Political and Administrative Governance .....	44
2.1 Political Governance .....	44
2.2 Administrative Governance .....	47
COMPONENT B : Intergovernmental Relations .....	48
2.3 Intergovernmental Relations .....	48
COMPONENT C : Public Accountability and Participation .....	49
2.4 Public Meetings .....	49

2.5	IDP Participation and Alignment .....	50
COMPONENT D : Corporate Governance .....		51
2.6	Risk Management .....	51
2.7	Anti-Corruption and Fraud .....	51
2.8	Supply Chain Management .....	52
2.9	By-Laws .....	52
2.10	Websites .....	52
2.11	Public Satisfaction on Municipal Services.....	53
CHAPTER 3 - SERVICE DELIVERY PERFORMANCE .....		54
COMPONENT A : Basic Services .....		54
3.1	Water Provision .....	55
3.2	Waste Water (Sanitation) Provision.....	60
3.3	Electricity.....	65
3.4	Waste Management .....	66
3.5	Housing.....	66
3.6	Free Basic Services and Indigent Support.....	67
COMPONENT B : Roads and Storm Water .....		67
3.8	Waste Water (Stormwater Drainage).....	70
COMPONENT C : Planning and Development.....		72
3.7	Planning .....	72
3.8	Local Economic Development (Including Tourism and Market Places).....	74
COMPONENT D : Community & Social Services.....		75
3.9	Libraries; Archives; Museums; Galleries; Community Facilities; Other (Theatres, Zoos, Etc)	75
3.10	Cemeteries and Crematoriums.....	75
3.11	Child Care; Aged Care; Social Programmes.....	76
COMPONENT E : Environmental Protection .....		76
3.12	Pollution control.....	76
3.13	Bio-Diversity and Landscape (Incl. Open Spaces).....	77
COMPONENT F : HEALTH .....		77
3.14	Clinics .....	77
3.15	Ambulances .....	78
3.16	Health Inspection; Food & Abattoir Licensing; Inspections; Etc. ....	78
COMPONENT G : SECURITY AND SAFETY.....		78
3.17	Police .....	78
3.18	Fire.....	78
COMPONENT H : SPORTS AND RECREATION.....		79

3.19	Community Halls and Recreational Facilities .....	79
COMPONENT I : CORPORATE POLICY OFFICES AND OTHER SERVICES .....		80
3.20	Executive and Council .....	80
3.21	Financial Services .....	81
3.22	Human Resource Services .....	82
3.23	Information and Communication Technology (ICT) Services .....	82
3.24	Property, Legal, Risk Management and Procurement Services .....	83
COMPONENT J : MISCELLANEOUS .....		84
COMPONENT K : ORGANISATIONAL PERFORMACE SCORECARD .....		85
CHAPTER 4 ORGANISATIONAL DEVELOPMENT PERFORMANCE .....		120
COMPONENT A : Introduction to the Municipal Personnel .....		120
4.1	Employee Totals, Turnover and Vacancies .....	120
COMPONENT B : Managing the Municipal Workforce .....		121
4.2	Municipal Policies .....	121
4.3	Injuries, Sickness and Suspensions .....	122
4.3	Performance Rewards .....	122
COMPONENT C : Capacitating the Municipal Workforce .....		123
4.4	Skills Development and Training .....	123
CHAPTER 5 - FINANCIAL PERFORMANCE .....		124
COMPONENT A : Statements of Financial Performance .....		124
5.1	Statements of Financial Performance .....	125
5.2	Grants .....	126
5.3	Asset Management .....	126
5.4	Financial Ratios based on Key Performance Indicators .....	127
COMPONENT B : Spending Against Capital Budget .....		132
5.5	Capital Expenditure .....	132
5.7.1.	Capital Expenditure of 5 largest projects .....	134
5.8.	Basic Service and Infrastructure Backlogs – Overview .....	135
COMPONENT C : Cash Flow Management And Investments .....		136
5.9	Cash Flow Outcomes .....	136
5.10	Borrowing and Investments .....	137
5.11	Public Private Partnerships .....	139
COMPONENT D : Other Financial Matters .....		139
5.12	Supply Chain Management .....	139
5.13	GRAP Compliance .....	139
CHAPTER 6 - AUDITOR GENERAL AUDIT FINDINGS .....		140

COMPONENT A : Auditor-General Opinion Of Financial Statements 2020/2021 .....	140
6.1 Auditor-General Opinion on Financial Statements 2021/2022 (Previous Year)	140
6.1 Auditor-General Opinion on Financial Statements 2021/2022 (Previous Year)	140
COMPONENT B : Auditor-General Opinion Year 2022/2023.....	144
6.2 Auditor-General Opinion 2022/2023 .....	144

## **CHAPTER 1 – MAYOR’S FOREWORD**

### **COMPONENT A: MAYOR’S FOREWORD**

#### **VISION**

The municipality shall be a financially and administratively established and operating municipality with all its people having access to all basic services, education, employment, safety, healthy and living in an economically sustainable and developed environment.

#### **KEY POLICY DEVELOPMENTS**

Council has adopted the IDP, Budget and SDBIP for the year under review and these tools have propelled the Municipality to continue to improve the livelihoods of our residents and contribute to the economic growth.

There are numerous other policies that Council has adopted in order to improve the monitoring and evaluation as well as to improve the oversight role played by Councillors.

#### **KEY SERVICE DELIVERY IMPROVEMENTS**

The Service Delivery, Budget and Implementation Plan (SDBIP) was prepared in consultation with internal and external stakeholders. The Municipality has, over the years, assessed its performance on an annual basis. Performance results of such assessments are used to inform planning processes every year. Through the SDBIP, Council monitors performance on service delivery on quarterly bases, mid-year and annually.

#### **PUBLIC PARTICIPATION**

The municipality held regular IDP Representative Forum to create a suitable platform where Sector Departments, Mining houses, Development Trusts and other stakeholders tabled their plans and incorporated them with those of the Municipality. The Municipality also embarked on a process of consultation with local community through IDP and Budget Consultations in all the wards.

#### **FUTURE ACTIONS**

This Council will continue with legacy projects that we successfully flagged for this Municipality. Strengthening relations with Magosi/Dikgosi and various stakeholders is of paramount importance for the growth and prosperity of the Joe Morolong Local Municipality. It is our credence that service delivery in its entirety is a shared responsibility between municipalities and traditional leaders for a rural municipality like ours. The two arms cannot work in isolation, so they need each other to successfully deal with service delivery challenges.

#### **AGREEMENTS / PARTNERSHIP**

The Department of Cooperative Governance and Traditional Affairs developed a Draft Simplified IDP Framework for smaller (B4) municipalities in October 2011. This framework guides us to focus on fewer functions, with the support from various stakeholders, in our instance, MISA for technical support. I would like to take this opportunity to thank all the mining houses within Joe Morolong and John Taolo District for their support in funding the municipality through Social Labour Plans for delivery of services to our communities more particularly for delivery of infrastructure projects and enterprise development.

As Council, we want to express our sincere appreciation to Mr Tatolo Gopetse for the hard work and dedication to the Municipality during his acting term of office as the Acting Municipal Manager.

Specifically, we want to recognize his outstanding work and leadership. We can proudly and boldly state that he has truly been instrumental in ensuring that the Municipality achieve its goals and excels in terms of service delivery.

## **CONCLUSION**

In conclusion, let me take this opportunity to thank the Council of Joe Morolong Local Municipality, the Municipal Manager and his administration, Dikgosi, Sector Departments, and all Mining Houses in our jurisdiction; for working in an integrated manner in the delivery of services to our communities. President Cyril Ramaphosa in his State of the Nation Address in 2022 reminded us that through the elections held in November 2021, the people provided all of us with a clear mandate for growth and renewal.

The President ordered government to focus on seven priorities:

- Economic transformation and job creation
- Education, skills and health
- Consolidating the social wage through reliable and quality basic services is another important priority
- Spatial integration, human settlements and local government
- Social cohesion and safe communities is another key priority
- Building a capable, ethical and developmental State
- A better Africa and world.

All Joe Morolong Local Municipality programmes and policies will be directed in pursuit of these overarching tasks that we believe will be able to deliver a better life for all our residents.

I thank you. Re a leboga.

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

**Mayor: Cllr DD Leutlwetse-Tshabalala**

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 Municipal Manager's Overview

As the Acting Municipal Manager of the Joe Morolong Local Municipality, it is my honour to present the Annual Report for the financial year ending 30 June 2023. This comprehensive document, which includes the Annual Financial Statements, Performance Report, and Audit Report, offers a transparent overview of our municipality's operations and financial health. It is a testament to our ongoing commitment to accountability and service excellence.

#### **Financial Stewardship Amidst Challenges:**

The Annual Financial Statements reflect our concerted efforts to manage the municipality's finances in a challenging economic landscape. While we have made significant strides in maintaining fiscal discipline and efficiency in service delivery, we acknowledge that there is room for improvement, especially in areas highlighted by the recent audit.

#### **Addressing Audit Concerns:**

The Audit Report for this year has brought to light areas where our processes and controls need strengthening. We take these findings seriously and are committed to addressing these issues head-on. Measures are being put in place to rectify the shortcomings identified, and we are dedicated to ensuring that these improvements are both effective and sustainable. Our goal is to enhance our financial management systems, ensuring greater transparency and accountability moving forward.

#### **Performance and Service Delivery:**

Our Performance Report highlights several key achievements in improving service delivery, infrastructure development, and community engagement. These successes are pillars of our commitment to enhancing the quality of life for all residents. We recognize, however, that our journey towards excellence is continuous, and we remain dedicated to making impactful and lasting improvements.

In conclusion, while this year has presented its challenges, it has also offered valuable lessons that will guide our future endeavors. We are steadfast in our resolve to enhance governance, financial management, and service delivery. By working together with our community, stakeholders, and partners, we are confident in our ability to steer Joe Morolong Local Municipality towards a brighter and more prosperous future.

Kind Regards

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

**Acting Municipal Manager: Mr TJ Gopetse**



## **1.2 Municipal Functions, Population and Environmental Overview**

### **1.2.1 Powers and Functions of the Municipality**

The mandates of the municipality as contained in section 152 of the Constitution are:

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

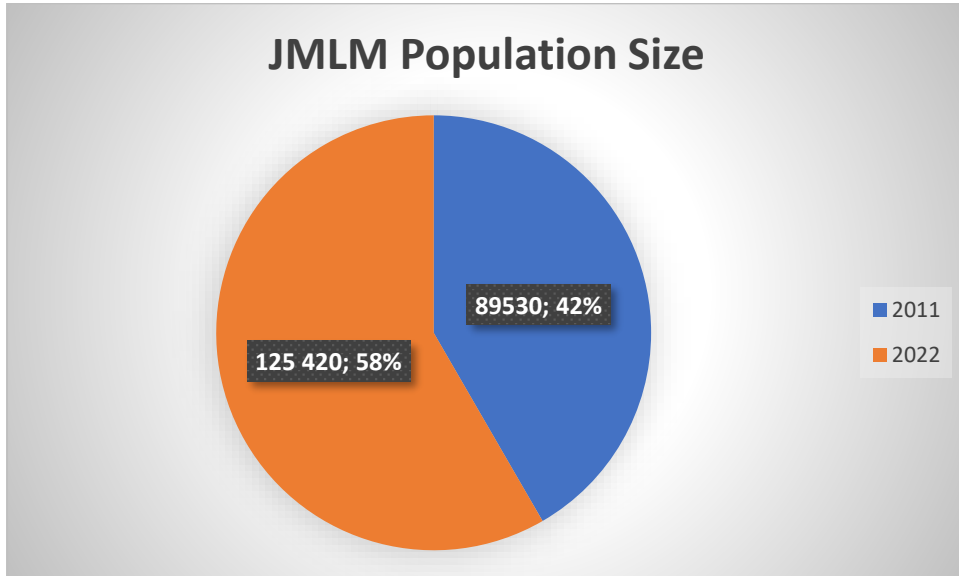
The functions that the Joe Morolong Local Municipality performs are:

- Cemeteries
- Municipal Planning
- Local Tourism and LED
- Sanitation
- Local Sports facilities
- Municipal roads
- Public spaces
- Street lighting
- Water reticulation
- Operation and maintenance of water
- Environmental awareness campaigns
- Forest and Veld Fire fighting

### **1.2.2 Population Details**

The population figures drawn from the 2022 Community Survey indicate that an estimated total of 125 420 people reside in Joe Morolong Local Municipality's jurisdiction. This is indicative of an increase from the 89 530 in the 2011 census figures, as shown on Figure 1. The population also decreased drastically in the 20-year period between the year 1996 and 2016; However, during 2011-2022 population showed a positive growth figure with a rate of about 16%. The continuous increase the improved basic services within Joe Morolong Local Municipality.

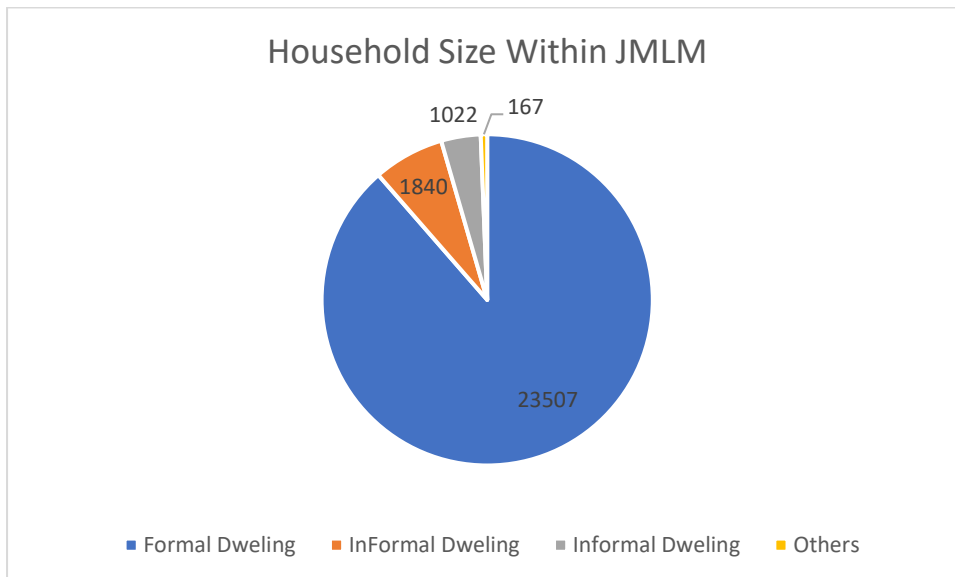
**Figure 1: JMLM Population Composition**



Source: StatsSA 2022

There has also been an increase in the average number of persons per household in the municipality (Figure 2); in 2011 the household size it was 23 705 and there has been an increase during 2022 Censuses to 26 537,

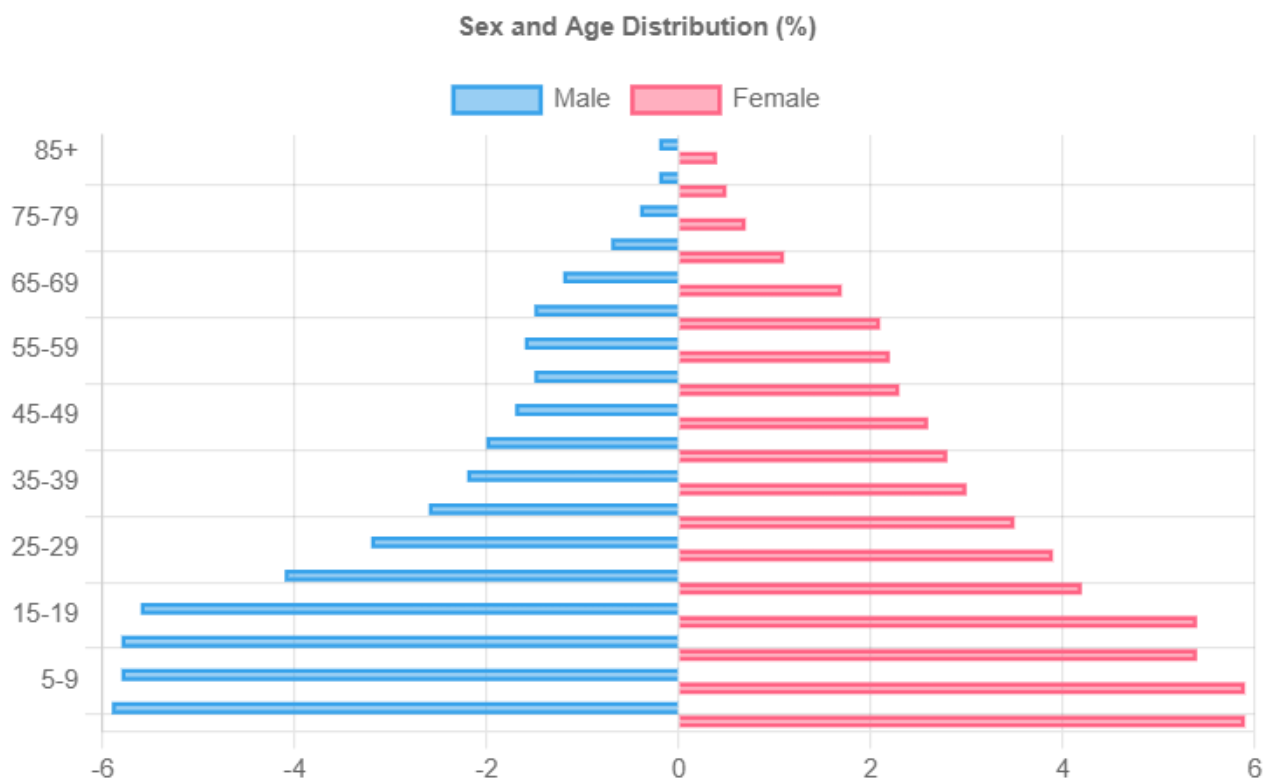
**Figure 2: Household size within JMLM**



Source: StatsSA 2022

The age profile of the JMLM is shown on Figure 3 below; which shows that young children who are between the ages of 0 - 14 years make up the majority of the population in the municipality. Although the elderly are the minority, they make up 10% of the total population, which significantly increases the rate of the economically inactive population to 48%. This already shows that the age dependency ratio in the municipality is very high, even before the consideration of the economic factors such as the unemployment rate. This places a greater pressure on government as the economically inactive people are the bigger recipients of government spending in terms of social welfare grants, health care, education, etc.

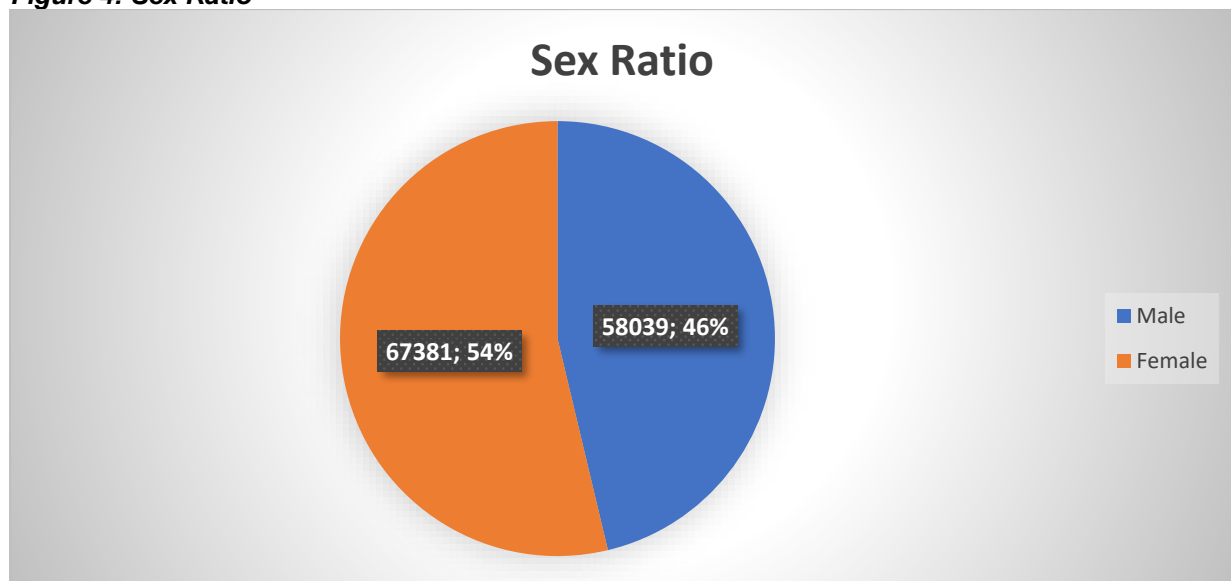
**Figure 3: Age Distribution within JMLM**



Source: StatsSA 2022

In terms of gender composition, the share of the female population is the highest in JMLM (Figure 4). This is generally due to the migration of the male working population who seek to earn for their families. According to StatsSA 2022 Census data, this trend is prevalent in all the JMLM wards except for ward 4, where there are more males than females in relation to the total population. This may be as a result of job opportunities found in Hotazel and Vanzylsrus. The two towns consist of a few houses, small shops, a hotel, fuel filling station and a Post Office, which may provide some employment opportunities for the population around Joe Morolong LM. Furthermore, the increase in the demand for service delivery and poverty status places a lot of pressure on limited resources including infrastructure, which should be assisting the attempts to meet the current levels on the provision of basic services and the growing demand for more services.

**Figure 4: Sex Ratio**



Source: StatsSA 2022

### 1.3 Service Delivery Overview

The 2022-23 financial year service delivery commitments for Joe Morolong Municipality were set within the context of basic service delivery agenda, arising from the dedicated approach of the new term of local government. The focus was on ensuring improved, dependable and impactful service delivery to communities. The underpinning strategy for this trajectory of service delivery included the acceleration of responsiveness to speedily resolve service delivery backlogs and coordinate onsite responses to observed service delays for immediate community relief.

The municipality's efforts of improving service delivery also focused on the strengthening of the established service delivery processes and practices. The provision of sustainable basic services to improve the living conditions of the most disadvantaged residents and pushing for growth and development through supporting initiatives for business development and job creation took centre stage.

In line with the commitment to improve the conditions of the poorest and disadvantaged residents, Joe Morolong Local Municipality made significant strides, as evidenced by the following service delivery highlights:

- We have been able to provide basic services to the people as per our mandate. Our indigents have been receiving their free basic water and electricity, but not without the usual challenges.
- Our communities also benefitted from 10 Water Supply projects, 4 Borehole Refurbishment projects, 4 Road-, 4 Bridge Construction projects and 4 Dry Pit Sanitation projects.
- 98% of all Water related queries received and 100% of the Electrical queries received were resolved during the Financial Year.
- A total of 1 681,5 km of gravel roads were graded.
- The collection of refuse in Hotazel and Vanzylsrus has been improved and we are collecting waste twice on a weekly basis.
- Functionality of ward committees has assisted the municipality to foster a close relationship with the community and community organizations and in identifying service delivery challenges and attending to them speedily.

### **1.3.1 Achievements**

#### **KPA 1: Municipal Transformation and Organizational Development**

- Development and approval of the Placement policy.
- The Individual Performance Management Policy was developed with the aim of cascading performance management to lower levels of the institution.
- Individual performance is intended to assist the municipality in establishing a climate conducive to motivate employees and to achieve high standard of performance.
- JMLM Organizational Structure was reviewed and approved by Council.
- Work Skills Plan was developed and submitted to LGSETA.
- Employment Equity plan was done and submitted to Department of Labour.

#### **KPA 2: Basic Service Delivery and Infrastructure Development**

- JMLM received an additional funding of R 16 463 000,00 (Initial allocation = R 68 496 000,00 and Revised allocation = R 84 959 000,00) from MIG. The additional funds were then utilized to fast-track 3 Water Supply projects.
- The municipality also received R 40 000 000.00 from DWS (WSIG grant) which was used to implement 4 Water Supply- and 4 Borehole Refurbishment projects.
- All these grants were spent 100% at the end of the Financial Year.
- 290 Households were served with safe basic sanitation, although 1 project (Gatshekedi) was practically completed after year end.
- 621,2km roads graded in the JMLM area as per maintenance programme
- Masankong village was provided with borehole refurbishment
- 877 households provided with refuse removal services in Hotazel and Vanzylsrus
- 5 Cemeteries were fenced in Bosra, Tsineng, Buden, Padstow and Segwaneng
- 29 Environmental awareness campaigns on safe and clean environment were conducted in various JMLM Wards.
- JMLM still committed to render an effective, efficient and economical Fire services within the Joe Morolong Local Municipalities jurisdiction.

#### **KPA 3: Local Economic Development (LED)**

- 60 jobs opportunities were created through EPWP
- 24 economic development projects were coordinated and supported

- 1 Tourism Exhibition conducted

#### KPA 4: Municipal Financial Viability and Management

- Compilation and approval of a funded Credible Budget to ensure effective cash flow management that will support the implementation of the SDBIP and improve its performance.
- The department was capacitated through the appointment of the Senior Financial Control Manager and the Assets Management Manager to ensure financial stability within the department.

#### KPA 5: Good Governance and Public Participation

- JMLM continues to excel in implementing mechanisms to strengthen the public participation function.
- The appointment of the Communication and MPAC Officer's to enhance communication, stakeholder Management and make recommendations on the reports dealing with compliance issues to ensure good governance.

### 1.3.2 Challenges

Below are some of the key challenges JMLM had to mitigate during the financial year:

- Community stoppages due to disgruntle members were managed as and when it appeared
- Hard rock excavation on some project sites caused delays and also had some cost implications
- Loadshedding caused issues with borehole timers, which had to be reset on a frequently basis
- Infrastructure in our area were damaged due to heavy rains, especially borehole equipment, roads and culvert bridges
- Budget constraints also put a damper on our ability to provide the service to our community we strive for, yet still, we repaired and resolved 95% of all reported queries in the month they were reported.

### 1.4 Financial Health Overview

The fiscal year 2022/23 was a time of increased economic activity. The economy experienced considerable expenses as a result of rising inflation and interest rates. The year under review was still a difficult year for the Joe Morolong Local Municipality due to low collection rates.

The table below illustrates the Municipality's performance per National Key Performance Indicator as stipulated in the Local Government: Municipal Planning and Performance Management Regulations of 2001 and Section 43 of the Local Government: Municipal Systems Act 32 of 2000 (MSA). These key performance indicators are tied to the National Key Performance Area (KPA), which is Municipal Financial viability and Management.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments that will occur in the ordinary course of business.

A number of factors affect the Municipality's ability to remain in business as usual. Management took into account the Municipality's present and future performance, the possibility of continued government funding, and, if needed, possible sources of replacement funding, among other things, when deciding whether the going concern assumption is suitable in the current economic climate.

The Municipality has also instituted programmes to rein in wasteful spending. A additional piece of evidence supporting the premise is the fact that the Municipality has a constitutional right to collect property rates and service charges. This means that even though the Municipality is facing liquidity constraints in the short and medium term, it may still be considered a going concern.

<b>Operating Ratios</b>	
<b>Detail</b>	<b>%</b>
Employee Cost	25%
Repairs & Maintenance	4%
Finance Charges & Impairment	3%
	<i>T 1.4.3</i>

#### Comment on Operating Ratios:

Employee costs: The expenditure amounts to 25% of the total budget. National treasury's circular 71 states this ratio to be a maximum of 25-40%. Repairs and maintenance accounts to 4% of total OPEX. This looks as a shortfall by 5% to circular 71 prescripts. This is due to the fact that JMLM is funded mostly through grants and those grants are budgeted for certain projects. Most of these assets are still work in progress and therefore not yet capitalised.

Finance Charges & Impairment accounts for 3% of total operating expenditure which is within the 10% norm as per National Treasury MFMA Circular No. 71.

There was a budgeted capital expenditure of R132,780,000.00 and an operational expenditure (OPEX) of R370,710,000.00 for the municipality. Of the total budget for the reviewed year, R433 million was actually spent, or 86%, consisting of R322,256, 000.00 (OPEX) and R111,071,000.00 (CAPEX). This represents a dip from the previous three fiscal years: 93% in 2021/2022, 98.5% in 2020/2021, and 102% in 2019/2020.

### **1.5 Organisational Development Overview**

The Joe Morolong Local Municipality acknowledges that the realisation of its growth and development objectives as well as acceptable service delivery levels depend on the existence of a capable workforce. Therefore, as part of its organisational development, the municipality prioritises capacity development, development and implementation of policies that support individual development while also creating an exciting work place for everyone to voluntarily improve competencies and efficiencies.

The ability to evolve and respond adequately to the changing labour market and individual employee needs is also a critical imperative, which the municipality strives to achieve. The municipality further acknowledges that to realise these noble intents, a holistic approach to human resources management and development is required.

In terms of the Employment Equity (EE) Plan, the municipality recorded commendable progress despite a series of challenges experienced. In its efforts to meet the overall EE targets, the municipality is doing reasonably well in the senior and middle management levels. The biggest challenge, as with all organisations, is the underrepresentation of people with disabilities. Consideration of suitability to avoid discrimination of people with disabilities is one of the contributing factors.

The Corporate Services Department is responsible for the effective and efficient execution of all the supporting administrative functions that include support needed to attract, retain and develop talent in the municipality, the coordination of systems and processes, to enable the municipality to perform matters of service delivery. The department also administers the Municipality's human resource development and management, political offices, labour relations, information technology, facilities management and records management.

### 1.5.1 Staff Establishment

There are 198 employees and 29 Councillors in the Municipality. The total number of posts as per the approved structure is 299, and there are 101 vacant posts.

Staff establishment as at 30 June 2023

Department	Incumbents	Vacancies	Total
Corporate Services	43	6	49
Office of the Municipal Manager	23	10	33
Community Services	29	21	50
Technical Services	61	45	106
Financial Services	33	19	52
Economic Development Planning and Tourism	8	01	09
<b>TOTAL</b>	<b>197</b>	<b>102</b>	<b>299</b>

The following positions were filled in the 2022/2023 financial year.

1. Meter Reader
2. PMS Clerk
3. General Worker (3)
4. Technical Clerk (2)
5. Cleaner (5)
6. Housing Clerk
7. Switchboard Operator
8. Grader Operator (2)
9. PA to the Mayor
10. Sewer Truck Operator
11. Asset Management Officer
12. Accountant Asset Management
13. Internal Auditor
14. Manager Environmental Services
15. Officer Property Rates Water & Electricity



16. Manager IDP/PMS
17. Ward Committee Coordinator
18. Manager Roads Storm
19. Special Programme Coordinator
20. Supply Chain Man Officer
21. Superintendent Operations & Maintenance
22. Electrician
23. Cluster Supervisor

The following positions were filled on contract basis.

1. Debt Collection Clerk
2. Special Programmes Clerk
3. Electricity Meter Reader
4. General Worker (4)
5. Risk Management Officer
6. National Treasury Trainees (7)

## **1.6 Auditor-General Report**

The municipality received a disclaimer of opinion for the 2022/2023 financial year. The issues leading to the disclaimer are listed on the table below.

# **Report of the auditor-general to the Northern Cape Provincial Legislature and the council on Joe Morolong Local Municipality**

<b>1. Report on the audit of the financial statements</b>
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## **2. Disclaimer of opinion**

1. I was engaged to audit the financial statements of the Joe Morolong Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies
2. I do not express an opinion on the financial statements of the municipality. Because of the significance of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

## **3. Basis for disclaimer of opinion**

## **4. Property, plant and equipment**

3. I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment, as a result of poor accounting records. I was unable to confirm the balance by

alternative means. Consequently, I was unable to determine whether any adjustments were necessary to infrastructure assets including other leased assets (work in progress), community assets and buildings stated at R1 365 725 748 (2022: R1 343 547 614) in note 9 in the financial statements were necessary. Tg7g

4. I was unable to obtain sufficient appropriate audit evidence for property, plant and equipment, as a result of poor accounting records. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to land and motor vehicles stated at R27 703 073 in the financial statements.
5. The municipality did not disclose work in progress in accordance with GRAP 17, Property, plant and equipment. The work in progress as presented in the statement of financial performance was not presented per class of asset in note 9 to the financial statements. Consequently note 9 to the financial statements is not fully complying with the requirement of GRAP 17. I could not determine the full extent of the misstatement as it was impractical to do so.
6. During 2022, the municipality did not review the useful lives of motor vehicles at each reporting date in accordance with GRAP 17, Property, plant and equipment. As a result, the municipality had motor vehicles which had a zero net carrying amount while still being in use. I was unable to determine the impact on the net carrying amount of motor vehicles as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence for motor vehicles as a result of poor records keeping. I was unable to determine whether any adjustments were necessary for motor vehicles stated at R20 426 323 in the financial statements.
7. During 2022, the municipality did not recognise the land it controls and has direct right to use or deny access in accordance with the requirements of iGRAP 18, Recognition or derecognition of land. The municipality has right to direct access to the land, or to restrict or deny access to others to the land, and the municipality has a right to the land for unlimited period. Consequently, land as disclosed in note 9 to the financial statements is understated. I could not determine the correct fair value and the extent of land held as it was impracticable to do so.

## **5. Payables from exchange transactions**

8. I was unable to obtain sufficient appropriate audit evidence to confirm the balance of trade payables and retentions due to the municipality's financial statements not reconciling to the underlying records and the filing system not functioning effectively. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustments relating to trade payables and retentions stated at R43 968 557 (2022: R44 611 848) in note 12 to the financial statements was necessary.
9. I was unable to obtain sufficient appropriate audit evidence to confirm the balance of other creditors due to the municipality's financial statements not reconciling to the underlying records and the filing system not functioning effectively. I was unable to

confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustments relating to other creditors stated at R7 213 117 in note 12 to the financial statements was necessary.

10. During 2022, the municipality did not have adequate systems in place to account for other creditors in accordance with GRAP 1, *Presentation of financial statements*, as the municipality deducted payroll third party payments from the balances of other creditors. Consequently, other creditors as disclosed in note 12 to the financial statements is understated by R13 154 726 and employee related cost is understated by R15 514 193. There was an impact on the surplus for the period and on the accumulated surplus.
11. During 2022, the municipality did not have adequate systems to maintain records of accounts payable for goods and services received but not yet paid for. This resulted in trade payables and general expenditure and working in progress additions being understated by R4 108 066.

## 6. Vat receivables

12. I was unable to obtain sufficient appropriate audit evidence regarding VAT receivable, as there was no adequate system of internal control in the record keeping. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustment relating to VAT receivable stated at R 39 834 418 (2022: R42 810 371) in note 6 to the financial statements was necessary.

## 7. Consumer debtors disclosure

13. I was unable to obtain sufficient appropriate audit evidence for the receivables from exchange transactions as allowance for impairment were not adequate due to the municipality not having adequate accounting systems. I was unable to confirm the receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to receivables from exchange transactions stated at R325 266 095 (2022: R325 266 095) in note 36 to the financial statements.
14. I was unable to obtain sufficient appropriate audit evidence for the Sundry Debtors from exchange transactions due to the municipality not having adequate accounting systems. I was unable to confirm the sundry receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to sundry receivables from exchange transactions stated at R62 387 423 (2022: R62 386 137) in note 36 to the financial statements.
15. During 2022, I was unable to obtain sufficient appropriate audit evidence for the receivables from exchange transactions on water due to the municipality not having adequate accounting systems. I was unable to confirm the receivables from exchange transactions on water by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of receivables from exchange transactions on water, stated at R68 782 363 in note 36. My audit opinion on

the financial statements for the period ended 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the receivables from exchange transactions on water for the current period.

## 8. Statutory receivables

16. The municipality did not calculate the balance of statutory receivables in accordance with the Standards of GRAP 108, statutory receivables. The municipality omitted to include the statutory receivables note in the annual financial statements. Consequently, the statutory receivables included in note 5 to the financial statements is understated by R121 498 420 (2022: R87 045 084).

## 9. Inventories

17. I was unable to obtain sufficient appropriate audit evidence for Inventories, as a result of poor accounting records. I was unable to confirm the balance by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to inventories stated at R5 997 310 in note 3 in the financial statements were necessary.

## 10. Services charges

18. The municipality did not have adequate systems to maintain records of sale of water - conventional included in service charges in accordance with GRAP 9, *Revenue from exchange transactions*, as the municipality used incorrect tariffs in calculating sale of water – Conventional. I was unable to determine the full extent of the use of incorrect tariffs for the sale of water – conventional that occurred during the financial year as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence for sale of water included in revenue from exchange transactions as the municipality readings for consumption are not accurate and the municipality did not maintain adequate records. I was unable to confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustments to service charges sale of water - conventional stated at R36 052 213 (2022: R7 922 773) in note 18 to the financial statements were necessary.

19. During 2022, the municipality did not have adequate systems to maintain records of sale of electricity- Conventional included in service charges in accordance with GRAP 9, *Revenue from exchange transactions*, as the municipality used incorrect tariffs in calculating sale of electricity- conventional. I was unable to determine the full extent of the use of incorrect tariffs for the sale of electricity – conventional that occurred during the financial year as it was impracticable to do so. In addition, I was unable to obtain sufficient appropriate audit evidence for sale of electricity – conventional included in revenue from exchange transactions as the municipality readings for consumption are not accurate and the municipality did not maintain adequate records. I was unable to confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of service charges sale of electricity – conventional, stated at R7 059 883 in note 18 to the financial statements were necessary.

20. During 2022, I was unable to obtain sufficient appropriate audit evidence for sale of prepaid electricity - prepaid included in revenue from exchange transactions as the municipality did not maintain adequate records. I was unable to confirm the amounts of prepaid electricity by alternative means. Consequently, I was unable to determine whether any adjustments to sale of pre-paid electricity as disclosed under service charges stated at R3 302 376 in note 18 to the financial statements were necessary.
21. Service charges was materially misstated by R54 856 due to the cumulative effect of individually immaterial uncorrected misstatements in the following items:
- Sewerage and sanitation charges stated at R1 340 172 was understated by R178 690.
  - Sale of electricity – conventional stated at R4 114 993 was overstated by R123 834.
22. In addition, I was unable to obtain sufficient appropriate audit evidence and to confirm total revenue by alternative means:
- Sale of electricity - Prepaid of R2 883 898 as included in the disclosed balance of R49 084 520.
  - Sale of electricity – conventional of R4 114 993 as included in the disclosed balance of R49 084 520.
23. Consequently, I was unable to determine whether any further adjustment was necessary to total revenue.

#### 11. Interest - exchange transactions

24. During 2022, the municipality did not have adequate systems in place to account for Interest Exchange Transactions included in revenue from exchange transactions in accordance with GRAP 9, Revenue from exchange transactions, as differences were identified in the interest rate charged on accounts in arrears. Consequently, the corresponding figure of interest exchange transactions as disclosed in note 20 to the financial statements was understated by R4 038 467, while the receivables from exchange transactions as disclosed in note 4 to the financial statements is understated by the same amount. My opinion on the current year financial statements is modified because of the effect of this matter on the comparability of the interest exchange transactions for the current year.

#### 12. Interest – revenue non exchange transactions

25. During 2022, the municipality did not have adequate systems in place to account for Interest – Non-Exchange Transactions included in revenue from non-exchange transactions in accordance with GRAP 23, *Revenue from non-exchange transactions*, as the municipality did not charge interest on property rates account in arrears on a monthly basis. Consequently, the corresponding figure of interest non-exchange transactions as disclosed in note 20 to the financial statements was understated by R10 268 754, while the receivables from Interest non-exchange transactions as disclosed in note 5 to the

financial statements is understated by the same amount. My opinion on the current year financial statements is modified because of the effect of this matter on the comparability of the interest non-exchange transactions for the current year.

### **13. Depreciation and amortisation**

26. I was unable to obtain sufficient appropriate audit evidence regarding depreciation and amortisation as there was no adequate accounting systems to maintain records for depreciation line items. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustment relating to depreciation and amortisation stated at R93 099 453 (2022: R121 797 480) in note 29 to the financial statements was necessary.

### **14. Debt impairment**

27. I was unable to obtain sufficient appropriate audit evidence regarding debt impairments as there was no adequate accounting systems to maintain records for the allowance of debt impairment. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustment relating to debt impairment stated at R0 (2022: R4 272 004) in note 32 to the financial statements was necessary.

### **15. Impairment of assets**

28. During 2022, I was unable to obtain sufficient appropriate audit evidence regarding impairment loss or reversal of impairment loss, as there was no adequate accounting systems to maintain records for the allowance for impairment. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustment relating to impairment loss and reversal of impairments stated at R8 694 390 in note 46 to the financial statements was necessary. My audit opinion on the financial statements for the period ended 2023 was modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the impairment of assets for the current period

### **16. General expenses**

29. The municipality did not have adequate systems in place to account for office service charges in accordance with GRAP 1, Presentation of financial statements, as the municipality did not record office service charges accurately as differences were noted between the invoice and recorded amounts. Consequently, office service charges as disclosed in note 35 to the financial statements is overstated by R3 147 205 and trade payables is overstated by R3 147 205. There was an impact on the surplus for the period and on the accumulated surplus.

30. During 2022, I was unable to obtain sufficient appropriate audit evidence for general expenditure, due to the filing system not functioning effectively. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the corresponding figure of general expenses, stated at R77 293 283. My audit opinion on the financial statements for the period ended 2023 was

modified accordingly. My opinion on the current year financial statements is also modified because of the possible effect of this matter on the comparability of the general expenses for the current period.

#### **17. Employee related cost**

31. The municipality did not have adequate systems to account for transport allowances in accordance with GRAP 1, *Presentation of financial statements*, as the municipality incorrectly classified transport allowance. Consequently, transport allowance is overstated by R4 063 895, travel allowances is understated with an amount of R4 063 895.

#### **18. Transfers and subsidies**

32. I was unable to obtain sufficient appropriate audit evidence for indigent subsidies, due to the status of accounting records. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustment to indigent subsidies stated at R4 628 135 (2022: R4 797 433) in note 34 to the financial statements was necessary.
33. The municipality did not recognise all items of transfers and subsidies (Dry Sanitation VIP) in accordance with GRAP 1, *Presentation of financial statements*, as the municipality did not record all the completed VIP toilets under work in progress in transfers and subsidies (Dry Sanitation VIP). Consequently, transfer and subsidies is misstated, I was unable to determine the full extent of the misstatement as it was impractical to do so. There was an impact on the surplus for the period and on the accumulated surplus.

#### **19. Irregular expenditure**

34. The municipality did not disclose all the irregular expenditure in the notes to the financial statements, as required by section 125(2) (d) (I) of the MFMA. The municipality incurred expenditure in contravention of the supply chain management (SCM) requirements resulting in irregular expenditure being understated in the current and previous year. I was unable to determine the full extent of the understatement as it was impracticable to do so. Additionally, I was unable to obtain sufficient appropriate audit evidence regarding irregular expenditure, due to the status of the accounting records. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any adjustment to irregular expenditure stated at R314 939 952 (2022: R303 294 130) in note 51 to the financial statements was necessary.

#### **20. Unauthorised expenditure**

35. I was unable to obtain sufficient appropriate audit evidence for the unauthorised expenditure incurred during the year and the opening balance of unauthorised expenditure, due to the status of the accounting records. I was unable to confirm these balances by alternative means. Consequently, I was unable to determine whether any

further adjustments were necessary to unauthorised expenditure stated as R 607 947 546 (2022: R 592 446 585) in note 49 to the financial statements.

36. During 2022, the municipality did not disclose all the unauthorised expenditure in the notes to the financial statements, as required by section 125(2) (d) (I) of the MFMA. The municipality incurred expenditure in contravention of budget management reporting regulations requirements resulting in unauthorised expenditure being understated.

## 21. Fruitless and wasteful expenditure

37. I was unable to obtain sufficient appropriate audit evidence for fruitless and wasteful expenditure, as the municipality did not maintain accurate and complete records to disclose fruitless and wasteful expenditure. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any further adjustments to fruitless and wasteful expenditure were necessary stated as R5 572 137(2022: R4 936 167) in note 50 to the financial statements.
38. During 2022, the municipality did not disclose all the fruitless and wasteful expenditure in the notes to the financial statements, as required by section 125(2) (d) (I) of the MFMA. The municipality incurred expenditure in contravention of MFMA regulations requirements resulting in fruitless and wasteful expenditure being understated.

## 22. Commitments

39. I was unable to obtain sufficient appropriate audit evidence for commitments, as the municipality did not maintain accurate and complete records of the contractual information used to determine commitment amounts. I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any further adjustments to commitments were necessary stated as R6 719 725 (2022: R27 937 067) in note 41 to the financial statements.
40. During 2022, the municipality did not have adequate systems in place to record commitments in accordance with GRAP 17, Property, plant and equipment, as the municipality does not maintain an adequate contract register. In addition, capital and operational contracts were disclosed and contract values were not monitored for accurate disclosure of commitments balance. Consequently, commitments were misstated I was unable to determine the full extent of the misstatement in commitments as it was impracticable to do so.

## 23. Contingent liabilities

41. The municipality did not record recognise contingent liabilities as required by GRAP 19, Provision, Contingent Liabilities and Contingent assets as the amounts disclosed as contingent liabilities did not agree to the support provided, which resulted in contingent liabilities of R79 730 408 disclosed in note 42 to the financial statements being overstated by R78 146 007.



## 24. Prior period error note

42. The municipality did not disclose previous period errors in note 44 and 45 to the financial statements, as required by GRAP 3, *Accounting policies, estimates and errors*. The nature and the amount of the correction for each financial statement item affected, and the amount of the correction at the beginning of the earliest previous period were not disclosed. In addition, I was unable to obtain sufficient appropriate audit evidence for the previous period errors disclosed, as the supporting information was not provided. I was unable to confirm these disclosures by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the previous period errors disclosed in the financial statements.

## 25. Electricity and water losses

43. The municipality did not disclose all the electricity and water losses in the notes to the financial statements, as required by section 125(2) (d) (I) of the MFMA. The municipality incurred losses in contravention of MFMA regulations requirements resulting in electricity and water losses being understated.

## 26. Financial instruments disclosure

44. All amounts meeting the definition of financial instruments were not recognised in accordance with GRAP 1, *Presentation of financial statements*. Adequate records of financial instruments were not maintained. I was unable to determine the full extent of the understatement of the financial instrument disclosure, as it was impracticable to do so.

## 27. Additional disclosure in terms of Municipal Finance Management Act

45. the municipality did not have adequate systems in place to properly account for the additional disclosure in terms of municipal finance management act note in accordance with GRAP 1, *Presentation of financial statements*, as pension and medical aid deductions PAYE and UIF disclosed in the MFMA additional note are understated by R4 389 792.

## 28. Statement of changes in net assets

46. The municipality did not have adequate systems in place to properly account for amounts disclosed in the statement of changes in net assets in accordance with GRAP 1, *Presentation of financial statements*. The impact on the financial statements is that the opening and closing balance will not be correct.

## 29. Cash flow statement

47. Net cash flows from operating activities was not correctly prepared and disclosed as required Standards of GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flows from operating activities. I was not able to determine the full extent of the errors in the net cash flows from operating activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows

from operating activities as stated at R 89 230 180 (2022: 187 713 636) in the financial statements were necessary.

48. Net cash flows from investing activities was not correctly prepared and disclosed as required Standards of GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flows from investing activities. I was not able to determine the full extent of the errors in the net cash flows from investing activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from investing activities as stated at R304 688 432 (2022: 120 376 720) in the financial statements were necessary.
49. Net cash flows from financing activities was not correctly prepared and disclosed as required Standards of GRAP 2, *Cash flow statements*. This was due to multiple errors in determining cash flows from financing activities. I was not able to determine the full extent of the errors in the net cash flows from investing activities, as it was impracticable to do so. Consequently, I was unable to determine whether any adjustments to cash flows from financing activities as stated at R103 586 191 in the financial statements was necessary.

#### **Statement of comparison of budget and actual amounts**

50. The municipality did not have adequate systems in place to properly account for budgeted amounts disclosed in the statement of comparison of budget and actual amounts in accordance with GRAP 24, *Presentation of budget information* in financial statements, as the amounts in the statement of comparison of budget and actual amounts varied from the approved budget. I was unable to determine the full extent of the misstatement as it was impracticable to do so.

#### **30. Other matter**

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

#### **31. Unaudited disclosure notes**

52. In terms of section 125(2)(e) of the MFMA, the particulars of non-compliance with the MFMA should be disclosed in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

#### **32. Responsibilities of the accounting officer for the financial statements**

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

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

### 33. Responsibilities of the auditor-general for the audit of the financial statements

55. My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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

### 34. Report on the audit of the annual performance report

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

58. I selected the following strategic focus area presented in the annual performance report for the year ended 30 June 2023 for auditing. I selected a strategic focus area that measures the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.

Strategic Focus Area	Page numbers	Strategy
Infrastructure and Service Delivery	[X -X]	<p>Obtain electricity license and monitor electrification and infill projects, coordinate reported queries to Eskom in its area of jurisdiction and the Joe Morolong area of supply.</p> <p>Address the sanitation backlog by erecting new dry sanitation units in various villages.</p> <p>Upgrading and maintenance of existing roads infrastructure.</p> <p>Address water provision backlog by designing, constructing and implementing new water infrastructure. Upgrading, refurbishment and maintenance of existing water infrastructure, as priorities by Council, also takes preference.</p>

Strategic Focus Area	Page numbers	Strategy
		<p>Municipality to encourage community members who are able to pay for Municipal services to do so, as it is not all the people residing in the rural areas who are indigents and to enter a contract with the people who can pay for services. The Municipality is to streamline the management of information on new rates and service charge payers.</p> <p>Credit control policy is to be strictly implemented. Cost benefits analysis of basic assessment rates on improvements is to be conducted and the appropriate action taken. Water and electricity losses are to be reduced to the acceptable norm. The Indigent register must be updated annually. Councillor, Ward Committees and CDWs must be involved in encouraging communities to pay for their services.</p>

59. I was engaged to evaluate the reported performance information for the selected strategic focus area against the criteria developed from the performance management and reporting framework, as defined in the general notice. An annual performance report prepared using these criteria provides useful and reliable information and insights to users of the report on the municipality's planning and delivery on its mandate and planned objectives. My objective was to perform procedures for the purpose of reporting material findings only and not to express a conclusion.

60. The material findings on the reported performance information for the selected strategic focus area are as follows:

### 35. Strategic focus area 2: Infrastructure and Service Delivery

#### Various indicators

61. An achievement was reported against the targets below. I could not determine if the reported achievements were correct, as the processes established to consistently measure and report achievements were inadequate. Adequate supporting evidence was also not provided for auditing. Consequently, the reported achievement might be more or less than reported and was not reliable for determining if the targets had been achieved.

Indicator	Target	Reported achievement
% of queries on electricity attended to and resolved in JMLM	100% of queries on electricity attended to and resolved in JMLM by end 30 June 2023	100% of queries on electricity attended to and resolved in JMLM by end 30 June 2023
Km's of Roads Bladed	500km's of Road bladed by 30 June 2023	1130,66km's of Road bladed by 30 June 2023
Number of households served with quality basic water supply at Bojelapotsane (47), Bush Buck (553), Esperenza/Churchill (144), Madula Ranch (292), Shalaneng (173), Penryn (76), Ganghaai (94), Permonkie (53) and Gamakgatle (69)	1 500 households served with quality basic water supply at Bojelapotsane (47), Bush Buck (553), Esperenza/Churchill (144), Madula Ranch (292), Shalaneng (173), Penryn (76), Ganghaai (94), Permonkie (53)	610 households served with quality basic water supply at Esperenza/Churchill – 259 HH served, Shalaneng – 127 HH served, Permonkie – 60 HH served, Penryn P 1 – 164 HH

	and Gamakgatle (69) by 30 June 2023	The following 1 923 Households were served: <ul style="list-style-type: none"> <li>• Gamokwane Water Supply – 206 HH</li> <li>• Cassel Water Supply – 1 109</li> <li>• Glenred Source Development – 567</li> <li>• Kruisaar Water Supply – 15</li> <li>• Pompong Water Supply - 26</li> </ul> The following projects are still in-progress: <ul style="list-style-type: none"> <li>• Bojelapotsane – 47 HH not served</li> <li>• Bush Buck – 553 HH not served</li> <li>• Madula Ranch – 292 HH not served</li> <li>• Ganghaai – 94 HH not served</li> <li>• Gamakgatle – 69 HH not served</li> <li>• Penryn – 76 HH not served</li> </ul>
% of queries on water attended to and resolved to in JMLM	100% of queries on water attended to and resolved in JMLM by 30 June 2023	98% of queries on water attended to and resolved in JMLM by 30 June 2023

**Km’s of Roads Upgraded from Gravel to Tar at Tsaelengwe (1.5km) and Washington (1km)**

62. An achievement of Tsaelengwe – 1.5km Achieved; Washington – 700m Achieved; The following projects were also completed :Upgrading of Churchill to Klein Neira Phase 6 – 2.9km and Makhubung Phase 1,2,3 - 1.961km was reported against a target of 2,5 Km’s of Road Upgraded from Gravel to Tar at Tsaelengwe (1.5km) and Washington (1km) by 30 June 2023. However, the audit evidence showed the actual achievement to be 0 km as 7.06 Km roads were paved and not tarred. Consequently, the target was not achieved.

**Number of Boreholes Refurbished at Madibeng, Maketlele, Washington, Galotlhare**

63. An achievement of 5 Boreholes Refurbished at Madibeng, Maketlele, and Washington, Galotlhare by 30 June 2023 as well as the following 2 boreholes were also refurbished but not as part of the Target: Bendel Borehole Phase 2 (2) boreholes refurbished was reported against a target of 7 Boreholes Refurbished at Madibeng, Maketlele, Washington, Galotlhare by 30 June 2023. However, the audit evidence showed the actual achievement to be 9 boreholes refurbished. Consequently, the achievement against the target was better than reported.

64. The measures taken to improve performance against the target of 7 Boreholes Refurbished at Madibeng, Maketlele, Washington, Galotlhare by 30 June 2023 were not

reported in the annual performance report. This would make it difficult for users to determine what actions will be taken to improve service delivery.

### **Number of households provided with Sanitation at Eiffel/Klein Eiffel (30), Gatshekedi (108), Goodhope (117) and Rowell 1 & 2 (35)**

65. An achievement of 290 Households provided with Sanitation at Eiffel/Klein Eiffel (30), Gatshekedi (108), Goodhope (117), Rowell 1 & 2 (35) by 30 June 2023; 500 households were also provided with Sanitation at Dithakong was reported against a target of 290 Households provided with Sanitation at Eiffel/Klein Eiffel (30), Gatshekedi (108), Goodhope (117) and Rowell 1 & 2 (35) by 30 June 2023. 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.

### **36. Other matters**

66. I draw attention to the matters below.

### **37. Achievement of planned targets**

67. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance. This information should be considered in the context of the material findings on the reported performance information.

### **38. Material misstatements**

68. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for strategic focus area 2: Infrastructure and Service delivery. Management did not correct the misstatements and I reported material misstatements.

### **39. Report on compliance with legislation**

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

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

71. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the municipality, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
72. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

### **Annual financial statements, performance reports and annual reports**

73. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of liabilities identified by the auditors in the submitted financial statements were subsequently corrected and, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer audit opinion.

### **Procurement and contract management**

74. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements as the municipality's filing system is not functioning effectively. Similar limitation was also reported in the prior year.
75. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM Regulation 19(a). Similar non-compliance was also reported in the prior year.
76. The preference point system was not applied in some of the procurement of goods and services as required by section 2(1)(a) of the Preferential Procurement Policy Framework Act. Similar non-compliance was also reported in the prior year.
77. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM Regulation 5.

### **Expenditure Management**

78. Money owed by the municipality was not always paid within 30 days as required by section 65(2) (e) of the MFMA.
79. I was unable to obtain sufficient appropriate audit evidence that payments from the municipality's bank accounts were approved by the accounting officer, the chief financial officer or a properly authorised official, as required by section 11(1) of the MFMA.
80. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the payment of funds, as required by section 65(2) (a) of the MFMA.

81. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1) (d) of the MFMA. The full extent of the irregular expenditure could not be quantified as indicated in the basis for qualification paragraph.

82. Reasonable steps were not taken to prevent unauthorised expenditure and fruitless and wasteful expenditure as required by section 62(1) (d) of the MFMA. The full extent of the unauthorised expenditure and fruitless and wasteful expenditure could not be quantified as indicated in the basis for qualification paragraph.

### **Consequence management**

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

84. Irregular and fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

### **Strategic planning and performance management**

85. The performance management system and related controls were not maintained as it did not describe how the performance planning, monitoring, measurement, review, reporting and improvement processes should be conducted, organised and managed, as required by municipal planning and performance management regulation 7(1).

### **Revenue management**

86. An adequate management, accounting and information system which accounts for revenue, debtors and receipt of revenue was not in place, as required by section 64(2)(e) of the MFMA.

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

### **Asset management**

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

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

### **Human resource management**

90. I was unable to obtain sufficient appropriate audit evidence that senior managers signed performance agreements within the prescribed period, as required by section 57(2)(a) of the MSA.



#### 40. Internal control deficiencies

91. The accounting officer did not prepare regular, accurate and complete financial statements that are supported and evidenced by reliable information also the accounting officer did not review and monitor compliance with laws and regulations. This contributed to the numerous misstatements in the financial statements of the municipality and further resulted in the audit outcome being stagnant.
92. The underlying systems and controls were inadequate to provide reliable and accurate evidence to support the reporting on predetermined objectives. Senior management did not perform an adequate review on the actual performance against predetermined objectives reported.
93. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
94. The accounting officers and senior management did not take timeous and adequate action to address weaknesses in the finance and supply chain management directorate, which resulted in non-compliance with applicable legislation and gave rise to unauthorised, fruitless and wasteful and irregular expenditure. Furthermore, they failed to implement adequate controls to ensure compliance with laws, regulations and internally designed policies and procedures.
95. The accounting officers and senior management of the municipality did not ensure that internal control procedures were implemented and monitored to ensure that daily disciplines were performed and reviewed.
96. The lack of decisive action to mitigate emerging risks, implement timely corrective measures and address non-performance was evident by the failure of management to adequately address the external audit findings in a timely manner. The municipality failed to properly analyse the control weaknesses and implement appropriate follow-up actions that adequately addressed the root cause. This resulted in the audit findings in the prior year report being recurring in the current year.
97. Management did not implement appropriate risk management activities to ensure that regular risk assessments, including consideration of IT risks and fraud prevention, are conducted and that a risk strategy to address the risks is developed and monitored.

## 41. Material irregularities

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

## 42. Status of previously reported material irregularities

### 43. Full and proper records not kept

99. The accounting officer was notified of the material irregularity on 22 October 2021 the accounting officer has not taken appropriate action committed to in his written submission in response to the notification. I recommended that the accounting officer should take the following action to address the material irregularity by 30 June and 30 September 2022 respectively.

- The non-compliance with section 62(1)(b) of the MFMA should be investigated to determine the reasons and circumstances that led to the noncompliance for the purpose of taking appropriate corrective actions and to address control weaknesses.
- Appropriate action should be taken to develop and commence with the implementation of an action plan to address poor record keeping so that full and proper records of the financial affairs of the municipality are kept in accordance with any prescribed norms and standards, as required by Section 62(1)(b) of the MFMA. The plan should include anticipated timeframes and address the following key areas as a minimum:
  - a) Complete asset register of all of the municipality's infrastructure assets, including work-in-progress, as well as information for assets that have been fully depreciated but still in use;
  - b) Billing information and reconciliations to support revenue from service charges; and
  - c) Payment vouchers, creditor statements and creditor reconciliations for purchases. The expenditure incurred should be supported by sufficient evidence that goods and services paid for were received, including payments made from conditional grant funding.
- I further recommend that the AO should take appropriate action to develop and commence with the implementation of the action plan to address the financial problems of the municipality, as required by section 135(1) and 135(3)(a) of the MFMA, by 30 September 2022. The plan should describe the anticipated timeframe and milestones to be achieved and include as a minimum strategies to:
  - (a) Increase the collection of revenue;

- (b) Efficiently manage the available resources of the municipality
- (c) Repair and maintain infrastructure assets.

100. On 30 June 2022 and 30 September 2022, the accounting officer's responses on the actions implemented was received. I evaluated the accounting officer's responses and substantiating documentation received on the implementation of the recommendations. As some of the actions taken to address the material irregularity are still in progress and not yet completed, I granted the accounting officer an additional six months up to 11 March 2024 to implement the recommendations. A progress report on the implementation of the recommendations was due on 13 November 2023 and not received and I am following up on the submission thereof.

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

**44. Consultants for AFS preparation not effectively, efficiently and economically used by the municipality**

102. The municipality appointed consultants to assist in improving the audit outcome for a fixed term of three years, which started on the 6 May 2019 to 30 April 2022. The municipality has been receiving disclaimed audit opinions since 2016, due to the municipality not having proper records and not providing the required information for audit. The accounting officer appointed consultants with the aim of improving the audit outcome, however he did not exercise his responsibilities in terms of section 62(1)(a) of the MFMA in ensuring that there is adequate and appropriate supporting information to enable the consultants to do their work.

103. The impact of appointing consultants without providing them with the required supporting information is likely to result in a material financial loss as the resources of the municipality were not used effectively, efficiently, and economically.

104. The accounting officer was notified of the material irregularity on 7 October 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The following actions have been taken by the accounting officer to address the material irregularity:

- A draft consultancy reduction plan has been developed that is intended to inform the municipality's appointment of consultant's policy as well as its aim to reduce the number of consultants it appoints. Once the plan is approved it will be implemented.
- A draft MTREF financial plan has been developed to supplement the municipal 2022/23 MTREF budget. This is done to ensure that the current under collection of revenue is improved to enable the municipality to have a cash funded budget through efficient revenue enhancement and cost containment measures.
- Council adopted and approved a cost containment policy on 21 May 2021 which will be used to reduce non-core expenditure.

- Key positions that were needed in the organisational structure relating to annual financial statements preparation and compilation of the asset register were identified and filled, during May 2022, and the municipality is continuing to fill vacancies for the 2022/23 financial year.
  - No New procurement processes for the appointment of consultants has been undertaken once a GAP Analysis was undertaken in accordance with section 5(5) of the municipal cost containment regulations.
  - The performance and progress of consultants is being monitored on a quarterly basis by the municipality to ensure effective use of resources.
  - A material irregularities investigation committee was appointed by the Municipal Manager to investigate the Material Irregularity relating to poor records management on the use of consultants.
105. The accounting officer has not taken appropriate action committed to in his written submission in response to the notification. I am determining the most suitable action to take.

**45. Interest on arrear accounts not charged**

106. The municipality did not charge interest on exchange and non-exchange transactions on a monthly basis as required by section 64(2)(g), subsection 1 of the MFMA. The 2019/20 audit report included limitations affecting the interest from arrear accounts and interest from arrear accounts on property rates. I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as the municipality did not charge interest on a monthly basis. The municipality was unable to address breakdown in internal controls as highlighted in the prior year, 2019 limitation on interest on outstanding debtors balance for services rendered was still not resolved. Council approval for not charging interest on outstanding debtors balance on services rendered was received for only four months, starting from 01 March 2020 until 30 June 2020. Furthermore, the municipality did not charge interest on arrear property rates accounts for the financial year ended 30 June 2021.
107. The non-compliance resulted in a financial loss of R4 321 584 by June 2020 and R9 828 821 by June 2021. The financial loss is in the form of interest not being charged on accounts that are in arrears.
108. The accounting officer was notified of the material irregularity on 18 March 2022 and invited to make a written submission on the actions taken and that will be taken to address the matter. The following actions have been taken by the accounting officer to address the material irregularity:
- The Municipal Manager requested the Audit, Performance and Risk Committee to launch an investigation in line with s166(2)(d) of the MFMA.

- The investigation on the material irregularity relating to interest not charged on arrear accounts was concluded on 10 May 2022.
  - The service type configuration was updated on the system to charge prime plus one from April 2022.
  - Interest schedules for calculation were performed and reviewed internally. Interest journals have been effected on the customers' accounts due to data cleaning process of the customer accounts that was not yet completed as at 30 August 2022.
  - Financial loss will thus be recovered once accounts have been billed.
109. The accounting officer has retrospectively billed interest not charged on customer accounts on 30 August 2023. An investigation was done for the non-billing of interest and disciplinary steps have been taken in accordance with the policies of the municipality. This material irregularity is therefore resolved.

Auditor-General

Kimberley

30 November 2023



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure to the auditor's report

The annexure includes the following:

The auditor-general's responsibility for the audit

The selected legislative requirements for compliance testing

### 46. Auditor-general's responsibility for the audit

### 47. Professional judgement and professional scepticism

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

### 48. Financial statements

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

identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control

obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control

evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease operating as a going concern

evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**49. Communication with those charged with governance**

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

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

## 50. Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

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



Legislation	Sections or regulations
	42, 43(2), 56(a), 57(2)(a), Sections 57(4B), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 93J(1), 96(b)  <b>Parent municipality with ME:</b> Sections 93B(a), 93B(b)  <b>Parent municipality with shared control of ME:</b> Sections 93C(a)(iv), 93C(a)(v)
MSA: Municipal Planning and performance Management Regulations, 2001	Regulations 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 3(6)(a), 7(1), 8, 9(1)(a), 10(a), Regulations 12(1), 15(1)(a)(i), 15(1)(a)(ii)
MSA: Municipal Performance Regulations for Municipal Managers and Managers directly Accountable to Municipal Managers, 2006	Regulations 2(3)(a), 4(4)(b), 8(1), 8(2), 8(3)
MSA: Regulations on Appointment and Conditions of Employment of Senior Managers, 2014	Regulations 17(2), 36(1)(a)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations 5(2), 5(3), 5(6), 8(4)
Annual Division of Revenue Act	Section 11(6)(b), 12(5), 16(1); 16(3)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations	Regulations 17, 25(7A)
Municipal Property Rates Act 6 of 2004	Section 3(1)
Preferential Procurement Policy Framework Act 5 of 2000	Sections 2(1)(a), 2(1)(f)
Preferential Procurement Regulations, 2017	Regulations 4(1), 4(2), 5(1), 5(3), 5(6), 5(7), 6(1), 6(2), 6(3), 6(6), 6(8), Regulations 7(1), 7(2), 7(3), 7(6), 7(8), 8(2), 8(5) 9(1), 10(1), 10(2), Regulations 11(1), 11(2)
Preferential Procurement Regulations, 2022	Regulations 4(1), 4(2), 4(3), 4(4), 5(1), 5(2), 5(3), 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

The accounts of the municipality were too deficient in essential detail for the Auditor General to form an opinion as the financial viability or rectitude of this municipality. The full Audit Report is contained in Chapter 6.

## 1.7 Statutory Annual Report Process

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

To comply with the statutory requirements dictated by all relevant legislation that guides the development of the Annual Report, it is critical that meeting the timelines set and ensuring that all the information provided in the report is credible, useful and reliable. The municipality has undertaken reasonable actions to ensure that information presented in this report is factual and can be supported although any identification of errors must not be seen as a deviation from this intent. The municipality always strives to ensure proper alignment between its plans as contained in the IDP, Service Delivery and Budget Implementation Plan (SDBIP), other plans and how reporting is handled to ensure proper accountability and transparency.

The annual report is intended to inform the community on how the municipality has performed financially and administratively in achieving its targets as clearly set out in our IDP and SDBIP.

This report also highlights the achievements, challenges and areas that need improvement. Our successes are real and measurable and the fact that we were able to complete most of our infrastructure projects is a pride to us, as it contributes not only to service delivery but as a stimulant for an increase in the economic activities.

The IDP remains a critical tool that we utilize to plan for our short, medium and long-term objectives. This annual report will highlight our improvement in performance and financial management.

## CHAPTER 2 – GOVERNANCE

The Governance of the Joe Morolong Local Municipality is structured as follows:

STRUCTURE	RESPONSIBLE FOR	OVERSIGHT	ACCOUNTABLE TO
Council	Approve policies	Mayor, Portfolio committee and Audit, Performance and Risk Committee	Community
	Adopt IDP		
	Adopt the Budget		
Mayor	Policies, and Budget outcomes	Municipal Manager	Council
	Oversight over the Municipal Manager		
Municipal Manager	Overall administration	The Municipal administration	To Council through the Mayor
CFO and other senior management	Administration of departments	Financial management and operational functions	Municipal Manager

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### 2.1 Political Governance

The governance system of Joe Morolong Local Municipality is a mayoral system that has Section 80 committees:

- Human Resources, Administration and Finance
- Infrastructure
- Economic Development Planning and Tourism
- Community Services
- MPAC (Section 79 Committee)

The Mayor heads the municipality and fulfils this task by working together with the councillors. The Mayoral committee is functional and it ensures that there is integration of the work of Council between portfolio committee and respective departments.

The Speaker of Council presides over Council meetings. Furthermore, the Speaker fulfils the role of strengthening democracy and managing community participation in local government, particularly through the ward committees by ensuring that the ward committee system functions effectively. The Speaker promotes public consultation, involvement and participation in the affairs of the municipality.

The Speaker is supported by the Council Whip, who is responsible for maintaining cohesion within the governing party and to build relationships with other political parties represented in Council. Other tasks include:

1. Ensuring that each of the political parties are properly represented on the various committees;
2. Maintaining sound relations between the various political parties; and
3. Attending to disputes between political parties.

The Municipal Council comprises of the governing and decision-making body of the Municipality whilst the municipal officials focus on the implementation of the Council resolutions. Council determines the direction of the Municipality by setting the course through the development of the IDP and allocation of resources. Council develops policies and the responsibility of the municipal staff is to ensure that those policies are implemented. Council therefore plays an oversight role over the implementation of those policies.

The Municipality is using the Audit, Performance and Risk Committee shared services with the District Municipality and the new committee was appointed during the last quarter of the 2022-2023 financial year. The committee provides opinions and recommendations on financial management, Risk and performance information.

The Municipal Public Accounts Committee (MPAC) acts as an oversight committee for the annual report in terms of Section 79 of the Municipal Structures Act, 117 of 1998. The aim of the committee is comprised of non-executive councillors, with the specific purpose of providing Council with comments and recommendations on Municipal Reports and any item that has been referred to the committee by the Council.

### **2.1.1 Political Structure**



**Mayor:**  
**Cllr. D. Leutlwetse-Tshabalala**



**Speaker:**  
**Cllr. V. Jordan**



**Council Whip:**  
**Cllr. G. Tagane**

## The Executive Committee

The Mayor, as the Political Head, is supported by the following Executive Committee Members that headed the respective portfolio committees:



**Cllr. N. Kgosierileng**  
Community Services



**Cllr. O. Mokweni**  
Economic  
Development, Planning  
& Tourism



**Cllr. P. Kaotsane**  
Infrastructure



**Cllr. B. Mbolekwa**  
Human Resource,  
Administration &  
Finance

### 2.1.2 Councillors

Since the Local Government Elections held on 01 November 2021, 29 Councillors drawn from all political parties represented in Council make up the Council. These Councillors include 15 elected Ward Councillors and 14 appointed Proportional Representative Councillors.

The parties in Council are illustrated below.

POLITICAL PARTY	TOTAL SEATS	WARD SEATS	PR SEATS
ANC	18	13	5
EFF	8	2	6
DA	1	-	1
SARKO	1	-	1
F4SD	1	-	1
<b>TOTAL</b>	<b>29</b>	<b>15</b>	<b>14</b>

Each Ward Councillor chairs a Ward Committee as part of the Ward Participatory System that encourages participation at community level. Ward Councillors, as representatives of wards, have a responsibility to make sure that the voices of the communities in their respective wards are heard in Council and its structures. They are also responsible for creating a two-way link between these communities and Council and thus have direct access to the Speaker of Council.

Refer to **Appendix A** where a full list of Councillors can be found (including committee allocations and attendance at council meetings); and **Appendix B** which sets out committees and committee purposes.

### 2.1.3 Political Decision-Making

Council is the highest decision-making structure of the municipality. The Council of Joe Morolong Local Municipality is made up of four Portfolio Committees which report to the Executive Committee (EXCO) and the EXCO reports to Council, who, eventually, takes the final decision. The Council decides whether to approve or reject reports after altering where it deems necessary to do so.

Once a decision has been taken by Council, the administration wing has to implement that decision and report back to Council in the form of a Council Resolution Register. The register will indicate as to how the administration has implemented the Council decision and progress thereof.

## 2.2 Administrative Governance

The Municipal Manager heads the municipal administration, with the support of the five heads of departments. The purpose of this senior management team is to perform activities that lead to the accomplishment of the mission and vision of Council. It is important for the Municipal Manager to develop an effective and efficient administration environment that allows for the successful implementation of the Integrated Development Plan (IDP). The heads of the different directorates manage the execution of the IDP based on their respective targets; which are aimed at responding to the needs of the communities and thereby ensuring service delivery.

The administrative governance of the JMLM is structured as follows:

Tier 1	Tier 2	Tier 3
<p><b>Municipal Manager:</b></p> <p>Mr T. Tlhoale (July 2022 – August 2022)</p> <p><b>Acting Municipal Manager:</b></p> <p>Mr T. Tlhoale (Sep 2022 – Mar 2023)</p> <p>Mr. T. Gopetse (April – Jun 2023)</p>	<p><b>Municipal Manager’s Office</b> Mr. T. Gopetse</p>	Manager: Legal and Compliance
		Manager: Internal Audit
		Manager: Communications
		Chief Risk Officer
	<p><b>Director: Corporate Services</b> Mr. T. Gopetse</p>	Manager: Human Resources
		Manager: IT
		Manager: Performance Management Development System
		Manager: Records Management
		Manager: Administration
		Manager: Council Committees
		Manager: Vanzylsrus Satelite Office
	<p><b>Director: Technical Services</b> Mr. L. Moinwe</p>	Manager: PMU
		Manager: Roads and Stormwater
		Manager: Water and Sanitation
	<p><b>Acting Director: Economic Developemnt Planning and Tourism</b> Ms. L. Mulaudzi (Jul – Dec 2022) Ms. D. Mecwi (Jan – Jun 2023)</p>	Manager: IDP/PMS
		Manager: LED
Manager: Town Planning		
<p><b>Chief Financial Officer</b> Ms. B. Motlhaping</p>	Senior Manager: Financial Control	
	Manager: Expenditure	

		<b>Manager: Finance Controls</b>
		<b>Manager: Supply Chain Management</b>
		<b>Manager: Budget &amp; Reporting</b>
		<b>Manager: Assets Management</b>
	<b>Director: Community Services</b> Ms. M.C. Melokwe	<b>Manager: Housing</b>
		<b>Manager: Disaster Management &amp; Facilities</b>
		<b>Manager: Environmental Services</b>

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.3 Intergovernmental Relations

Section 42 of the Constitution provides that all spheres of government must cooperate with one another in a mutual trust and good faith by establishing and providing for structures to promote intergovernmental relations.

The cooperation of all the spheres of government ensures the synergy and alignment of programmes and maximization of resources instead of working in silos which leads to the duplication of services and wasting of limited financial resources. Joe Morolong Local Municipality is participating in both the national and provincial intergovernmental structures.

#### 2.3.1 National Intergovernmental Structures

The Municipality participates in various forums at national level. These forums include the CFOs Forum, MMs Forum and various Salga Forums.

#### 2.3.2 Provincial Intergovernmental Structure

This structure is held on a quarterly basis. It is usually held after the District Intergovernmental Forum Meetings have been held. It is at the District Intergovernmental Forum Meeting where Sector Departments report their progress in terms of service delivery, together with other stakeholders. The District then consolidates a comprehensive report for the PIGR meeting that includes all the stakeholders in the province. This meeting is attended by the Premier as chair, all Mayors for District and Local Municipalities, Municipal Managers, HODs, Senior Managers in Sector Departments and Parastatals. The municipality is also part of forums such as the Joint Internal Audit and Risk Forum and the Provincial SPLUMA Forum.

#### 2.3.3 District Intergovernmental Structure

This structure is constituted by the District Executive Mayor as a Chairperson, all Mayors of Local Municipalities, Municipal Managers, Senior Managers in Municipalities, Sector Departments and Parastatals. All stakeholders are expected to report in terms of annual plans and quarterly reports on progress regarding planned activities. The IGR is held on a quarterly basis and it is usually held after the Local Municipal IDP Representative Forum has been held. Sector Departments and other stakeholders report progress in terms of service delivery to the IDP Representative Forum. Following this, the Joe Morolong Municipality would then consolidate a comprehensive report and present it to the IGR Forum.



## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public participation in the municipality is done through various platforms such as Community Consultation meetings (IDP Roadshows), Ward meetings, IDP Representative Forum meetings and social media. The success of public accountability and participation in the municipality is made possible by the activeness of the ward councillors and committees on the ground as well as the municipal communications team.

Ward councillors are expected to communicate the work of council through meetings with the established committees. In these meetings, Councillors report on the implementation of the IDP and budget. They also note the service delivery challenges that are experienced by communities, and forward all issues to the Executive Committee for intervention. Outside of Council, public participation is also enhanced through the Speaker's Forum which is held on a quarterly basis.

### 2.4 Public Meetings

The public participation programme of the Joe Morolong Local Municipality is intended to create opportunities for the political principals to be actively involved in the sharing of information about what government and in particular the Joe Morolong Local municipality is doing to improve and add to the betterment of the lives of the community.

Through public participation, greater access to the decision-making processes of the municipality to all its stakeholders is opened up.

It implies that members of the general public or representatives of the affected community or the role players are actively involved in the planning process of the municipality.

To accomplish the above the municipality has developed a public participation schedule which is intended to be rolled-out in collaboration with other role players; stakeholders and sector departments in the area of jurisdiction of the municipality.

Through the public participation approach the municipality wishes to strengthen and enable good governance and sustained service delivery.

It is therefore crucial that the stakeholders of the municipality be involved in the affairs of the municipality.

The participation processes that will be improved by the plan are as follows:

- ✓ Ward meetings;
- ✓ Budget Consultation meetings;
- ✓ Integrated Development Planning (IDP)
- ✓ Joint Outreach Programmes with other sectors of government;
- ✓ Annual performance management feedback.

The JMLM is working on ensuring that the municipal website becomes active and reliable for publication of key municipal documents and events.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
Community participation for the IDP analysis phase	01 –14 November 2022	29	13	1 382	Yes	17 April – 04 May 2023 Community meetings in all wards

## 2.5 IDP Participation and Alignment

### IDP/Budget participation

The Municipal System Act states that the Municipality must have a five (5) year vision for the long-term development of the Municipality and development priorities, which must be aligned with national and provincial sectoral plans and priorities. The IDP and Service Delivery Budget Implementation Plan (SDBIP) are reviewed and adopted annually by council. Municipal Performance is measured through the SDBIP.

Annually, the Municipality must base their performance against performance measure as clearly outlined in the SDBIP. The SDBIP includes the annual delivery agenda of the Municipality as it is spelt out in the IDP document.

The IDP Representative Forum has been functional but there are certain sector government departments that have not been participating. Government entities and mining companies are also participating in the forum. They have been reporting progress on the programme and projects that they are implementing in our municipal area.

### Ward Committees

The Local Government: Municipal Structures Act, 1998 says: The objective of a ward committee is to enhance participatory democracy in local government. Ward committees are a part of local governance and an important way of achieving the aims of local governance and democracy mentioned in the Constitution, 1996.

The Local Government: Municipal Structures Act, 1998 is the Act that makes provision for the establishment of ward committees as a possible way of encouraging community participation in municipal matters. A general understanding has emerged that a ward committee is an area-based committee whose boundaries coincide with ward boundaries.

All the 15 ward committees are functional and they have been holding their monthly meetings and quarterly reports have been submitted to Council.

### Comment on the Effectiveness of the Public Meetings held:

Council has had two community consultations for the purpose of developing / reviewing the Integrated Development Plan and Budget. The first meeting was for identifying community needs and followed by the second one to provide feedback in terms of available budget for implementation of identified projects and programmes.

The Municipality also provide progress on implementation of current projects and programmes.

<b>IDP Participation and Alignment Criteria*</b>	<b>Yes/No</b>
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	
T 2.5.1	

## **COMPONENT D: CORPORATE GOVERNANCE**

The Municipal Council comprises of the governing and decision-making body of the Municipality whilst the municipal officials focus on the implementation of the Council resolutions. Council determines the direction of the Municipality by setting the course through the development of IDP and allocation of resources. Council develops policies and the responsibility of the municipal staff is to ensure that those policies are implemented.

### **2.6 Risk Management**

Municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The strategic risk register has been developed through workshops. The top five risks of the municipality are as follows: -

- a) Material misstatements on the Annual Financial Statements
- b) Inability to generate the projected revenue
- c) Natural Disaster (Storm, Fire and Strong winds)
- d) Theft and abuse of assets
- e) Fraud and corruption

### **2.7 Anti-Corruption and Fraud**

The risk management function has the following anti-fraud and corruption objectives:

- To implement the fraud prevention plan which includes a fraud prevention policy in the district municipality.
- To develop and implement an investigation policy.
- To monitor a case management system that will ensure effective and efficient management of cases.
- To provide assurance to the council and the municipal manager on the management of fraud risks.
- Promote professional ethics in the district municipality.

The municipality has approved a Fraud and Corruption policy, Fraud Response Plan, and a Whistle-Blowing policy. The municipality has functional Internal Audit and Risk Management units and the Shared Audit, Performance and Risk committee is in place. The municipality's Audit, Performance and Risk Committee recommendations are set out in Chapter 6.

## 2.8 Supply Chain Management

All Supply Chain Management officials comply with the prescribed levels required for their positions in terms of the MFMA Competency Regulation Guidelines.

There were adverse remarks in the Auditor General's Report for the previous financial year regarding the quality of the Supply Chain Management of Joe Morolong Local Municipality.

The Joe Morolong Local Municipality have adopted and implemented the following policies and practices relating to Supply Chain Management:

- Supply Chain Management Policy
- Infrastructure Procurement and Delivery Management Policy

## 2.9 By-Laws

The JMLM currently has the following by-laws:

By-law	Department
Draft By-law for Tariffs	Finance Services
By-law for SPLUMA	Economic Development Planning and Tourism
Draft By-law for Water	Technical Services
Draft By-law for Environment	Community Services
Draft By-law for Cemeteries	
Draft By-law for Waste Management	
Draft By-law for Spaza Shops	Economic Development Planning and Tourism
Draft By-law for Property Rates	Finance Services
Draft By-law for Use of Facilities	Community Services
Draft By-law for Use of Electricity	Technical Services

## 2.10 Websites

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	No	
All current budget-related policies	No	
The previous annual report (Year -1)	Yes	01/02/2023
The annual report (Year 0) published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	31/08/2022
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	No	
All supply chain management contracts above a prescribed value (give value) for Year 0	No	

An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	No	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No	
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		<i>T 2.10.1</i>

The Municipality will ensure that all required documents are timeously uploaded on the website, which will enhance public participation and guarantee compliance with various legislative requirements.

## **2.11 Public Satisfaction on Municipal Services**

The Municipal Systems Act states that the Municipality must have a five (5) year vision for the long-term development of the Municipality and development priorities, which must be aligned with national and provincial sectoral plans and priorities. The IDP and Service Delivery Budget Implementation Plan (SDBIP) are reviewed and adopted annually by council. Municipal Performance is measured through the SDBIP.

Annually, the Municipality must base their performance against performance measure as clearly outlined in the SDBIP. The SDBIP includes the annual delivery agenda of the Municipality as it is spelt out in the IDP document.

The IDP Representative Forum has been functional with few sector government departments participating, government entities and few mines within our municipal jurisdiction. They have been reporting on the progress on the programme and projects that they are implementing in our municipal area.

## **CHAPTER 3 - SERVICE DELIVERY PERFORMANCE**

The municipality is mandated to provide quality basic services to the communities within the municipal jurisdiction. The JMLM is committed to making the lives of its communities better. The municipality has developed a new indigents register to ensure that they receive free basic services. The collection of refuse in Hotazel and Vanzylsrus has been consistent.

The JMLM implemented the following key capital infrastructure projects:

- Water Supply – drilling of new boreholes, construction of steel tanks, linking the boreholes to the tank by constructing pumping mains and constructing reticulation systems with communal standpipes
- Borehole Refurbishment – upgrading of existing water infrastructure, testing of existing boreholes for yield and quality (before refurbishing of borehole equipment)
- Rural Roads – upgrading of existing gravel roads to tar or paving block roads
- Culvert Bridges – construction of culvert bridges by making use of various types and sizes of culverts
- Dry Pit Sanitation – supply and construction of double pit dry sanitation units according to the groundwater protocol (VIP or UDS)
- Refurbishment of existing community facilities, e.g., community halls
- Community Halls – construction of new community halls

Implementation of the above listed projects is funded through allocations from Division of Revenue Act (DORA) and Social Labor Plans (SLP).

During the 2022-23 FY, JMLM achieved the following deliverables:

- 4 Water Supply projects were successfully completed, where 370 Households were served
- 4 Road projects were completed, adding 2.2km's (Grant-funded) and 3.1km's (SLP-Funded) of surfaced roads to our road network
- 1 Culvert Bridge was completed and 2 Culvert Bridge projects are nearing completion
- 4 Dry Pit Sanitation projects were completed, where 290 new units were constructed
- 4 Borehole Refurbishment projects were completed, where we refurbished 7 boreholes

There has been some improvement in the tracing of debtors and this has impacted positively on revenue collection by the municipality. The establishment of youth forums assisted the municipality to interact with young people, both out of school, unemployed, employed and those in business as it is a structure that deals with challenges facing young people in our locality. Functionality of ward committees has assisted the municipality to foster a close relationship with the community and community organizations and in identifying service delivery challenges and attending to them speedily.

### **COMPONENT A: BASIC SERVICES**

The Joe Morolong Local Municipality has an established Project Management Unit (PMU), whose aim is to assist the municipality to meet the pressing needs of basic service provisioning. The PMU integrates the efforts of all the various Departments within the Municipality, in order to achieve set

standards and SDBIP objectives. Community Services, Corporate Services, Finance, Economic Development, Planning and Tourism and Technical Services are all important participants in the implementation of Water-, Sanitation-, Housing/Building- and Roads and Stormwater infrastructure projects.

### **3.1 Water Provision**

Joe Morolong LM is providing water to 186 villages and Vanzylsrus Town by means of abstraction from boreholes. Only Hotazel town, receives water from the Vaal-Gamagara Water Pipeline. Water infrastructure demands are documented and prioritised in our IDP.

During the 2022-23 Financial Year, 10 Water Infrastructure projects were embarked on. The following Water Supply projects were implemented:

- Shalaneng Water Supply Portion 2
- Penryn Water Supply Portion 2
- Ganghaai Water Supply
- Permonkie Water Supply
- Gammakgatle Water Supply
- Bojelopotsane Water Supply
- Bush Buck Water Supply
- Esperanza/ Churchill Water Supply
- Madula Ranch Water Supply
- Cassel Water Supply

The following 4 Water Supply projects were successfully completed:

- Shalaneng Water Supply Portion 2
- Penryn Water Supply Portion 2
- Esperanza/ Churchill Water Supply
- Cassel Water Supply

The remaining 6 projects overlapped into the 2023-2024 financial year due to various reasons:

- The Municipality received R 16 463 000,00 additional funding during April 2023 from MIG, which was distributed amongst three Water Supply projects, leading to extension of scope and -time
- Two projects, Bojelopotsane Water Supply and Bush Buck Water Supply, experienced delays due to high volume of hard rock excavation.
- Madula Ranch Water Supply experienced a delay due to water source verification issues and contractor performance

Refurbishment of 7 boreholes, associate equipment and pump houses also took place in 4 villages. These villages were Washington, Madibeng, Makatlele and Galothlare.

The Joe Morolong Local Municipality is the Water Services Authority (WSA). This means that it must regulate water issues within its jurisdiction guided by the National Water Act 32 of 1998. The institution also serves as a Water Services Provider (WSP), meaning that it is of the institutions best interest to ensure that water is provided to residents on acceptable standards including quality guided by SANS 241.

JMLM, as the WSA, is still experiencing challenges on certain identified water systems and sources. This is because our predominant water source is ground water, which is dropping rapidly. JMLM's water quality program is implemented on a smaller scale due to budgetary constraints. Full SANS water quality monitoring was not implemented due to compliance issues. A tender for Laboratory services was advertised twice without getting any successful bidders.

## **Water Operations and Maintenance**

JMLM is having a fully functional and capable Operations and Maintenance (O&M) department. During the 2022-23 financial year, the department's organogram received priority with the appointments of two Managers (Water and Sanitation; Roads and Storm Water) and a Superintendent - Water Quality. The department has sufficient resources to successfully undertake the O&M function.

Due to vast distances between some villages and the JMLM office, the following satellite O&M offices are operational in our area:

- Churchill office (main office)
- Heuningvlei office
- Vanzylsrust office

There are also six appointed Refurbishment Contractors to assist JMLM with the refurbishment of boreholes and associated equipment.

Some of the villages in Joe Morolong LM have aging water infrastructure and, in some cases, boreholes levels are dropping. This causes water shortages and results in community complaints. For this reason, the Municipality focuses its resources towards eradicating the water backlog in three main areas, namely: No Formal Infrastructure, Extension Needed and No Source

### **No Formal Infrastructure**

When considering RDP Standards, the following villages are without access to water and either receive water by means of truck delivery or through a windmill:

- Damros (1,2,3)
- Ga-Moheete
- Manaring
- Wesselsvlei
- Wilstead

### **Extension Needed**

According to our IDP, there are 38-villages falling within this category. These are mostly areas that have been serviced with basic water infrastructure in the past, but there are some new extensions or scattered households falling OUTSIDE the 200-meters to the nearest water point or stand tap.



## No Source

Also included in our IDP are the areas where the water supply does not meet the demand. These areas do have water infrastructure, such as reticulation and water points, but are in need of a new borehole and/or water storage. In some cases, the water level has dropped in such a way that it warrants an all new water source. There are 26-villages listed under this category.

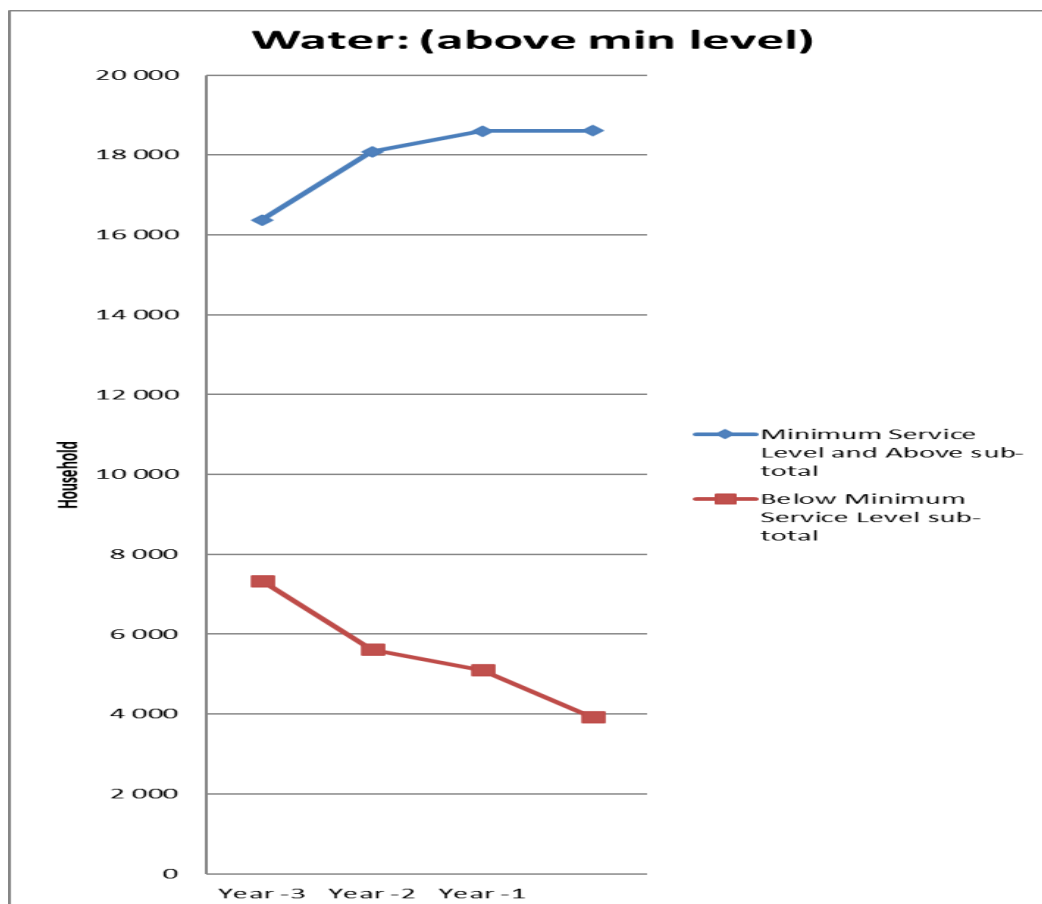
## Service Levels

The table below display the number of households still below minimum service levels:

<b>Water Service Delivery Levels</b>				
<b>Description</b>	<b>Households</b>			
	<b>Year -3</b>	<b>Year -2</b>	<b>Year -1 (adj to WSDP)</b>	<b>Year 0</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
<b><i>Water: (above min level)</i></b>				
Piped water inside dwelling	2 157	2 157	2 157	4 770
Piped water inside yard (but not in dwelling)	100	100	1 149	1 951
Using public tap (within 200m from dwelling )	16 297	16 807	18 209	17 679
Other water supply (within 200m)	0	0	0	0
<i>Minimum Service Level and Above sub-total</i>	18 092	19 064	21 515	24 401
<i>Minimum Service Level and Above Percentage</i>	76%	80%	81%	92%
<b><i>Water: (below min level)</i></b>				
Using public tap (more than 200m from dwelling)	5 615	6 900	5 498	597
Other water supply (more than 200m from dwelling)	0	0	0	1 539
No water supply				
<i>Below Minimum Service Level sub-total</i>	5 615	4 643	2 192	2 136
<i>Below Minimum Service Level Percentage</i>	24%	20%	9%	8%
<b>Total number of households*</b>	<b>23 707</b>	<b>23 707</b>	<b>23 707</b>	<b>26 537</b>
<i>* - To include informal settlements</i>				<i>T 3.1.3</i>

The table below display the number of households still below minimum service levels:

<b>Households - Water Service Delivery Levels below the minimum</b>				
Households				
Description	Year -3	Year -2	Year -1	Year 0
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<b>Formal Settlements</b>				
Total households	23 707	23 707	23 707	26 537
Households below minimum service level	5 615	4 643	2 192	2 136
Proportion of households below minimum service level	24%	20%	9%	8%
<b>Informal Settlements</b>				
Total households	23 707	23 707	23 707	26 537
Households ts below minimum service level	0	0	0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%
				T 3.1.4



Water Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To provide access to water to the community	Number of Villages prioritized for access to Water Infrastructure by June 2022	11 villages provided with access to water infrastructure	1 village was provided with access to water infrastructure	9 villages provided with access to water infrastructure by 30 June 2022	10 Villages were provided with access to water infrastructure	1 500 households served with quality basic water supply (Water Backlog) by 30 <sup>th</sup> June 2023
To provide access to water to the community	Number of Villages provided with borehole refurbishment by 30 June 2022	11 Villages provided with boreholes refurbishment	All Villages prioritized for boreholes refurbishment not done	4 Villages provided with boreholes refurbishment	11 Villages were provided with borehole refurbishment	8 Borehole Refurbished at Madibeng, Maketlele, Washington, Galotlhare by 30 <sup>th</sup> June 2023
To maintain existing water infrastructure in line with operation and maintenance plan	Percentage of queries on water received and attended to in JMLM area by 30 June 2022	N/A	N/A	95% of all water queries received are attended by 30 June 2022	95% of water queries attended	100% of queries on water received and attended to in JMLM by 30 <sup>th</sup> June 2023
To Implement Regulatory Information System (IRIS)	Number of quarterly reports on implementation of Integrated Regulatory Information System (IRIS) by June 2022	100% Implementation of IRIS submitted to council	100% Implementation of IRIS submitted to Council	4 quarterly reports on Implementation of IRIS submitted to Council by June 2022	4 quarterly reports on Implementation of IRIS submitted	N/A

Capital Expenditure Year 0: Water Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	67 113	84 060	83 861	20%	
Bojelapotsane Water Supply	7 043	6 956	6 956	-1%	7 043
Bush Buck Water Supply	9 849	9 378	9 378	-5%	11 772
Esperanza/ Churchill Water Supply	8 000	11 361	11 361	30%	21 342
Madula Ranch Water Supply	8 000	5 682	5 682	-41%	30 862
Shalaneng Water Supply Portion 2	13 451	13 451	13 085	-3%	16 570
Penryn Water Supply Portion 2	7 123	7 123	6 656	-7%	13 123
Ganghaai Water Supply	5 647	7 181	7 147	21%	7 181
Permonkie Water Supply	4 000	14 465	14 672	73%	14 465
Gammagatle Water Supply	4 000	8 463	8 924	55%	13 376
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.1.9</i>

The variances are mainly due to re-allocation of funds during the financial year. JMLM received the following additional grant funding:

- MIG – R 22 million (which was utilized on dry pit sanitation)
- WSIG R 12 million

Water in Joe Morolong is supplied by means of the Vaal-Gamagara pipeline to Hotazel. As for the rest of the 186 villages, potable water is supplied through groundwater schemes. In the Heuningvlei area, consisting of about 7 villages, water is provided by means of a bulk water infrastructure scheme.

#### Notes

The variances in the above table are mainly due to re-allocation of MIG funds during the financial year. JMLM received R 16 463 000,00 additional grant funding from MIG, which was utilized on Water Supply projects.

Due to the registered business plan amounts, the following water supply projects will continue in the 2023-24 financial year:

- Bush Buck
- Gamakgatle
- Esperanza / Churchill
- Madula Ranch

The approved business plans for Shalaneng -, Bojelapotsane- and Penryn Water Supply Portion 2 were completed in year 2022/23.

The water backlog in the JMLM area is constantly increasing, mainly due to growth of villages. In order to effectively address the water backlog in our area, JMLM need an estimated R 1.2 billion.

### 3.2 Waste Water (Sanitation) Provision

#### INTRODUCTION TO SANITATION PROVISION

Sanitation provisioning in the Joe Morolong Rural area is mainly by means of VIP or UDS Dry Pit latrines, depending on the water protocol in the particular area. Hotazel and Vanzylsrus, are connected to waterborne sanitation systems however the residential area of Vanzylsrus still uses VIP and septic tank for sanitation which needs funding to be connected to waterborne sanitation systems.

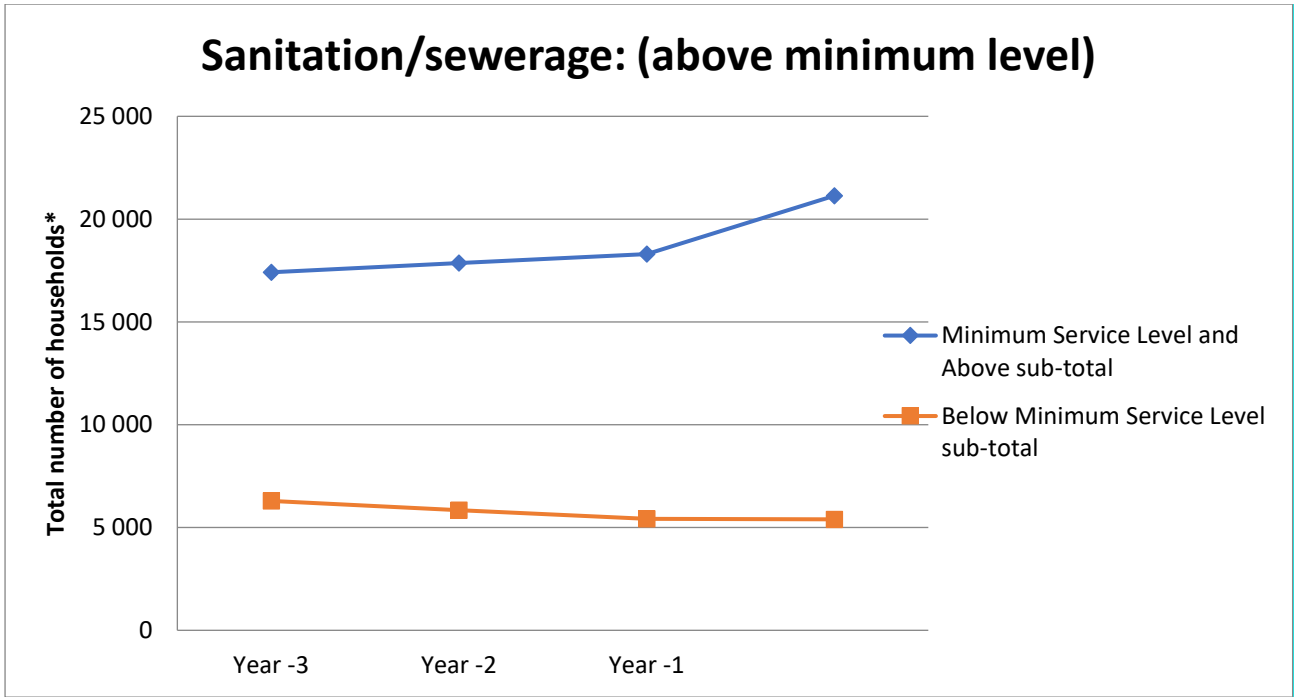
Sanitation infrastructure demands are documented and prioritised in our IDP.

During the 2022-23 Financial Year, 290 new double pit sanitation units were erected in various villages.

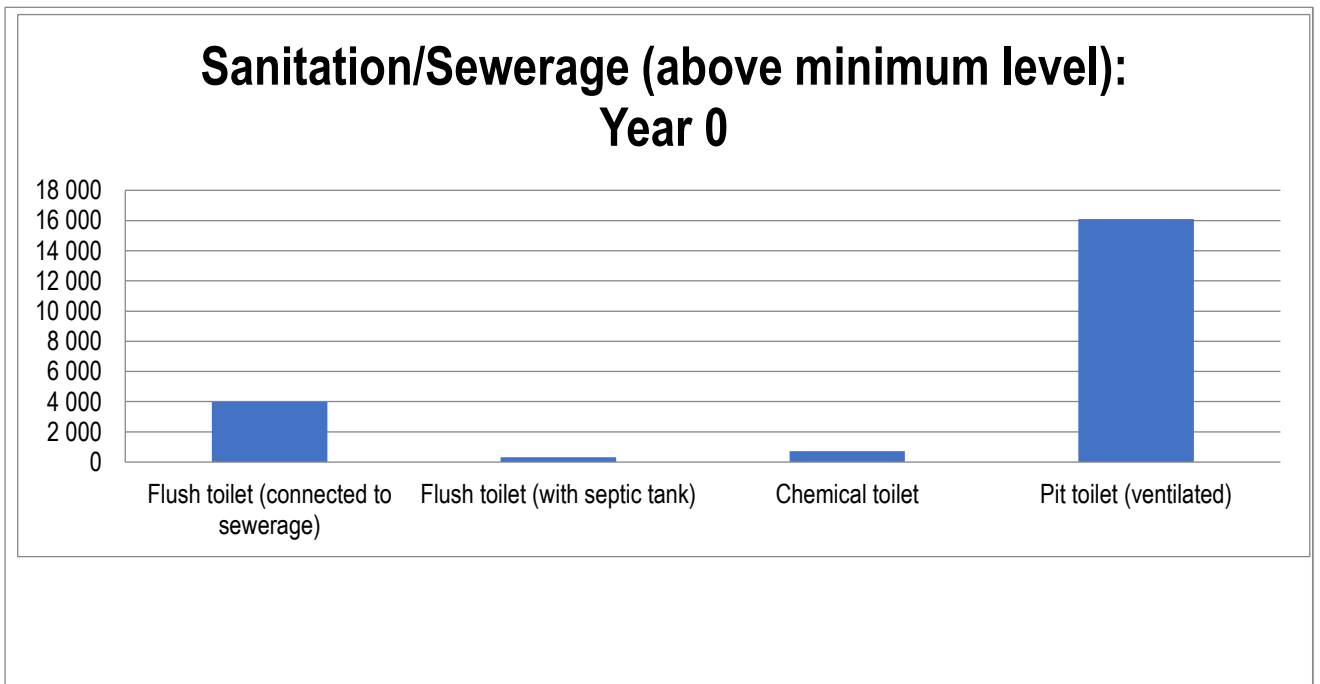
It should be noted that proper health and hygiene training form part of all our dry pit sanitation projects.

Due to lack of fully waterborne sanitation systems in villages creates a need for cemeteries VIP systems.

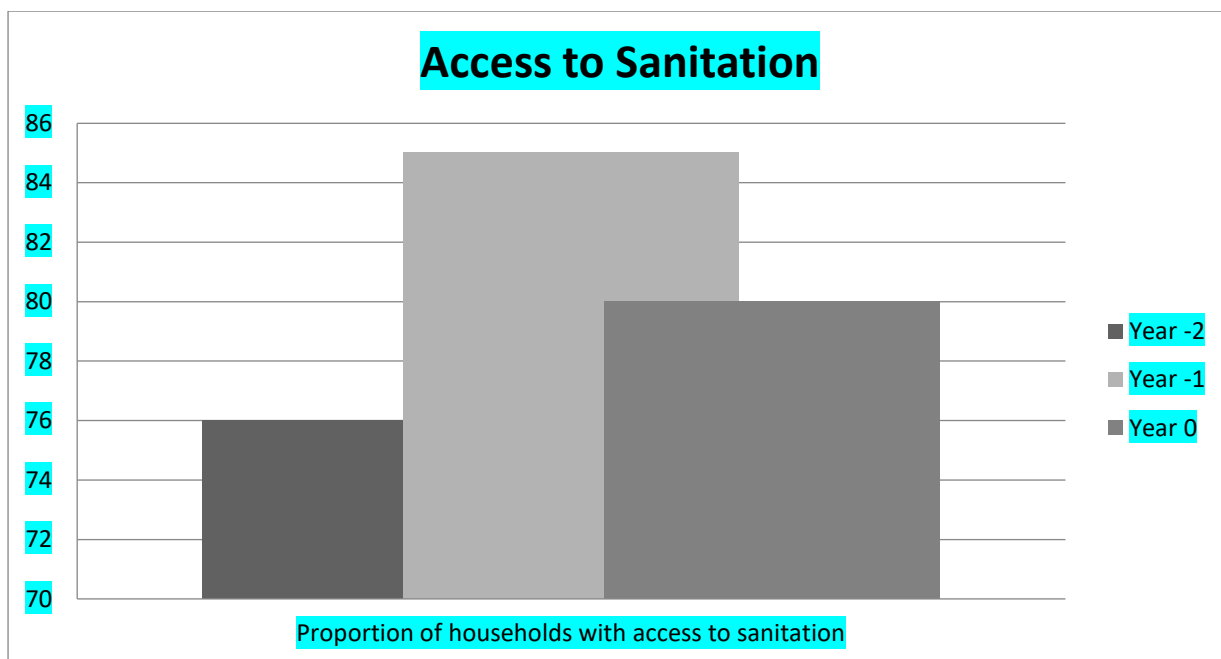
<b>Sanitation Service Delivery Levels</b>						
<b>Description</b>	<b>Year -3</b>	<b>Year -2</b>	<b>Year -1</b>	<b>Year 0 (adjusted)</b>		
	<b>Outcome</b>	<b>Outcome</b>	<b>End Total</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
<b><u>Sanitation/sewerage: (above minimum level)</u></b>						
Flush toilet (connected to sewerage)	865	865	1 695	0	0	3 991
Flush toilet (with septic tank)	123	123	123	0	0	328
Chemical toilet	0	0	0	0	0	728
Pit toilet (ventilated)	16 549	17 002	18 268	290	290	16 091
Other toilet provisions (above min.service level)						
<i>Minimum Service Level and Above sub-total</i>	17 537	17 990	20 086			21 138
<i>Minimum Service Level and Above Percentage</i>	74%	76%	85%			80%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>						
Bucket toilet	0	0	0	0	0	2 621
Other toilet provisions (below min.service level)	0	0	0	290	290	1 194
No toilet provisions						1 583
<i>Below Minimum Service Level sub-total</i>	6 170	5 717	3 621	5 398	5 398	5 398
<i>Below Minimum Service Level Percentage</i>	26%	24%	15%	20%	20%	20%
<b>Total households</b>	<b>23 707</b>	<b>23 707</b>	<b>23 707</b>			<b>26 536</b>
<b>*Total number of households including informal settlements</b>						<b>T 3.2.3</b>



The graph above indicates the Total Number of Households with access to basic sanitation units, or above



The graph above shows our access to sanitation per type.



The graph above shows Access to Sanitation over a Three year period. It should be noted that the backlog figures were adjusted during the 2022-23 financial year

Households - Sanitation Service Delivery Levels below the minimum						
Description	Households					
	Year -3	Year -2	Year -1	Year 0		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	23 707	23 707	23 707	23 707	23 707	26 536
Households below minimum service level	6 170	5 717	4 462	4 172	4 172	5 398
Proportion of households below minimum service level	26%	24%	19%	18%	18%	20%
<b>Informal Settlements</b>						
Total households	–	–	–	–	–	–
Households below minimum service level	N/A	N/A	N/A	N/A	N/A	N/A
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
						<i>T 3.2.4</i>

Waste Water (Sanitation) Service Policy Objectives Taken From IDP							
Outline Service Targets	Year -1		Year 0			Year 1	Year 3
	Target	Actual	Target		Actual	Target	
	*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year
(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
<b>Service Objective xxx</b>							
290 Households provided with Sanitation at Eiffel/Klein Eiffel (30), Gatshekedi (108), Goodhope (117) and Rowell 1 & 2 (35) by 30 June 2023	203	753	203	290	(290*)	480	500
<p><i>Note: This statement should include no more than the top four priority service objectives, including milestones that relate to the green drop status as set out by the Water Affairs department. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>							

Below is the municipality's capital expenditure for the financial year:

Capital Expenditure Year 0: Sanitation Services						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	9 412	9 412	9 409	0%		
Eiffel/Klein Eiffel	1 106	1 106	1 106	0%	1 106	
Gatshekedi	3 987	3 987	3 985	0%	3 987	
Goodhope	4 319	4 319	4 318	0%	4 319	
Rowell 1 & 2	1 291	1 291	1 291		1 291	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.2.9	

**Note**

A total of 290 new double pit dry sanitation units were erected during the reporting period, with a total allocation of R 10 704 962,73 MIG-funding.

As with water, the sanitation backlog is a moving target in our area, mainly due to electrification projects.

The water protocol of a specific village is used to determine the type of unit to be installed



### 3.3 Electricity

#### INTRODUCTION TO ELECTRICITY

Joe Morolong Local Municipality is the Electricity provider only in Hotazel. Eskom is the provider in the rural areas (villages) and Vanzylsrus town.

JMLM receives on average 20 electrical related queries per month and all are resolved in the reporting month.

The municipality also acts as a project coordinator for electricity projects implemented by Eskom and DOE. The main objectives for coordination is to engage Eskom and the Department of Energy to increase the electrification budget in order to expedite the eradication of backlogs. On the operational aspects, Joe Morolong Local Municipality will budget for highmast lights and electricity connections. The electrification of diesel driven boreholes will also receive attention. There is also a need for more electrical Operations & Maintenance budget and Personnel.

Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To promote <b>electricity</b>	% of queries on electricity received and attended to in JMLM area	100% of queries on electricity received and attended to in JMLM area	100% of queries on electricity received and attended to in JMLM area	100% of queries on electricity received and attended to in JMLM area	100% of queries on electricity received and attended to in JMLM area	100% of queries on electricity attend to and resolved in JMLM by 30 June 2023

### 3.4 Waste Management

The service of refuse removal is rendered for a total of 818 households and 57 businesses in Hotazel and Vanzylsrus. The refuse is collected twice a week for households and businesses as per the adopted collection schedule. There are currently two functional landfill sites that are used for waste disposal. The landfill sites are situated in Vanzylsrus and Hotazel and are licensed under the JMLM and South 32 respectively. There is also a landfill site in Glenred village but it is not yet functional.

Waste Management Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To promote safe and clean environment	Number of households and Businesses provided with refuse removal services in Hotazel and Vanzylsrus by June 2022	877 households provided with refuse removal services in Hotazel and Vanzylsrus	877 households provided with refuse removal services in Hotazel and Vanzylsrus	877 households provided with refuse removal services in Hotazel and Vanzylsrus by June 2022	877 households provided with refuse removal services in Hotazel and Vanzylsrus	818 households and 57 businesses provided with refuse removal services in Hotazel and Vanzylsrus by 30th June 2023

### 3.5 Housing

The delivery of human settlements is a core mandate of the Department of Human Settlements. The JMLM is faced with capacity challenges and financial constraints with regard to human settlements delivery. As such, the municipality relies on the support and guidance of the District, Department of Cooperative Governance, Human Settlements and Traditional Affairs (COGHSTA), and the Department of Human Settlements.

JMLM mainly focuses on housing consumer education and data collection, to ensure that community members are fully capacitated on accessing various subsidy programmes offered by the Department of Human Settlements.

In trying to address the backlog faced by the municipality in so far as human settlements development is concerned, JMLM developed a business plan for Eiffel and Klein Eiffel and engaged the department regarding their plan in addressing JMLM backlogs.

The department conducted an audit of mud houses with the objective of developing the Northern Cape Provincial Development Plan. Before the audit JMLM had 5301, the municipality is still awaiting the report from the department.

Housing Service Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To facilitate housing programme	Number of campaigns in housing consumer education by June 2022	30 campaigns in housing consumer education held	30 campaigns in housing consumer education not held	15 campaigns in housing consumer education held by June 2022	0 campaigns in housing consumer education held	15 campaigns in housing consumer education held by June 2023

### 3.6 Free Basic Services and Indigent Support

The provision of access to free basic services to indigent households is a constitutional imperative. In response to this requirement, Joe Morolong Local Municipality developed an Indigent Support Policy. In the main, the policy addresses all issues related to the sustainable provision of basic services to indigent households in communities falling under the jurisdiction of JMLM. It further sets out procedures and guidelines for the effective subsidisation of basic service charges, to approved indigent households within budgetary and intergovernmental grant guidelines. The policy also provides eligibility criteria for indigent support.

Free Basic Service Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To improve the lives of indigents and improve access to Free Basic services	Number of Updated indigent register by May 2022	Number of Updated indigent register by May 2021	Indigent register not updated	Updated indigent register by June 2022	0 Updated indigent register	1 indigent register developed and submitted to Council by 30 <sup>th</sup> June 2023

## COMPONENT B: ROADS AND STORM WATER

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

### INTRODUCTION TO ROAD TRANSPORT

Joe Morolong Local Municipality is a rural municipality with a total area of 20 172 km<sup>2</sup>. It is estimated that 90% of our roads are gravel roads with a combination of access- and internal roads.

According to our Roads and Stormwater Master Plan, there are more than 2 000 km of roads in our area. Joe Morolong is mainly responsible for the Construction of new roads and bridges, Upgrading and Maintenance of the Access- and Internal Roads, and bridges, in the area.

We use graders to maintain the gravel roads in our 15 wards. During the financial year, a total of 1130,66 Km's of gravel roads were bladed.

T 3.7

### 3.7 ROADS

#### INTRODUCTION TO ROADS

Demands for the upgrading of roads and storm water infrastructure are documented and prioritised in our IDP. These demands are documented in the following three categories:

**Access Roads** – there are 18 high priority access roads

**Internal Roads** – 29-internal roads are listed in our IDP

**Bridges** – 12 bridges have to be upgraded

During the 2022-23 Financial Year, two Grant-funded Road infrastructure projects were embarked on, of which a total of 2.2 kilometres of Internal roads were completed. The following roads were constructed:

Tsaelengwe Internal Road – 1.5km Paved

Washington Internal Road - 700m Paved

As for SLP-funded projects, Kleinneira Phase 6 – 2.9km Paved and Bothithong to Dithakong – 3.1km were completed. Dithharapeng Culvert Bridge was also completed in the FY.

T 3.7.1

Below is the state of gravel roads in the JMLM area: (Please note that “Tar” also includes paving block roads)

Gravel Road Infrastructure				
				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -2	926,26	0,00	4,80	N/A
Year -1	923,00	0,00	3,00	621,00
Year 0	920,80	0,00	2.2km – Grant-funded 6km – SLP-funded	1 681,50
				T 3.7.2

Tarred Road Infrastructure					
					Kilometres
	Total tarred roads (beginning of FY)	New tar roads (added end of FY)	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -2	82,20	4,80	0,00	0,00	0,00
Year -1	87,00	3,30	0,00	0,00	0,00
Year 0	89,20	2,20	0,00	0,00	0,00
					T 3.7.3

Cost of Construction							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
Year -2	0	27 176	0	0	0	0	
Year -1	0	52 165	0	0	0	0	
Year 0	138	20 142	0	0	0	0	
							T 3.7.4

Road Service Policy Objectives Taken From IDP								
Service Objectives	Outline Service Targets Year 0	Year -1		Year 0			Year 1	Year 2
		Target	Actual	Target		Actual	Target	
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
<b>Service Objective xxx</b>								
Km's of Roads Upgraded from Gravel to Tar	2,5 Km's of Road Upgraded from Gravel to Tar at Tsaelengwe (1.5km) and Washington (1km) by 30 June 2023	3,85km	2,37km	3,85km	2,5km	2,2km	4km	4,8km
Km's of Roads Bladed	500km's of Road bladed by 30 June 2023	400km	621,2km	400km	500km	1 681,5km	1900km	1900km
<p><i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. *'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i></p>								

Capital Expenditure Year 0: Road Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	20 144	20 144	20 142	0	
Tsaelengwe Internal Road Portion 2	11 944	11 944	11 943	0	23 209
Washington Internal Road Portion 2	8 200	8 200	8 199	0	15 342
				0	15 342
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					<b>T 3.7.9</b>

**COMMENT ON THE PERFORMANCE OF ROADS OVERALL:**

The municipality successfully implemented grant funded projects relating to the upgrading of more than 2km of internal road projects during the reporting period. We also constructed 6km of gravel to surfaced roads with SLP-funding from the mines.

Further to the above, 1 Culvert Bridge was completed and 2 are nearing completion.

Being a rural municipality, most of the road surfaces are poor quality gravel roads. The Municipality maintained over 1 681,5km of gravel road during the reporting period.

*T 3.7.10*

### 3.8 Waste Water (Stormwater Drainage)

**INTRODUCTION TO STORMWATER DRAINAGE**

JMLM is a rural area, where about 90% of our roads are gravel with no proper stormwater channels / facilities next to the roads. However, we do have a number of river-crossings, where mostly culvert bridges were constructed. Most of these bridges were damaged during recent floodings. We have managed to refurbish some and three stormwater bridges were upgraded during the reporting period.

Capital Expenditure Year 0: Stormwater Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 29 523,00	R 29 523,00	R 29 523	0%	

Ditlharapeng Culvert Bridge	R 11 382,00	R 11 382,00	R 11 382,00	0%	
Gasese Culvert Bridge	R 9 839,00	R 9 839,00	R 9 839,00	0%	
Gamakgatle Culvert Bridge	R 8 302,00	R 8 302,00	R 8 302,00	0%	
				0%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.9.8</i>

**COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:**

JMLM is a rural area, where about 90% of our roads are gravel with no proper stormwater channels / facilities next to the roads. However, we do have a number of river-crossings, where mostly culvert bridges were constructed. Most of these bridges were damaged during recent floodings. We have managed to refurbish some and three stormwater bridges were upgraded during the reporting period.

**Capital Spending on 5 Largest Projects**

<b>Capital Expenditure of 5 largest projects*</b>					
<b>R' 000</b>					
<b>Name of Project</b>	<b>Current: Year 0</b>			<b>Variance: Current Year 0</b>	
	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Original Variance (%)</b>	<b>Adjustment variance (%)</b>
Shalaneng Water Supply Portion 2	R 13 451	R 13 451	R13 085	0%	-3%
Permonkie Water Supply	R 4 000	R 14 465	R14 672	-267%	1%
Esperanza/ Churchill Water Supply	R 8 000	R 11 361	R11 361	-42%	0%
Tsaelengwe Internal Road Portion 2	R 11 944	R 11 944	R11 943	0%	0%
Washington Internal Road Portion 2	R 8 200	R 8 200	R8 199	0%	0%
<i>* Projects with the highest capital expenditure in Year 0</i>					
<b>Shalaneng Water Supply Portion 2</b>					
Objective of Project	To provide potable water to the community				
Delays	None				
Future Challenges	Dependant on the Bulk Scheme at Heuningvlei				
Anticipated citizen benefits	345 Households				
<b>Permonkie Water Supply</b>					
Objective of Project	To provide potable water to the community				
Delays	None (additional funding was allocated)				
Future Challenges	None				
Anticipated citizen benefits	162 Households				
<b>Esperanza/ Churchill Water Supply</b>					

Objective of Project	To provide potable water to the community
Delays	Additional funding was allocated
Future Challenges	None
Anticipated citizen benefits	144 Households
<b>Tsaelengwe Internal Road Portion 2</b>	
Objective of Project	To upgrade the gravel road to paving blocks
Delays	None
Future Challenges	None
Anticipated citizen benefits	1.5km
<b>Washington Internal Road Portion 2</b>	
Objective of Project	To upgrade the gravel road to paving blocks
Delays	None
Future Challenges	Nothing anticipated
Anticipated citizen benefits	700m
<i>T 5.7.1</i>	

JMLM received an additional amount of R 16 463 000,00 from MIG. This was used to fast-track, amongst others, Permonkie Water Supply, thus the deviation. Further to this, additional funding was also allocated to the Churchill/Esperanza Water Supply.

## **COMPONENT C: PLANNING AND DEVELOPMENT**

This component includes: planning; and local economic development. The primary aim of the Planning and Development Department is to ensure the development and economic growth of the municipality. This is done through strategic and spatial planning initiatives that lead to the effective development of the municipality.

The department is made up of three critical units; Integrated Development Planning & Performance Management System (IDP/PMS), Local Economic Development (LED), and Town Planning.

### **3.7 Planning**

The IDP/PMS unit is responsible for the strategic planning and performance management of the entire municipality. The Municipal System Act states that the Municipality must have a five (5) year vision for the long-term development of the Municipality and development priorities, which must be aligned with national and provincial sectoral plans and priorities. The IDP and Service Delivery Budget Implementation Plan (SDBIP) are reviewed and adopted annually by council. Municipal Performance is measured through the SDBIP in terms of submission of Quarterly, Mid-term and Annual Performance Report.



Annually, the Municipality must base their performance against its target measures as clearly outlined in the SDBIP. The SDBIP includes the annual delivery agenda of the Municipality as it is spelt out in the IDP document. Priorities identified in the year under review were water, sanitation and roads etc.

The Town Planning unit is a division within the Municipality mandated to focus on the containment of an orderly built environment and proper land use management for various land uses. The unit oversees the following functions:

- a. Urban Planning services i.e. provision of zoning information and processing of various land use applications.
- b. Building Control – Plan submission, inspection and approval/disapproval thereof.

The Town Planning unit is central in developing and promoting an integrated municipality; committed to addressing spatial injustices and guides development towards vibrant, resilient and sustainable urban and rural areas. In response to spatial transformation, the Town Planning unit acknowledges that spatial restructuring is necessary to accelerate investment and create opportunities that will enhance the economy and achieve spatial goals of the municipality.

The Municipality established its own Municipal Planning Tribunal (MPT) in 2022; in terms of the Spatial Planning and Land Use Management Act (SPLUMA), Act 16 of 2013; after being a part of the District Municipal Planning Tribunal since 2016. The MPT is fully functional and sits on a quarterly basis, as and when there are applications.

The table below stipulates the land use development applications received by the municipality in the last two years.

Applications for Land Use Development						
Details	Formalization of Townships		Rezoning		Built Environment	
	Year -1 (2020/21)	Year 0 (2021/22)	Year -1 (2020/21)	Year 0 (2021/22)	Year -1 (2020/21)	Year 0 (2022/23)
Planning applications received	0	0	0	1	0	2
Determination made in year of receipt	0	0	0	1	0	1
Determination made in following year	0	0	0	0	0	1
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	0

The review of the Spatial Development Framework (SDF) of the municipality was concluded in 2017. The SDF is compliant with Chapter 4(21) of the SPLUMA (Act 16 of 2013). The SDF will be reviewed in the next financial year to accommodate any new circumstances and changes.

The vision of the JMLM SDF is as follows:

***“A sustainable environment where all have equal access to land, opportunities and services within a rural context and within reachable distances”***

The Land Use Management System of the municipality was adopted in 2019.

Planning Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To report on Implementation of SPLUMA and Functionality of Tribunal	Number of reports on implementation of SPLUMA and Functionality of the Tribunal by June 2022	100% Implementation of SPLUMA and Functionality of Tribunal by June 2021	4 Quarterly Reports on the Implementation of SPLUMA and Functionality of Tribunal were done	4 quarterly reports on the Implementation of SPLUMA and Functionality of Tribunal by June 2022	4 quarterly reports on the Implementation of SPLUMA and Functionality of Tribunal	4 SPLUMA Tribunal meetings held by 30 <sup>th</sup> June 2023
To receive and Process all Land Development application as and when there are new applications	Number of received and processed land applications as and when there are new applications	% of received and Processed land applications as and when there are new applications by June 2021	4 Quarterly Reports on New Received and Processes Applications were done	4 quarterly reports on new received and processed all land development applications as and when there are new applications by June 2022	4 quarterly reports on new received and processed all land development applications as and when there are new applications	100% of land development applications processed as per request by 30 <sup>th</sup> June 2023

### 3.8 Local Economic Development (Including Tourism and Market Places)

Local Economic Development (LED) is one of the Key Performance Areas in the JMLM. In JMLM, the issue of LED is treated as an integral part between the community, sector departments and business sector within the JMLM.

Local Economic Development (LED) uses the development planning and implementation capacities of local government to accrue economic benefit to the locality with the aim of addressing development problems such as unemployment, poverty and market failure at the local level. While promoting the economic welfare of citizens is a critical objective of local government.

The main aim of the Joe Morolong Local Municipality as a local government is to deliver the local economic development results that to communities. Local Economic Development goals are often expressed as intangible, long-term outcomes of what JMLM wishes to achieve or change in society. LED goals are translated into actionable policies, programmes and projects with more tangible outputs, which constitute progress towards attainment of the outcomes.

JMLM has an effective LED unit which includes tourism, SMME support and EPWP divisions. The main focus of the LED unit is to achieve sustainable socio-economic development in the municipality. The municipality has an approved LED strategy that deals with and addresses the unique set of problems and opportunities of JMLM.

Total Jobs created / Top 3 initiatives	Jobs created through EPWP projects
	No.
Year -2	240
Year -1	240
Year 0	240

Local Economic Development Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To create job opportunities through EPWP programme	Number of Jobs created through Expanded Public Works Programme (EPWP) by June 2022	240 jobs created through EPWP	240 jobs were created through Expanded Public Works Programme	240 jobs created through EPWP by June 2022	240 jobs opportunities were created through EPWP	240 jobs created through Expanded Public Works Programme (EPWP) by 30 <sup>th</sup> June 2023
To support SMME development	Number of Local Economic Development Projects coordinated and supported by June 2022	24 Local Economic Development Projects coordinated and supported	24 Local Economic Development Projects coordinated and supported	24 Local Economic Development Projects coordinated and supported by June 2022	24 economic development projects were coordinated and supported	30 Local Economic Development Projects coordinated and supported by 30 <sup>th</sup> June 2023

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

### 3.9 Libraries; Archives; Museums; Galleries; Community Facilities; Other (Theatres, Zoos, Etc)

JMLM entered into an MOA with the Department of Sport, Arts and Culture for the operation of community libraries situated at Vanzylsrus, Cassel and Logaganeng. The funding from the Department is however insufficient as it partly covers employee related costs. The municipality always has to augment the budget from its own funds.

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To provide library services	Number reports on library programmes by June 2022	100% coordination of library programmes	2 reports on coordination of library services compiled	4 reports on library programmes by April 2022	4 reports on library programmes	4 reports on library programmes developed and submitted to Council and Department of Sport, Arts and Culture by 30 <sup>th</sup> June 2023
	Number of business plan developed for the requisition of funds for library by March 2022	Number of business plan developed for the requisition of funds for library by March 2021	1 business plan for the requisition of funds for library not done	1 business plan developed for the requisition of funds for library by June 2022	1 business plan developed for the requisition of funds for library	1 business plan developed for the requisition of funds for library by 31 <sup>st</sup> March 2023
	Number of MOU on library services adopted by Council and submitted to DSAC by June 2022	1 MOU on library services adopted by Council and submitted to DSAC	1 MOU on library services not adopted by Council and submitted to DSAC	1 MOU on library services adopted by Council and submitted	0 MOU on library services adopted by Council and submitted	1 Memorandum of Understanding (MOU) on library services adopted by Council and submitted by 30 <sup>th</sup> June 2023

### 3.10 Cemeteries and Crematoriums

JMLM is responsible for fencing of cemeteries through the EPWP incentive grant. Due to the high backlog of unfenced cemeteries in the area, the municipality has priorities to fence cemeteries in 15 villages per financial year. The majority of the areas are situated in communal land and the cemeteries are managed in a tribal procedures.

After fencing of cemeteries the municipality is faced with the challenge of sanitation facilities due to insufficient budget.

Cemeteries and Crematoriums Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
Fencing of cemeteries	Number of cemeteries fenced by June 2022	15 cemeteries upgraded	9 cemeteries were upgraded and achieved at the following villages: Gamadubu, Gasehunelo Wyk 10, Mosekeng, Klipom, Abbey, Bothetheletsa, Setshotshwaneng and Gamothibi	Cemeteries fenced in Heuningvlei, Gahue, Makgaladi and Vanzylsrus by June 2022	4 cemeteries fenced in Heuningvlei, Gahue, Makgaladi and Vanzylsrus	4 Cemeteries fenced in by 30 <sup>th</sup> June 2023

### 3.11 Child Care; Aged Care; Social Programmes

The Municipal Health Section (MHS) of the JTGDGM monitors Environmental Health risk factors at Child and Aged Care Facilities as part of the MHS function on behalf of the JMLM. The JMLM has a functional Special Programmes unit that deals with issues relating to and affecting vulnerable groups such as the youth, women, children, people living with disabilities, and the elderly.

Special Programmes Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
	Number of functionality of the Local AIDS Council (LAC) by June 2022	100% functionality of the LAC	2 Local AIDS Council (LAC) held	4 reports on functionality of the LAC by June 2022	4 reports on Local AIDS Council (LAC) compiled	4 reports on of Local AIDS Council (LAC) implemented and reported to Council by 30 <sup>th</sup> June 2023
To empower designated groups	Number of programs on youth development by June 2022	4 programs on youth development	4 Youth development programs not held	4 reports on programs on youth development by June 2022	2 youth empowerment programs held	1 report on programs s on youth development compiled and submitted to Council by 30 <sup>th</sup> June 2023
To empower designated groups	Number of Women & Children development programs by June 2022	4 Women & Children development programs	4 Women & Children development programs not held	4 Women & Children development programs by June 2022	1 program on Women & Children development held	1 report on Women development programs compiled and submitted to Council by 30 <sup>th</sup> September 2022
To empower designated groups	Number of programs for disabled and elderly people by June 2022	4 programs for disabled and elderly people	4 programs for disabled and elderly people not held	4 programs for disabled and elderly people by June 2022	1 program for disabled and elderly people held	1 report on disabled people programs compiled and submitted to Council by 31 <sup>st</sup> December 2022

## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape.

### 3.12 Pollution control

Environmental Pollution Control is conducted by the JTGDGM in terms of the Municipal Health Services function within the scope of the National Health Act.

### **3.13 Bio-Diversity and Landscape (Incl. Open Spaces)**

The JMLM area comprises of four, separate ecological regions, which extend beyond the Municipal boundaries. These are the Kalahari Thornveld, Ghaap Plateau, Rocky Hills and Ridges and Kuruman Sourveld. These ecological regions are reportedly not as rich in species as many such similar regions located outside of the area. However, at a more detailed level, accepting that the species composition, vegetation form and individual landscape unit's change over small distances, some 60 vegetation-landscape units which are unique to the District can be identified.

The natural environment in JMLM is reportedly in a fair condition; although poor land management has resulted in degradation of the resource base. Of particular concern is the deterioration of the natural vegetation through overgrazing, poor fire regimes, wood harvesting, misuse of wetlands, and encroachment by invasive plants and weeds. These factors are common to all veld types in Southern Africa, but the harsh climatic conditions and lack of surface water resources worsens the problems in the Northern Cape. They also contribute to a growing concern over the quality and quantity of the groundwater resources upon which much of the area depends.

The bulk of the transformation and degradation of the natural habitat has taken place in the eastern and northern parts of the JTGD, with the western and southern regions experiencing a lower impact. Subsistence agricultural activities and sprawling, unplanned human settlement resulting in dense rural settlements are key contributors to these phenomena in the eastern part of the JMLM i.e. Ditshipeng and Bothithong areas. The desperate situation many of these communities find themselves in, leads to a greater frequency of survivalist-type coping strategies and farming activities, often involving livestock, which further worsens overgrazing and exploitation of the natural habitat in the area.

Land degradation is a major feature in the eastern and northern parts of the JMLM, whilst the western and southern sections are less impacted. The main cause of land degradation is poor land use management in the villages. Poor land use management is ascribed to a number of factors including overgrazing, alien and invasive species, overstocking, injudicious use of fire, limited awareness and urban development. It is argued that agriculture is most likely the greatest threat to the vegetation, in the form of overgrazing, which changes the plant community composition by eliminating certain species (generally palatable species) and encourages bush encroachment.

The mining activity in the municipality also has a direct impact on vegetation by way of the physical destruction of vegetation within the mining footprint. The effects of dust particulate emissions from the plants as well as along the transport routes will also have an impact on the vegetation.

## **COMPONENT F: HEALTH**

This component includes: clinics; ambulance services; and health inspections. The 9 Municipal Health functions defined as Environmental Health were delegated to District and Metro Municipalities in South Africa. Environmental Health is the only preventative health service designed to identify and contain environmental risk factors that have a detrimental effect to the health of communities.

### **3.14 Clinics**

Health Care Facilities and Hazardous Medical Waste are monitored by the Municipal Health Section of JTGD from an Environmental Health perspective.

### 3.15 Ambulances

This service is not provided by the JMLM, but by the Provincial Department of Health.

### 3.16 Health Inspection; Food & Abattoir Licensing; Inspections; Etc.

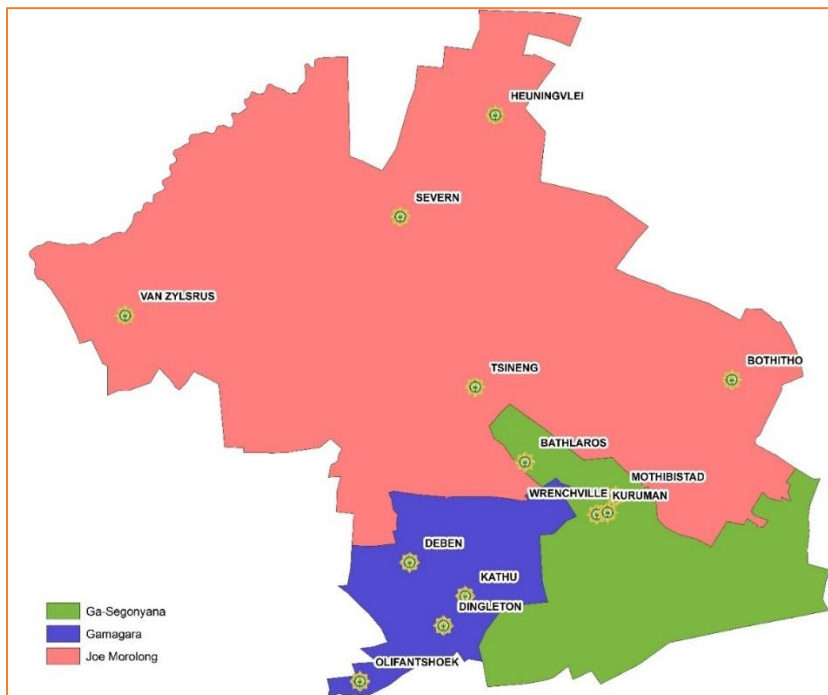
This function is carried out by the JTGD Municipal Health Section. In the JMLM area, the District regularly do health inspections in schools and tuckshops in all the various villages.

## COMPONENT G: SECURITY AND SAFETY

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

### 3.17 Police

This section falls under the function of the South African Police Service. The JMLM has the highest number of police stations as compared to the other two local municipalities. There are 13 police stations/precincts in the JTG District Municipality, Six of which are located in Joe Morolong as shown on the figure below. It should however be noted that there are no magistrate courts linked to the police stations, except for the periodical court situated in Bothithong. This poses a challenge as there needs to be constant travelling to the courts situated in Ga-Segonyana LM.



Source: StatsSA 2016

### 3.18 Fire

Fire is an ecological disturbance which is required to maintain community structure and species diversity. Overgrazing eliminates the grassy sward and fires are carried less easily and frequently across the landscape. This encourages bush encroachment which further inhibits grass regrowth. Eventually, however, extreme wildfire conditions, i.e. drought and hot temperatures, lead to fires which are too intense for even trees to survive that can burn through encroached areas. The JMLM

has signed an agreement with the Working on Fire (WOF) Organisation, who are appointed by the Department of Forestry, Fisheries and the Environment. Through the WOF, the municipality has a number of firefighters on site who specialise in the management of veld and forest fires in JMLM.

Fire Services Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To promote safe and clean environment	Number of fire suppression attended to and emergency incidents by June 2022	100% of fire suppression and emergency incidents attended to	100% of fire suppression and emergency incidents attended to	4 quarterly reports on fire suppression and emergency incidents attended by June 2022	4 quarterly reports on fire suppression and emergency incidents attended	4 reports on Veld and Forest fire suppression and emergency incidents attended to by 30 <sup>th</sup> June 2023

## COMPONENT H: SPORTS AND RECREATION

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

### 3.19 Community Halls and Recreational Facilities

The municipality is responsible for 21 community halls and 3 sports facilities in their respective areas are maintained.

Community Halls and Recreational Facilities Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To provide recreational facilities	Number of community halls constructed by June 2022	Construction of 2 community halls at Cardington and Washington	Community halls not constructed at Cardington and Washington	Construction of 2 community halls at Cardington and Washington by June 2022	0 community halls at Cardington and Washington constructed	2 community halls constructed at Cardington and Washington by 30 <sup>th</sup> June 2023
	Number of community halls maintained by June 2022	100% maintenance of community halls (Maphiniki, Mecwetsaneng, Rusfontein Wyk 10 and Bothithong)	Community halls not maintained in (Maphiniki, Mecwetsaneng, Rusfontein Wyk 10 and Bothithong)	100% maintenance of community Rusfontein Wyk 10, Heuningvlei and Laxey) by June 2022	0% maintenance of community Rusfontein Wyk 10, Heuningvlei and Laxey)	2 community halls maintained at Glenred and Heuningvlei 30 <sup>th</sup> June 2023

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate services policies, financial services, human resource services, ICT services, property services. All policies have been consulted with all stakeholders, thereafter submitted to Council for approval and implementation.

### 3.20 Executive and Council

The Mayor heads the municipal council and fulfils this task by working together with the councillors. The Mayoral committee is functional and it ensures that there is integration of the work of Council between portfolio committee and respective departments. The Municipal Council comprises of the governing and decision-making body of the Municipality whilst the municipal officials focus on the implementation of the Council resolutions. Council determines the direction of the Municipality through the development of the IDP and allocation of resources. Council develops policies and the responsibility of the municipal staff is to ensure that those policies are implemented. The accounting officer heads the administration of the municipality.

The Joe Morolong Local Municipality as outlined in its Integrated Development Plan set out clearly defined strategic objectives and targets in line with its powers and functions as guided by the Constitution of the Republic of South Africa, Act No. 108 of 1996 and relevant legislative requirements. Its endeavours to deliver sustainable and quality services were supported through the implementation and monitoring of adopted Council policies in an effort to deliver on its mandate. During this period, JMLM made great strides in delivering services to its communities.

Executive and Council Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To develop Updated Council resolution register	Number of updated quarterly Council resolution register developed and submitted by June 2022	4 quarterly updated Council resolution registers developed and submitted to council	4 quarterly updated Council resolution registers developed and submitted to council	4 quarterly updated Council resolution registers developed and submitted to Council by June 2022	4 updated council resolution registers were developed	4 quarterly updated Council resolution registers developed and submitted to Council by 30 <sup>th</sup> June 2023
To develop Council and committee itinerary and hold 4 committee and council meetings	Number of regulated Council committee meetings and Council meetings by June 2022	4 Council Committee meetings and 4 Council meetings to be held	1 Council Committee meetings and 1 Council meetings held	4 Council committee meetings and 4 Council meetings held by June 2022	4 Council committee meetings and 4 Council meetings held	4 Council committee meetings held by 30 <sup>th</sup> June 2023



### 3.21 Financial Services

The Chief Financial Officer heads the Financial Services Department, with six divisions in the department. The divisions are as follows:

- a. Revenue Management
- b. Expenditure Management
- c. Supply Chain Management
- d. Assets Management
- e. Budget and Reporting
- f. Financial Control

The financial services department is responsible for the implementation and compliance with Municipal Finance Management Act, Act No. 56 of 2003, the Municipal Property Rates Act, Act No. 6 of 2004, as amended, the Municipal Systems Act, Act No. 32 of 2000, as amended, Fiscal Powers and Functions Act, Act No. 12 of 2007, the Division of Revenue Act, to mention but a few.

The department is also responsible for ensuring general compliance with supply chain management policy of the municipality, whilst the expenditure section identifies any irregular expenditure that may have been incurred as a result of non-compliance.

Financial Services Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To maintain a strong, sustainable municipal financial position	Number of monthly cashbook and bank reconciliation reports by June 2022	12 monthly cashbook and bank reconciliation reports	12 monthly cashbook and bank reconciliation reports done	12 monthly cashbook and bank reconciliation reports compiled and submitted to Council by June 2022	12 monthly cashbook and bank reconciliation reports compiled and submitted Council by June 2022	12 monthly cashbook and bank reconciliation reports compiled and submitted to Council by 30 <sup>th</sup> June 2023
	Number of audit action plan implemented by June 2022	12 monthly reports on implementation of audit action plan	12 monthly report on implementation of Audit Action plan in place	4 quarterly reports on implementation of audit action plan and submitted to Council and Treasury by June 2022	4 quarterly reports on implementation of audit action plan and submitted to Council and	4 quarterly reports on implementation of audit action plan developed and submitted to Council and Treasury by 30 <sup>th</sup> June 2023
To increase revenue collection to 100%	Number of monthly reports on timeous and accurate billing by June 2022	12 monthly reports on timeous billing and mailing of accounts to customers	12 monthly reports on timeous billing and submission of accounts	12 monthly reports on timeous billing and mailing of accounts to customers and submission to Council by June 2022	12 monthly reports on timeous billing and mailing of accounts to customers and submission to Council by June 2022	12 monthly reports on timeous billing and mailing of accounts to customers and submission to Council by 30 <sup>th</sup> June 2023

To ensure revenue collection	Number of reports on collection rate by June 2022	50% average actual collection rate	25% average actual collection for fourth quarter	50% average actual collection rate by June 2022	50% average actual collection rate by June 2022	N/A
Data cleansing	Number of reports on bad debts written off by June 2022	100% bad debts written off	12 reports on bad debts written off compiled	4 reports on Bad debts written off and traceable debtors by June 2022	3 reports on Bad debts written off and traceable debtors were developed but still awaits the council approval.	4 reports on Bad debts written off developed and submitted to Council by 30 <sup>th</sup> June 2023

### 3.22 Human Resource Services

Workforce management is part of the broader organisational management strategy which seeks to amongst others ensure that there is a defined process of accountability as well as adequate procedures to deal with administrative matters. To this end, the municipal Council has approved a number of policies and procedures aimed at improving management and administration affairs within the municipality. The Human Resource unit deals with the following issues: Labour relations, Health and Safety, Skills Development, Leave days, Employees Files, Medical aids and deduction from Employees' salaries.

Human Resource Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To conduct policy workshops	Number of workshops on Policies by June 2022	2 workshops on a code of conduct for employees	No workshop held	2 workshops on policies held by June 2022	4 workshops on policies held	2 workshops on policies held by 30 <sup>th</sup> June 2023
To review Employment Equity Plan (EEP)	Number of reports on reviewed Employment Equity Plan (EEP) by June 2022	1 reviewed Employment Equity Plan	1 Reviewed Employment Equity plan	4 reports on reviewed Employment Equity Plan (EEP) by June 2022	4 reports on reviewed Employment Equity plan were done and submitted to Department of Labour	4 reports on Employment Equity Plan (EEP) reviewed and submitted to Council by 30 <sup>th</sup> June 2023
To develop job description for new positions	Number of job descriptions developed by June 2022	2 job descriptions developed	Job descriptions for new positions not developed	1 report on job descriptions developed by June 2022	0 report on job descriptions developed	4 reports on job descriptions developed/reviewed and submitted to Council by 30 <sup>th</sup> June 2023
To fill all vacant budgeted posts	Number of vacant budgeted positions filled by June 2022	All vacant budgeted positions filled	Vacant budgeted positions not filled	All vacant budgeted positions filled by June 2022	6 vacant budgeted positions filled	86 vacant budgeted positions filled by 30 <sup>th</sup> June 2023

### 3.23 Information and Communication Technology (ICT) Services

The mandate of the Information Communication Technology (ICT) unit is to provide ICT services and support to the Municipality and to provide secure, reliable and consistent platform for information accessibility. Information Technology in all its forms, is essential to manage the transactions, information and knowledge necessary to ensure that citizens' demand for service delivery, administration and operational efficiencies are met. Due to its pervasive nature, it is essential for Joe Morolong Local Municipality to ensure that the unit delivers its functions in an efficient manner.

It is noted that there are serious ICT network and infrastructure challenges in rural areas. This causes poor internet connection, which means that local communities cannot easily access the municipal info posted on the municipal website.

ICT Services Policy Objectives taken from IDP						
Strategic Objective	Key Performance Indicator	2020/21		2021/22		2022/23
		Target	Actual	Target	Actual	Target
To report on publicized all municipal activities/events on	Number of publicized activities/events on municipal website by June 2022	100% publicized activities/events on municipal website	100% Publicized municipal activities/events on municipal website	4 quarterly publicized activities/events on municipal website by June 2022	4 Municipal activities/ events were publicized on municipal website	4 reports on publicized municipal activities/events on the municipal website by 30 <sup>th</sup> June 2023

### 3.24 Property, Legal, Risk Management and Procurement Services

This function is performed to provide sound legal advice to the institution and also manage administration. In its quest to ensure that the Council is properly advised on issues relating to rule of law, management of information, safeguarding of municipal assets and the creation of environment that enables Council to perform its oversight function. Measurable objectives for the period under review were as follows:

- To ensure effective administration support and legal services
- To ensure effective Management of Municipal Offices
- To Ensure Proper Document Management

#### Key performance highlights:

##### Construction and maintenance of buildings (Property)

JMLM has various assets ranging from immovable property such as land and buildings to movable property such as motor vehicles and furniture. Land and buildings are generally considered to be investments. The Municipality has a duty to ensure that they not only safeguarded but also maintain them to appreciate in value. The lack of office space poses a serious risk to the municipality's ability to deliver in its core mandate, which is to provide basic service delivery. A workforce that is not properly accommodated and secure often have low morale.

#### Key performance highlights

The Municipality's property management system is implemented by Corporate Services directorate which deals only with daily maintenance of municipal offices. Joe Morolong Local Municipality intends to refurbish; construct and maintain municipal building offices as part of value driven process which seeks to contribute to developing its buildings in a lifelong perspective. The intention is also to apply sustainable technology when upgrading all existing municipal buildings, which is environmentally friendly to water and waste, energy efficiency and smart technology that give low operating costs and efficient building operations.

##### Provision of security management services to assets

The Joe Morolong Local Municipality values its human resources. Strides are continuously being taken to ensure that its employees and councillors are safeguarded. Although there are security breaches in the water treatment works, the municipality continue to use the services of security companies to ensure that assets and lives of officials are safeguarded.

##### Legal Services

Legal support is provided to senior management, directorates and Council on the exercise of powers, functions and decision making. The objective that relates to this function is to ensure effective administration support and legal services. Generally, the state of the Municipality's legal

matters has been stable, with all the potential legal threats having been dealt with as and when they come to the attention of the institution.

***Automation of Records and Improved Record Management Processes and Procedures***

The municipality's Records Section is entrusted with the responsibility of ensuring that the institutional information and heritage is properly managed. Its objective is to ensure proper document management system in line with the National Archives and Record Service Act. Although the management of records in the municipality is still decentralized, great strides have been made to ensure that the Records management unit is capacitated with training and support from COGTA.

Though there has been no litigation relating to lack of access to information, the poor record keeping is likely to be mostly felt when the Auditor General expresses its opinion about limitation of scope during the audit.

**COMPONENT J: MISCELLANEOUS**

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

The Municipality does not provide any of the above services.

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

### STRATEGIC FOCUS AREA 1

#### GOOD GOVERNANCE, COMMUNICATION AND TRANSFORMATION

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
<b>KPI 1</b>	Good Governance and Community Participation	Number of Annual Audit Action Plans developed and adopted by Council	1 Annual Audit Action Plan developed and adopted by Council by 31 January 2023	Achieved  1 monthly report on implementation of Audit Action plan in place	1 Annual Audit Action Plan developed and adopted by Council by 31 January 2023	Achieved	N/A	N/A	Audit action plan  Council resolution
<b>KPI 2</b>	Good Governance and Community Participation	Number of Systems of delegation reviewed	1 System of delegation reviewed by 01 July 2022	Achieved  1 report on reviewed system of delegation compiled	0 System of delegation reviewed by 01 July 2022	Not achieved	The system of delegation could not be reviewed due to internal challenges	The system of delegation will be reviewed in the next financial year	Memo
<b>KPI 3</b>	Good Governance and Community Participation	Number of IDP process plans developed and adopted by Council	1 IDP process plan developed and adopted by Council by 31 August 2022	Achieved  IDP process plan developed and adopted by Council	1 IDP process plan developed and adopted by Council by 13 December 2022	Not achieved	The Council that was scheduled for August 2022 was postponed due to community protests	Council meetings that are scheduled to deal with compliance matters will be scheduled ahead of time to allow for rescheduling in case of unforeseen circumstances	Copy of IDP Process Plan  Council resolution
<b>KPI 4</b>	Good Governance and Community Participation	Number of IDP/ Budget community consultation meetings held in all wards	30 IDP/ Budget community consultation meetings held in all wards by 30 June 2023	Achieved  2 meetings on IDP/ Budget community consultation were held in all wards	30 IDP/ Budget community consultation meetings held in all wards by 30 June 2023	Achieved	N/A	N/A	Attendance registers, reports of community consultation meetings

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
<b>KPI 5</b>	Good Governance and Community Participation	Number of IDP documents developed and submitted to Council	1 IDP document developed and submitted to Council by 31 May 2023	Achieved  1 IDP & Budget for 2021/22 Financial Year submitted and adopted by Council	1 IDP document developed and submitted to Council by 31 May 2023	Achieved	N/A	N/A	Consolidated needs analysis report  Copy of Draft IDP & Council resolution  Final IDP and Council resolution
<b>KPI 6</b>	Good Governance and Public Participation	Number of Annual performance assessments conducted for the Municipal Manager and Managers reporting directly to the Municipal Manager	1 Annual performance assessments conducted for the Municipal Manager and Managers reporting directly to the Municipal Manager by 30 June 2023	Not Achieved 0 quarterly reports on assessment of the municipal manager and managers reporting directly to the municipal manager	0 Annual performance assessments conducted for the Municipal Manager and Managers reporting directly to the Municipal Manager by 30 June 2023	Not achieved	The Annual performance assessments was conducted due to clashing of scheduled dates.	Executive management meetings that are scheduled to deal with compliance matters will be scheduled ahead of time to allow for rescheduling in case of unforeseen circumstances	Memo
<b>KPI 7</b>	Good Governance and Public Participation	Number of External newsletters compiled and published	2 External newsletters compiled and published by 30 June 2023	Not Achieved  0 documents submitted for compilation external newsletters	2 External newsletters compiled and published by 30 June 2023	Achieved	N/A	N/A	Copies of external newsletters
<b>KPI 8</b>	Municipal Transformation and Institutional Development	Number of IDP Representative Forum meetings held	4 IDP Representative Forum meetings held by 30 June 2023	Achieved 4 IDP Representative Forum meetings held	3 IDP Representative Forum meetings held by 30 June 2023	Not achieved	There was a combine meeting in March 2023 that dealt with Q2 and Q3 matters	N/A	Minutes of IDP Representative Forum meetings  Attendance registers
<b>KPI 9</b>	Municipal Transformation and Institutional	Number of	4 IDP/Budget/PMS Steering Committee	N/A	1 IDP/Budget/PMS Steering Committee meeting held by 30 June	Not achieved	IDP/Budget/PMS Steering Committee meetings were not	Executive management meetings that are scheduled to deal	Minutes of IDP/Budget/PMS Steering Committee meetings

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
	Development	IDP/Budget/PMS Steering Committee meetings held	meetings held by 30 June 2023		2023		fully implemented due to clashing of scheduled dates.	with compliance matters will be scheduled ahead of time to allow for rescheduling in case of unforeseen circumstances	Attendance registers
<b>KPI 10</b>	Municipal Transformation and Institutional Development	Number of departmental meetings held	12 departmental meetings held by 30 June 2023	N/A	4 departmental meetings held by 30 June 2023	Not achieved	Departmental meeting Committee meetings were not fully implemented due to clashing of scheduled dates.	Departmental meetings that are scheduled to deal with compliance matters will be scheduled ahead of time to allow for rescheduling in case of unforeseen circumstances	Minutes of departmental meetings  Attendance registers
<b>KPI 11</b>	Municipal Transformation and Institutional Development	Number of management meetings held	12 management meetings held by 30 June 2023	N/A	4 management meetings held by 30 June 2023	Not achieved	Management Committee meeting were not fully implemented due to clashing of scheduled dates.	Management meetings that are scheduled to deal with compliance matters will be scheduled ahead of time to allow for rescheduling in case of unforeseen circumstances	Minutes of management meetings  Attendance registers
<b>KPI 12</b>	Municipal Transformation and Institutional Development	Number of extended management meetings held	4 Extended management meetings held by 30 June 2023	N/A	3 Extended management meetings held by 30 June 2023	Not achieved	Extended management meetings were not fully implemented due to clashing of scheduled dates.	Extended management meetings that are scheduled to deal with compliance matters will be scheduled ahead of time to allow for rescheduling in case of unforeseen circumstances	Minutes of extended management meetings  Attendance registers

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
KPI 13	Municipal Transformation and Institutional Development	Number of MSCOA and IT meetings held	12 MSCOA and IT meetings held by 30 June 2023	N/A	3 MSCOA and IT meetings held by 30 June 2023	Not achieved	MSCOA and IT meeting were not fully implemented due to clashing of scheduled dates.	MSCOA and IT meetings that are scheduled to deal with compliance matters will be scheduled ahead of time to allow for rescheduling in case of unforeseen circumstances	Minutes of MSCOA and IT meetings  Attendance registers
KPI 14	Good Governance and Public Participation	Number of Top Layer SDBIPs for 2023/24 developed	1 Top Layer SDBIP for 2023/24 developed by 30 June 2023	1 Top Layer SDBIP for 2022/23 developed by June 2022	1 Top Layer SDBIP for 2023/24 developed by 30 June 2023	Achieved	N/A	N/A	Copy of 2023/24 Top Layer SDBIP
KPI 15	Good Governance and Public Participation	Number of Performance Agreements for Senior Managers and Accounting Officer developed and signed	6 Performance Agreements for Senior Managers and Accounting Officer developed and signed by 30 July 2022	1 technical SDBIP developed and performance agreements for senior managers and accounting officer signed by June 2022	6 Performance Agreements for Senior Managers and Accounting Officer signed by 30 July 2022	Achieved	N/A	N/A	Copies of signed Performance Agreements
KPI 16	Municipal Transformation and Institutional Development	Number of middle managers with signed Performance Plans	27 Middle managers with signed Performance Plans by 30 June 2023	N/A	27 Middle Managers with signed Performance Plans by 30 June 2023	Achieved	N/A	N/A	Copies of Signed Performance Plans
KPI 17	Good Governance and Public Participation	Number of performance reports on Top Layer SDBIP developed and submitted to Council	4 performance reports on Top Layer SDBIP developed and submitted to Council by 30 June 2023	4 performance reports on Top Layer SDBIP submitted and adopted by Council by June 2022	4 performance reports on Top Layer SDBIP developed and submitted to Council by 30 June 2023	Achieved	N/A	N/A	Performance reports and Council resolutions



KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
KPI 18	Good Governance and Public Participation	1 MFMA Section 72 report submitted to the Mayor by 25 January 2023	Number of MFMA Section 72 report submitted to the Mayor	1 section 72 report submitted and adopted by Council by 25 <sup>th</sup> January 2022	1 MFMA Section 72 report submitted to the Mayor by 25 January 2023	Achieved	N/A	N/A	Copy of MFMA Section 72 report and proof of submission to Mayor
KPI 19	Good Governance and Public Participation	Number of Annual Reports submitted to Council	1 Annual Report submitted to Council by 31 January 2023	N/A	1 Annual Report submitted to Council by 31 January 2023	Achieved	N/A	N/A	Copy of Annual Report and Council resolution
KPI 20	Good Governance and Public Participation	Number of Annual Performance Reports developed and submitted to the Auditor General 's office	1 Annual Performance Report developed and submitted to the Auditor General 's office by 31 August 2022	1 Annual Performance Report adopted by council and submitted to COGHSTA, Treasury, and Auditor General by 31 <sup>st</sup> August 2022	1 Annual Performance Report developed and submitted to the Auditor General's office by 01 September 2022	Not achieved	The Annual Performance Report was developed but not submitted to AG on time due to the malfunctioning of the submission software device.	The municipality will deliver the Annual Performance Report to Auditor General through handdelivery in the current year.	Annual Performance Report
KPI 21	Good Governance and Public Participation	Number of reports on publicized Municipal activities/events on the Municipal website developed	4 reports on publicized Municipal activities/events on the Municipal website developed by 30 June 2023	Achieved Municipal activities/ events were publicized on municipal website	4 reports on publicized Municipal activities/events on the Municipal website developed by 30 June 2023	Achieved	N/A	N/A	Reports on publicized Municipal activities/events
KPI 22	Good Governance and Public Participation	Number of Municipal website reports compiled in line with MFMA Section 75	4 Municipal website report compiled in line with MFMA Section 75 by 30 June 2023	N/A	4 Municipal website report compiled in line with MFMA Section 75 by 30 June 2023	Achieved	N/A	N/A	Municipal website report  Proof of uploading
KPI 23	Municipal Transformation and Institutional Development	Number of workshops on Policies held	2 workshops on policies held by 30 June 2023	Achieved 2 workshops on policies held by June 2022	1 workshop on policies by 30 June 2023	Not achieved	The first policies workshops were not conducted as the policies were still been reviewed by department. .	The policy workshops were conducted in the fourth quarter of the financial year in line with the IDP and	Written invitation for workshop  Attendance registers of workshop on policies

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
								Budget approval processes.	
<b>KPI 24</b>	Good Governance and Public Participation	Number of quarterly updated Council resolution registers developed and submitted	4 quarterly updated Council resolution registers developed and submitted by 30 June 2023	Achieved 4 updated council resolution registers were developed	4 quarterly updated Council resolution registers developed and submitted by 30 June 2023	Achieved	N/A	N/A	Copies of updated Council resolution register
<b>KPI 25</b>	Good Governance and Public Participation	Number of Council committee itineraries developed and submitted	1 Council committee itinerary developed and submitted by 30 June 2023	N/A	1 Council committee itinerary developed and submitted by 30 June 2023	Achieved	N/A	N/A	Council committee itinerary
<b>KPI 26</b>	Good Governance and Public Participation	Number of Council minutes complied and submitted to Council	4 Council minutes complied and submitted to Council by 30 June 2023	N/A	4 Council minutes complied and submitted to Council by 30 June 2023	Achieved	N/A	N/A	Agenda and attendance registers
<b>KPI 27</b>	Good Governance and Public Participation	Number of Strategic risk management assessment registers developed and submitted to the Audit and Performance Committee	1 Strategic risk management assessment registers developed and submitted to the Audit and Performance Committee by 31 March 2023	N/A	1 Strategic risk management assessment registers developed and not submitted to the Audit and Performance Committee by 31 March 2023	Not achieved	The register was developed but it was not submitted to the Audit and Performance Committee as the committee was not appointed yet.	The Audit and Performance Committee was appointed in the fourth quarter and management will ensure that the Strategic risk management assessment registers in the next Audit and Performance Committee meeting.	Strategic risk management assessment register  Attendance Registers

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
KPI 28	Good Governance and Public Participation	Number of reports on the monitoring of the risk registers	4 reports on the monitoring of the risk register compiled by 30 June 2023	N/A	0 reports on the monitoring of the risk register compiled by 30 June 2023	Not achieved	Risk register was not aligned with the IDP.	Management will ensure alignment with the IDP in the next financial year.	Memo
KPI 29	Good Governance and Public Participation	Number of risk management governance policies developed and submitted	5 risk management governance policies developed and submitted by 30 June 2023	N/A	5 risk management governance policies developed and submitted by 30 June 2023	Achieved	N/A	N/A	Risk Management policies
KPI 30	Good Governance and Public Participation	Number of Audit strategy and audit plans developed and submitted to the Audit and Performance Committee	1 Audit strategy and audit plan developed and submitted to the Audit and Performance Committee by 30 June 2023	N/A	1 Audit strategy and audit plan developed and submitted to the Audit and Performance Committee by 30 June 2023	Achieved	N/A	N/A	Audit strategy and audit plan  Minutes of the Audit and Performance Committee Meeting
KPI 31	Good Governance and Public Participation	Number of reports on internal audit performed and submitted to the Audit and Performance Committee	4 reports on internal audit performed and submitted to the Audit and Performance Committee by 30 June 2023	N/A	4 reports on internal audit performed and submitted to the Audit and Performance Committee by 30 June 2023	Achieved	N/A	N/A	Reports on internal audit performed
KPI 32	Good Governance and Public Participation	Number of Audit and Performance Committee reports developed and submitted to Council	4 Audit, Performance and Risk Committee and Performance reports developed and	N/A	0 Audit, Performance and Risk Committee and Performance reports developed and submitted to Council by 30 June 2023	Not achieved	The Audit, Performance and Risk Committee has not completed the Audit, Performance and Risk Committee	The Audit, Performance and Risk Committee was appointed in the fourth quarter and the report will be	Reports on Audit and Performance Committee submitted to Council  Council Resolution

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
			submitted to Council by 30 June 2023				report, because of the Audit, Performance and Risk Committee contract lapsing.	submitted to Council in the next quarter.	
<b>KPI 33</b>	Good Governance and Public Participation	Number reports on MPAC developed and submitted to Council	4 reports on MPAC developed and submitted to Council by 30 June 2023	N/A	1 report on MPAC developed and submitted to Council by 30 June 2023	Not achieved	Due to internal challenges, no meeting took place in Q1 to Q3.	The MPAC internal challenges were resolved in quarter 4 and the report was developed and submitted to Council.	MPAC report
<b>KPI 34</b>	Municipal Transformation and Institutional Development	Number of Reports on Labour relations matters developed and submitted	1 Report on Labour relations matters developed and submitted by 30 June 2023	N/A	1 Report on Labour relations matters developed and submitted by 30 June 2023	Achieved	N/A	N/A	Reports on Labour relation matters
<b>KPI 35</b>	Good Governance and Public Participation	Number of reports on Legal Services matters developed and submitted	4 reports on Legal Services matters developed and submitted by 30 June 2023	N/A	1 Report on Legal Services matters developed and submitted by 30 June 2023	Achieved	N/A	N/A	Reports on Legal Services matters
<b>KPI 36</b>	Good Governance and Public Participation	% of SLA, MOU and MOA reviewed per request	100% of SLA, MOU and MOA reviewed per request by 30 June 2023	N/A	0% of SLA, MOU and MOA reviewed per request by 30 June 2023	Not achieved	There was no SLA/MOU/MOA that needed to be reviewed	A register indicating expiry date of SLA/MOU/MOA will be developed and reported on	Memo
<b>KPI 37</b>	Municipal Transformation and Organizational Development	Number of reports on Employment Equity Plan (EEP) reviewed	4 reports on Employment Equity Plan (EEP) reviewed by 30 June 2023	N/A	4 reports on Employment Equity Plan (EEP) reviewed by 30 June 2023	Achieved	N/A	N/A	Copies of reviewed Employment Equity Plan  Proof of submission to Department of Labour
<b>KPI 38</b>	Municipal Transformation and Organizational Development	Number of reports on IT developed and submitted	4 reports on IT developed and submitted by 30 June	Achieved 4 quarterly reports on functionality of IT	4 reports on IT developed and submitted by 30 June 2023	Achieved	N/A	N/A	Reports on IT

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
			2023						
<b>KPI 39</b>	Municipal Transformation and Organizational Development	Number of reports on job descriptions developed/reviewed and submitted	4 reports on job descriptions developed/reviewed and submitted by 30 June 2023	Not Achieved  0 report on job descriptions developed	4 reports on job descriptions developed/reviewed and submitted by 30 June 2023	Achieved	N/A	N/A	Copies of job descriptions developed  Job descriptions report
<b>KPI 40</b>	Municipal Transformation and Organizational Development	Number of vacant budgeted positions filled	86 vacant budgeted positions filled by 30 June 2023	Not Achieved  6 vacant budgeted positions filled	41 vacant budgeted positions filled by 30 June 2023	Not achieved	Other positions could not be filled due to budget constraints	Positions will be filled in the next financial year	Report on vacant positions filled  Appointments letters
<b>KPI 41</b>	Municipal Transformation and Organizational Development	Number of Work Skills Plans developed and submitted to LGSETA	1 Work Skills Plan developed and submitted to LGSETA by 30 April 2023	Achieved 3 training reports on Work Skills Plan (WSP) developed & submitted to council, and LGSETA	1 Work Skills Plan developed and submitted to LGSETA by 30 April 2023	Achieved	N/A	N/A	Work Skills Plan  Council resolution
<b>KPI 42</b>	Municipal Transformation and Organizational Development	Number of training reports developed and submitted	4 training reports developed and submitted by 30 June 2023	Achieved 4 training reports submitted to Council	4 training reports developed and submitted by 30 June 2023	Achieved	N/A	N/A	Copies of training reports
<b>KPI 65</b>	Good Governance and Public Participation	Number of reports on Local AIDS Council (LAC) implemented and reported to Council	4 reports on Local AIDS Council (LAC) implemented and reported to Council by 30 June 2023	Achieved 4 reports on Local AIDS Council (LAC) compiled	2 reports on Local AIDS Council (LAC) implemented but not reported to Council	Not achieved	LAC meetings could not be held in Q4 as the date clashed with the National AIDS Council event held in Durban	Local AIDS Council (LAC) will be implemented in the next quarter	Local AIDS Council reports  Attendance report  List of activities on LAC
<b>KPI 66</b>	Good Governance and Public Participation	Number of reports on programs on youth development compiled and submitted	1 report on programs on youth development compiled and submitted by 30 June 2023	Not Achieved 2 youth empowerment programs held	1 report on programs on youth development compiled and submitted by 30 June 2023	Achieved	N/A	N/A	Youth development Report  Attendance report  List of youth programmes held

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
KPI 67	Good Governance and Public Participation	Number of reports on Women development programs compiled and submitted	1 report on Women development programs compiled and submitted by 30 September 2022	Not Achieved 1 program on Women & Children development held	1 report on Women development programs compiled and submitted by 30 September 2022	Achieved	N/A	N/A	Women development Report  Attendance report  List of woman programmes held
KPI 68	Good Governance and Public Participation	Number of reports on Children development programs compiled and submitted	1 report on Children development programs compiled and submitted by 31 December 2022	Not Achieved 1 program on Women & Children development held	1 report on Children development programs compiled and submitted by 31 December 2022	Achieved	N/A	N/A	Children development Report  Attendance report  List of Children programmes held
KPI 69	Good Governance and Public Participation	Number of reports on disabled people programs compiled and submitted	1 report on disabled people programs compiled and submitted by 31 December 2022	Not Achieved 1 program for disabled and elderly people held	1 report on disabled people programs compiled and submitted by 31 December 2022	Achieved	N/A	N/A	Disabled people Report  List (of disabled people programmes held
KPI 70	Good Governance and Public Participation	Number of reports on elderly people programs compiled and submitted	1 report on elderly people programs compiled and submitted by 31 December 2022	Not Achieved 1 program for disabled and elderly people held	1 report on elderly people programs compiled and submitted by 31 December 2022	Achieved	N/A	N/A	Elderly people Report  List of elderly people programmes held
KPI 75	Good Governance and Public Participation	Number of Ward committee meetings held	180 Ward committee meetings held by 30 June 2023	Target achieved 15 ward committee stipends paid by June 2022	173 Ward committee meetings held by 30 June 2023	Not achieved	Ward Committee meetings could not be fully conducted due to clashing of municipal events	A corporate calendar will be developed to ensure that municipal events do not clash	Ward committees reports and Attendance registers

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
KPI 76	Good Governance and Public Participation	Number Speaker's Forum meetings coordinated	4 Speaker's Forum meetings coordinated by 30 June 2023	Not Achieved 2 speakers forum meetings held	4 Speaker's Forum meetings coordinated by 30 June 2023	Achieved	N/A	N/A	Minutes of the meetings and attendance registers

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
KPI 43	Basic Service Delivery and Infrastructure Development	% of queries on electricity attended to and resolved in JMLM	100% of queries on electricity attended to and resolved in JMLM by end 30 June 2023	Achieved 96% queries on electricity received and attended to in JMLM area	100% of queries on electricity attended to and resolved in JMLM by end 30 June 2023	Achieved	N/A	N/A	Report on electricity queries resolved  Electricity Queries register  Signed off job cards
KPI 44	Basic Service Delivery and Infrastructure Development	Km's of Roads Upgraded from Gravel to Tar at Tsaelengwe (1.5km) and Washington (1km)	2,5 Km's of Road Upgraded from Gravel to Tar at Tsaelengwe (1.5km) and Washington (1km) by 30 June 2023	Target not Achieved  3.3km of roads upgraded (Paved or Tarred) in JMLM  <ul style="list-style-type: none"> <li>Makhubung Internal Road Phase 6 Tared - 05 April 2022 Completed - 1 440m Tarred</li> <li>Tsaelengwe Internal Road - 12 May 2022 Completed – Paved 930m</li> </ul> Washington Internal Road - 04 February 2022 Completed - 930m	2.2 km's of roads upgraded:  <ul style="list-style-type: none"> <li>Tsaelengwe – 1.5km Achieved</li> <li>Washington – 700m Achieved</li> </ul> The following projects were also completed:  <ul style="list-style-type: none"> <li>Upgrading of Churchill to Klein Neira Phase 6 – 2.9km</li> <li>Makhubung Phase 1,2,3 - 1.961km</li> </ul>	Not achieved	<ul style="list-style-type: none"> <li>Washington road was affected by Contract Price Adjustment (CPA) and therefore the scope was reduced with 300m</li> </ul> Churchill to Klein Neira Phase 6 and Makhubung Phase 1,2,3 are both SLP funded projects. Project	<ul style="list-style-type: none"> <li>Washington road was handed over to the Contractor on 25 January 2023, which was in the 2<sup>nd</sup> half of the FY. Already fuel- and material prices escalated more than originally planned for and had a negative impact on the planned scope. Road projects must start as soon as funding is</li> </ul>	<ul style="list-style-type: none"> <li>Close out reports</li> </ul>

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
				Paved			confirmations were received too late to include in SDBIP	committed and available.	
<b>KPI 45</b>	Basic Service Delivery and Infrastructure Development	Km's of Roads Bladed	500km's of Road bladed by 30 June 2023	Target not Achieved  3.3km of roads upgraded (Paved or Tarred) in JMLM	1130,66km's of Road bladed by 30 June 2023	• Achieved	N/A	• N/A	• Quarterly Roads bladed reports indicating the km's maintained
<b>KPI 46</b>	Basic Service Delivery and Infrastructure Development	Number of households served with quality basic water supply at Bojelapotsane (47), Bush Buck (553), Esperenza/Churchill (144), Madula Ranch (292), Shalaneng (173), Penryn (76), Ganghaai (94), Permonkie (53) and Gamakgatle (69)	1 500 households served with quality basic water supply at Bojelapotsane (47), Bush Buck (553), Esperenza/Churchill (144), Madula Ranch (292), Shalaneng (173), Penryn (76), Ganghaai (94), Permonkie (53) and Gamakgatle (69) by 30 June 2023	Target exceeded  10 Villages were provided with access to water infrastructure  <ul style="list-style-type: none"> <li>• Tzaneen – 12 Jan 2022</li> <li>• Ntswelengwe – 07 Feb 2022</li> <li>• Tsinengkop – 16 March 2022</li> <li>• Gatshikedi – 13 May 2022</li> <li>• Loopeng - Apr-18</li> <li>• Molatswaneng - Mar-22</li> <li>• Wingate - Aug-21</li> <li>• Mammebe - Aug 21 Kilokilo – Oct 21</li> <li>• Sesipi Nov 21</li> <li>• Ntsweleng -Feb 21</li> <li>• Gatshekedi -May 22</li> </ul>	610 households served with quality basic water supply at Esperenza/Churchill – 259 HH served, Shalaneng – 127 HH served, Permonkie – 60 HH served, Penryn P 1 – 164 HH  <b>The following 1 923 Households were served:</b>  <ul style="list-style-type: none"> <li>• Gamokwane Water Supply – 206 HH</li> <li>• Cassel Water Supply – 1 109</li> <li>• Glenred Source Development – 567</li> <li>• Kruisaar Water Supply – 15</li> <li>• Pompong Water Supply</li> </ul>	• Not achieved	<ul style="list-style-type: none"> <li>• SLP-funded projects were added to the Total number of Households</li> <li>• <b>Bojelapotsane</b> – Contractor withdrew from the project; New contractor was allocated; Project is currently 96% Completed</li> <li>• <b>Bush Buck</b> – Area is 100% Hard Rock; Project is 74% Completed</li> <li>• <b>Madula Ranch</b> – Contractor refused to do a portion of the scope; Project is 98% Completed</li> <li>• <b>Ganghaai</b> – Additional</li> </ul>	<p><b>Bojelapotsane</b> – New Contractor was allocated to project on 17 February 2023</p> <p><b>Bush Buck</b> – Contractor is currently using blasting to excavate</p> <p><b>Madula Ranch</b> - The Contractor has been notified of scope reduction due to their unwillingness to take instruction from the Engineer. New Contractor will be allocated in the 2023-24 FY</p> <p>The contractor at <b>Penryn</b> performs very well at the start of the project but slowed down before finishing the project – he was put on</p>	<p>Close-out Reports</p> <p>CSIR- and DWS Census 2022 data used to determine Total Number of Households who benefitted</p>



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					<p>- 26</p> <p><b>The following projects are still in-progress:</b></p> <ul style="list-style-type: none"> <li>Bojelapotsane – 47 HH not served</li> <li>Bush Buck – 553 HH not served</li> <li>Madula Ranch – 292 HH not served</li> <li>Ganghaai – 94 HH not served</li> <li>Gamakgatle – 69 HH not served</li> <li>Penryn – 76 HH not served</li> </ul>		<p>Funding was allocated; Project is 91% Completed</p> <ul style="list-style-type: none"> <li><b>Gamakgatle</b> – Additional funding was allocated; Project is 80% Completed</li> <li><b>Penryn Phase 2</b> – Slow contractor performance</li> </ul>	Terms	
<b>KPI 47</b>	Basic Service Delivery and Infrastructure Development	Number of Boreholes Refurbished at Madibeng, Maketlele, Washington, Galotlhare	7 Boreholes Refurbished at Madibeng, Maketlele, Washington, Galotlhare by 30 June 2023	<p>Over Achieved</p> <p>The following 11 Villages were provided with borehole refurbishment:</p> <ul style="list-style-type: none"> <li>Masankong,</li> <li>Ncwaneng -Jun 22,</li> <li>Gasehunelo Wyk 8 -Aug 21,</li> <li>Logaganeng -Jul 21,</li> <li>Gasehunelo Wyk 9 – Jul 21,</li> </ul>	<p>5 Boreholes Refurbished at Madibeng, Maketlele, and Washington, Galotlhare by 30 June 2023</p> <p>The following 2 boreholes were also refurbished but not as part of the Target:</p> <p>Bendel Borehole Phase 2 (2)</p>	<ul style="list-style-type: none"> <li>Not achieved</li> </ul>	<ul style="list-style-type: none"> <li>The boreholes at Galotlhare were refurbished (practical completed) on 10 July 2023, after the end of the FY. This was due to late delivery of material to site and slow contractor performance</li> </ul>	Galotlhare will be reported on in 2023-24 FY	Close out reports

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				<ul style="list-style-type: none"> <li>Gamothibi -Aug 21,</li> <li>Klein Eiffel -Mar 22,</li> <li>Kilokilo (BH) Mar 22,</li> <li>Gahuwe -Mar 22,</li> <li>Gamothibi Phase 2 -Mar 22,</li> <li>Mentsimantsi -Aug 22</li> </ul>					
<b>KPI 48</b>	Basic Service Delivery and Infrastructure Development	% of queries on water attended to and resolved to in JMLM	100% of queries on water attended to and resolved in JMLM by 30 June 2023	<p>Achieved</p> <p>95% of water queries attended</p> <ul style="list-style-type: none"> <li>Queries received</li> <li>Queries attended</li> </ul> <p>859</p>	98% of queries on water attended to and resolved in JMLM by 30 June 2023	<ul style="list-style-type: none"> <li>Not achieved</li> </ul>	<ul style="list-style-type: none"> <li>No crane/cherry picker for teams to work on heights - No supplier for store items - Shortages of resources (fleet, store items &amp; staff)</li> </ul>	<ul style="list-style-type: none"> <li>More fleet was acquired during the quarter</li> <li>Vacant posts must be filled</li> </ul> <p>Tender for Store Items was advertised and briefing session held</p>	<p>Reports on water queries attended to and resolved</p> <p>Water Queries register</p> <p>Signed off job cards</p>
<b>KPI 49</b>	Basic Service Delivery and Infrastructure Development	Number of households provided with Sanitation at Eiffel/Klein Eiffel (30), Gatshekedi (108), Goodhope (117) and Rowell 1 & 2 (35)	290 Households provided with Sanitation at Eiffel/Klein Eiffel (30), Gatshekedi (108), Goodhope (117) and Rowell 1 & 2 (35) by 30 June 2023	<p>Achieved 203 Households provided with dry sanitation</p> <p>Gasehunelo Wyk 9 – 11 Nov 2021</p> <p>Completed - 98 Units</p> <p>Maketlele – 19 Nov 2022</p> <p>Completed - 66 Units</p> <p>Motlhoeng – 19 Nov 2022</p> <p>Completed - 39 Units</p>	<p>290 Households provided with Sanitation at Eiffel/Klein Eiffel (30), Gatshekedi (108), Goodhope (117), Rowell 1 &amp; 2 (35) by 30 June 2023</p> <p>500 households were also provided with Sanitation at Dithakong.</p>	Achieved	<p>Construction works at Gatshekedi is 100% completed but the community is demanding unrealistic ploughback from the contractor. They also refuse practical completion to take place. However, the Beneficiary List was obtained.</p> <p>Additional MIG funding was received from MIG</p>	A beneficiary list for Gatshekedi has been compiled as proof of achievement	<p>Close out reports and Happy Letters for:</p> <ul style="list-style-type: none"> <li>Eiffel/Klein Eiffel (30)</li> <li>Goodhope (117)</li> <li>Rowell 1 &amp; 2 (35)</li> <li>Dithakong (500)</li> </ul> <p>Beneficiary list Provided for</p>

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							in 2021-22 FY. This was allocated to Dithakong Dry pit sanitation. This project was completed in 2022/23 FY		Gatshekedi (108)
<b>KPI 50</b>	Basic Service Delivery and Infrastructure Development	Number of SPLUMA Tribunal meetings held	4 SPLUMA Tribunal meetings held by 30 June 2023	Achieved 4 quarterly reports on the Implementation of SPLUMA and Functionality of Tribunal	2 SPLUMA Tribunal meetings held by 30 June 2023	Not achieved	All applications that were processed for Q1 and Q3 were still under the process of public participation	Virtual meetings will be arranged even when there are no applications to discuss, to allow the Tribunal to take a formal resolution to refer the applications to the next meeting	SPLUMA Tribunal minutes  Attendance register
<b>KPI 34</b>	<b>KPI 34</b>	Municipal Transformation and Institutional Development	Number of Reports on Labour relations matters developed and submitted	1 Report on Labour relations matters developed and submitted by 30 June 2023	N/A	1 Report on Labour relations matters developed and submitted by 30 June 2023	Achieved	N/A	
<b>KPI 51</b>	Basic Service Delivery and Infrastructure Development	% of land development applications processed as per request	100% of land development applications processed as per request by 30 June 2023	Achieved 4 quarterly reports on new received and processed all land development applications as and when there are new applications	100% of land development applications processed as per request by 30 June 2023	Achieved	N/A	N/A	List of received applications and list of processed applications  land development report
<b>KPI 52</b>	Basic Service Delivery and Infrastructure Development	Number of Land surveys conducted	1 Land survey conducted by 30 June 2023	N/A	0 Land survey conducted by 30 June 2023	Not achieved	There were challenges relating to getting a land surveyor who can assist with the process	The land survey will be conducted in the next financial year	Land survey report
<b>KPI 53</b>	Basic Service Delivery and Infrastructure	Number of reports on housing consumer	4 reports on housing consumer education held in 15 wards by 30	Target not achieved	4 reports on housing consumer education held in 15 wards by 30 June	Achieved	N/A	N/A	Attendance registers of people attended the campaigns

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	Development	education held in 15 wards	June 2023	0 campaigns in housing consumer education held	2023				Housing consumer education report
<b>KPI 54</b>	Basic Service Delivery and infrastructure Development	Number of environmental awareness campaigns held	4 environmental awareness campaigns held in 15 wards by 30 June 2023	Target not achieved 29 environmental awareness campaigns on safe and clean environment in all wards held	4 environmental awareness campaigns held in 15 wards by 30 June 2023	Achieved	N/A	N/A	Attendance registers of people who attended the campaigns  Environmental awareness campaign report
<b>KPI 55</b>	Basic Service Delivery and Infrastructure Development	Number of disaster management awareness campaigns held in 8 wards	2 disaster management awareness campaigns held in 8 wards by 30 June 2023	New target	2 disaster management awareness campaigns held in 8 wards by 30 June 2023	Achieved	N/A	N/A	Attendance registers of people who attended the campaigns  Disaster Management awareness campaign report
<b>KPI 56</b>	Basic Service Delivery and Infrastructure Development	Number of awareness campaigns held in 15 wards on the usage of recreational facilities	4 awareness campaigns held in 15 wards on the usage of recreational facilities by 30 June 2023	Target achieved  1 Recreational Facilities Usage Policy developed	2 awareness campaigns held in 7 wards on the usage of recreational facilities by 30 June 2023	Not achieved	Unavailability of the responsible official to conduct the Awareness Campaigns	The director to ensure that the responsible official to conduct the Awareness Campaigns is available.	Attendance registers of people attended the campaigns  Recreational facilities awareness campaigns report
<b>KPI 57</b>	Basic Service Delivery and infrastructure Development	Number of households provided with refuse removal services in Hotazel and Vanzylsrus	818 households provided with refuse removal services in Hotazel and Vanzylsrus by 30 June 2023	Target achieved 877 households provided with refuse removal services in Hotazel and Vanzylsrus	818 households provided with refuse removal services in Hotazel and Vanzylsrus by 30 June 2023	Achieved	N/A	N/A	Signed Route form  Job cards

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									Refuse removal report
<b>KPI 58</b>	Basic Service Delivery and infrastructure Development	Number of Commercial businesses provided with refuse removal services in Hotazel and Vanzylsrus	57 Commercial businesses provided with refuse removal services in Hotazel and Vanzylsrus by 30 June 2023	N/A	57 Commercial businesses provided with refuse removal services in Hotazel and Vanzylsrus by 30 June 2023	Achieved	N/A	N/A	Signed Route form  Job cards
<b>KPI 59</b>	Basic Service Delivery and infrastructure Development	Number of reports on Veld and Forest fire suppression and emergency incidents attended to	4 reports on Veld and Forest fire suppression and emergency incidents attended to by 30 June 2023	N/A	4 reports on Veld and Forest fire suppression and emergency incidents attended to by 30 June 2023	Achieved	N/A	N/A	Fire reports  Incidents register/book
<b>KPI 60</b>	Basic Service Delivery and Infrastructure Development	Number of sports fields maintained at Ncwelengwe	1 sports field maintained at Ncwelengwe by 30 June 2023	Target Not Achieved 0 Sports fields maintained (Dithakong and Ncwelengwe)	0 Sports field maintained at Ncwelengwe by 30 June 2023	Not achieved	Still awaiting response from Eskom	Will be done in the next quarter	Memo
<b>KPI 61</b>	Basic Service Delivery and Infrastructure Development	Number of community halls constructed at Cardington and Washington	2 community halls constructed at Cardington and Washington by 30 June 2023	Target Not Achieved  0 community halls at Cardington and Washington constructed	0 community halls constructed at Cardington and Washington by 30 June 2023	Not achieved	Slow contractor performance	Both projects will be completed in Q1 of 2023/24	Memo
<b>KPI 62</b>	Basic Service Delivery and Infrastructure Development	Number of community halls maintained at Heuningvlei, Kikahela, Gadiboe, Penryn, Glenred and Vanzylsrus	6 community halls maintained at Heuningvlei, Kikahela, Gadiboe, Penryn, Glenred and Vanzylsrus by 30 June 2023	Target Not Achieved  0% maintenance of community Rusfontein Wyk 10, Heuningvlei and Laxey)	2 community halls maintained at Heuningvlei and Glenred by 30 June 2023	Achieved	N/A	N/A	Close out report
<b>KPI 63</b>	Basic Service Delivery and Infrastructure	Number of community halls electrified at Kikahela,	6 Community halls electrified at Kikahela,	N/A	0 community halls electrified at Kikahela,	Not achieved	Still awaiting response from Eskom	Will be done in the next quarter	Memo

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	Development	Mecwetsaneng, Danoon, Bothetheletsa and Madibeng (restore) Gadiboe (new installation)	Mecwetsaneng, Danoon, Bothetheletsa and Madibeng (restore) Gadiboe (new installation) by 30 June 2023		Mecwetsaneng, Danoon, Bothetheletsa, Madibeng (restore) and Gadiboe (new installation) by 30 June 2023				
<b>KPI 64</b>	Basic Service Delivery and Infrastructure Development	Number of Drivers Testing and Licensing Centre (DTLC) assessments conducted by Department of Transport, Safety and Liaison	1 Drivers Testing and Licensing Centre (DTLC) assessment conducted by Department of Transport, Safety and Liaison by 30 June 2023	Target Not achieved  0 DTLC assessed	0 Drivers Testing and Licensing Centre (DTLC) assessment conducted by Department of Transport, Safety and Liaison by 30 June 2023	Not achieved	Lack of Telecommunication system in the municipality	A service provider for the supply of a telecommunication system will be appointed in the next financial year.	Memo
<b>KPI 71</b>	Basic Service Delivery and infrastructure Development	Number of business plans developed for the requisition of funds for library	1 business plan developed for the requisition of funds for library by 31 March 2023	Target achieved 1 business plan developed for the requisition of funds for library	0 business plan developed for the requisition of funds for library by 31 March 2023	Not achieved	Late submission of Business Plan template by DSAC	Will be done as soon as DSAC submits the template	Memo
<b>KPI 72</b>	Basic Service Delivery and infrastructure Development	Number of Memorandum of Understanding (MOU) on library services adopted by Council and submitted to DSAC	1 Memorandum of Understanding (MOU) on library services adopted by Council and submitted by 30 June 2023	Target not achieved  0 MOU on library services adopted by Council and submitted	0 Memorandum of Understanding (MOU) on library services adopted by Council and submitted by 30 June 2023	Not achieved	DSAC had not submitted the template for the MOU	Will be done as soon as DSAC submits the template	Memo
<b>KPI 73</b>	Basic Service Delivery and infrastructure Development	Number reports on library programmes developed and submitted to Department of Sport, Arts and Culture	4 reports on library programmes developed and submitted to Department of Sport, Arts and Culture by 30 June 2023	N/A	4 reports on library programmes developed and submitted to Department of Sport, Arts and Culture by 30 June 2023	Achieved	N/A	N/A	Report on library programmes  Proof of submission to DSAC

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
KPI 74	Basic Service Delivery and infrastructure Development	Number of cemeteries fenced at Bosra, Tsineng, Buden, Padstow and Segwaneng	5 Cemeteries fenced at Bosra, Tsineng, Buden, Padstow and Segwaneng by 30 June 2023	Achieved 4 cemeteries fenced in Heuningvlei , Gahue, Makgaladi and Vanzylsrus	4 Cemeteries fenced at Bosra, Tsineng, Buden, Padstow and Segwaneng by 30 June 2023	Not achieved	There were challenges relating to the completion of Padstow project.	The project was completed in July	Closed out report

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KPI 35	Good Governance and Public Participation	Number of reports on Legal Services matters developed and submitted	4 reports on Legal Services matters developed and submitted by 30 June 2023	N/A	1 Report on Legal Services matters developed and submitted by 30 June 2023	Achieved	N/A	N/A	
KPI 36	Good Governance and Public Participation	% of SLA, MOU and MOA reviewed per request	100% of SLA, MOU and MOA reviewed per request by 30 June 2023	N/A	0% of SLA, MOU and MOA reviewed per request by 30 June 2023	Not achieved	There was no SLA/MOU/MOA that needed to be reviewed	A register indicating expiry date of SLA/MOU/MOA will be developed and reported on	
KPI 37	Municipal Transformation and Organizational Development	Number of reports on Employment Equity Plan (EEP) reviewed	4 reports on Employment Equity Plan (EEP) reviewed by 30 June 2023	N/A	4 reports on Employment Equity Plan (EEP) reviewed by 30 June 2023	Achieved	N/A	N/A	
KPI 38	Municipal Transformation and Organizational Development	Number of reports on IT developed and submitted	4 reports on IT developed and submitted by 30 June 2023	Achieved 4 quarterly reports on functionality of IT	4 reports on IT developed and submitted by 30 June 2023	Achieved	N/A	N/A	
KPI 39	Municipal Transformation and Organizational	Number of reports on job descriptions developed/reviewed and submitted	4 reports on job descriptions developed/reviewed and submitted by 30 June 2023	Not Achieved	4 reports on job descriptions	Achieved	N/A	N/A	

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
	Development			0 report on job descriptions developed	developed/reviewed and submitted by 30 June 2023				
<b>KPI 40</b>	Municipal Transformation and Organizational Development	Number of vacant budgeted positions filled	86 vacant budgeted positions filled by 30 June 2023	Not Achieved  6 vacant budgeted positions filled	41 vacant budgeted positions filled by 30 June 2023	Not achieved	Other positions could not be filled due to budget constraints	Positions will be filled in the next financial year	
<b>KPI 41</b>	Municipal Transformation and Organizational Development	Number of Work Skills Plans developed and submitted to LGSETA	1 Work Skills Plan developed and submitted to LGSETA by 30 April 2023	Achieved 3 training reports on Work Skills Plan (WSP) develop & submitted to council, and LGSETA	1 Work Skills Plan developed and submitted to LGSETA by 30 April 2023	Achieved	N/A	N/A	
<b>KPI 42</b>	Municipal Transformation and Organizational Development	Number of training reports developed and submitted	4 training reports developed and submitted by 30 June 2023	Achieved 4 training reports submitted to Council	4 training reports developed and submitted by 30 June 2023	Achieved	N/A	N/A	
<b>KPI 43</b>	Basic Service Delivery and Infrastructure Development	% of queries on electricity attended to and resolved in JMLM	100% of queries on electricity attended to and resolved in JMLM by end 30 June 2023	Achieved 96% queries on electricity received and attended to in JMLM area	100% of queries on electricity attended to and resolved in JMLM by end 30 June 2023	Achieved	N/A	N/A	
<b>KPI 44</b>	Basic Service Delivery and Infrastructure Development	Km's of Roads Upgraded from Gravel to Tar at Tsaengwe (1.5km) and Washington (1km)	2,5 Km's of Road Upgraded from Gravel to Tar at Tsaengwe (1.5km) and Washington (1km) by 30 June 2023	Target not Achieved  3.3km of roads upgraded (Paved or Tared) in JMLM  • Makhubung Internal Road Phase 6 Tared - 05 April 2022 Completed - 1	2.2 km's of roads upgraded:  • Tsaengwe – 1.5km Achieved • Washington – 700m Achieved  The following projects were also completed:	Not achieved	• Washington road was affected by Contract Price Adjustment (CPA) and therefore the scope was	Washington road was handed over to the Contractor on 25 January 2023, which was in the 2 <sup>nd</sup> half of the FY. Already fuel- and material prices escalated more than originally planned for and	



KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
				<p>440m Tarred</p> <ul style="list-style-type: none"> <li>Tsaelengwe Internal Road - 12 May 2022 Completed – Paved 930m</li> </ul> <p>Washington Internal Road - 04 February 2022 Completed - 930m Paved</p>	<ul style="list-style-type: none"> <li>Upgrading of Churchill to Klein Neira Phase 6 – 2.9km</li> <li>Makhubung Phase 1,2,3 - 1.961km</li> </ul>		<p>reduced with 300m</p> <p>Churchill to Klein Neira Phase 6 and Makhubung Phase 1,2,3 are both SLP funded projects. Project confirmations were received too late to include in SDBIP</p>	<p>had a negative impact on the planned scope. Road projects must start as soon as funding is committed and available.</p>	
<b>KPI 45</b>	Basic Service Delivery and Infrastructure Development	Km's of Roads Bladed	500km's of Road bladed by 30 June 2023	<p>Target not Achieved</p> <p>3.3km of roads upgraded (Paved or Tarred) in JMLM</p>	1130,66km's of Road bladed by 30 June 2023	Achieved	N/A	N/A	
<b>KPI 46</b>	Basic Service Delivery and Infrastructure Development	Number of households served with quality basic water supply at	1 500 households served with quality basic water supply at	<p>Target exceeded</p> <p>10 Villages were provided with access to water infrastructure</p> <ul style="list-style-type: none"> <li>Tzaneen – 12 Jan 2022</li> <li>Ntcwelengwe – 07 Feb 2022</li> <li>Tsinengkop – 16 March 2022</li> <li>Gatshikedi – 13 May 2022</li> <li>Loopeng - Apr-18</li> </ul>	<p>610 households served with quality basic water supply at</p> <p>Esperenza/Churchill – 259 HH served, Shalaneng – 127 HH served, Permonkie – 60 HH served, Penryn P 1 – 164 HH</p> <p><b>The following 1 923 Households were served:</b></p>	Not achieved	<ul style="list-style-type: none"> <li>SLP-funded projects were added to the Total number of Households</li> <li><b>Bojelopotsane</b> – Contractor withdrew from the project; New contractor was allocated; Project</li> </ul>	<p><b>Bojelopotsane</b> – New Contractor was allocated to project on 17 February 2023</p> <p><b>Bush Buck</b> – Contractor is currently using blasting to excavate</p> <p><b>Madula Ranch</b> - The Contractor has been</p>	

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
				<ul style="list-style-type: none"> <li>Molatswaneng - Mar-22</li> <li>Wingate - Aug-21</li> <li>Mammebe - Aug 21 Kilokilo – Oct 21</li> <li>Sesipi Nov 21</li> <li>Ntsweleng -Feb 21</li> <li>Gatshekedi -May 22</li> </ul>	<ul style="list-style-type: none"> <li>Gamokwane Water Supply – 206 HH</li> <li>Cassel Water Supply – 109</li> <li>Glenred Source Development – 567</li> <li>Kruisaar Water Supply – 15</li> <li>Pompong Water Supply - 26</li> </ul> <p><b>The following projects are still in-progress:</b></p> <ul style="list-style-type: none"> <li>Bojelapotsane – 47 HH not served</li> <li>Bush Buck – 553 HH not served</li> <li>Madula Ranch – 292 HH not served</li> <li>Ganghaai – 94 HH not served</li> <li>Gamakgatle – 69 HH not served</li> <li>Penryn – 76 HH not served</li> </ul>		<p>is currently 96% Completed</p> <ul style="list-style-type: none"> <li><b>Bush Buck</b> – Area is 100% Hard Rock; Project is 74% Completed</li> <li><b>Madula Ranch</b> – Contractor refused to do a portion of the scope; Project is 98% Completed</li> <li><b>Ganghaai</b> – Additional Funding was allocated; Project is 91% Completed</li> <li><b>Gamakgatle</b> – Additional funding was allocated; Project is 80% Completed</li> </ul> <p><b>Penryn Phase 2</b> – Slow contractor performance</p>	<p>notified of scope reduction due to their unwillingness to take instruction from the Engineer. New Contractor will be allocated in the 2023-24 FY</p> <p>The contractor at <b>Penryn</b> performs very well at the start of the project but slowed down before finishing the project – he was put on Terms</p>	

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KPI 47	Basic Service Delivery and Infrastructure Development	Number of Boreholes Refurbished at Madibeng, Maketlele, Washington, Galothhare	7 Boreholes Refurbished at Madibeng, Maketlele, Washington, Galothhare by 30 June 2023	Over Achieved  The following 11 Villages were provided with borehole refurbishment:  <ul style="list-style-type: none"> <li>• Masankong,</li> <li>• Ncwaneng -Jun 22,</li> <li>• Gasehunelo Wyk 10 - Aug 21,</li> <li>• Logaganeng -Jul 21,</li> <li>• Gasehunelo Wyk 11 - Jul 21,</li> <li>• Gamothibi -Aug 21,</li> <li>• Klein Eiffel -Mar 22,</li> <li>• Kilokilo (BH) Mar 22,</li> <li>• Gahuwe -Mar 22,</li> <li>• Gamothibi Phase 2 -Mar 22,</li> <li>• Mentsimantsi -Aug 22</li> </ul>	5 Boreholes Refurbished at Madibeng, Maketlele, and Washington, Galothhare by 30 June 2023  The following 2 boreholes were also refurbished but not as part of the Target:  Bendel Borehole Phase 2 (2)	Not achieved	The boreholes at Galothhare were refurbished (practical completed) on 10 July 2023, after the end of the FY. This was due to late delivery of material to site and slow contractor performance	Galothhare will be reported on in 2023-24 FY	
KPI 48	Basic Service Delivery and Infrastructure Development	% of queries on water attended to and resolved to in JMLM	100% of queries on water attended to and resolved in JMLM by 30 June 2023	Achieved  95% of water queries attended <ul style="list-style-type: none"> <li>• Queries received</li> <li>• Queries attended</li> </ul> 859	98% of queries on water attended to and resolved in JMLM by 30 June 2023	Not achieved	- No crane/cherry picker for teams to work on heights - No supplier for store items - Shortages of resources (fleet,	<ul style="list-style-type: none"> <li>• More fleet was acquired during the quarter</li> <li>• Vacant posts must be filled</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
							store items & staff)	Tender for Store Items was advertised and briefing session held	
<b>KPI 49</b>	<b>Basic Service Delivery and Infrastructure Development</b>	To provide clean recreational facilities	Community Services	Number of households provided with Sanitation at Eiffel/Klein Eiffel (30), Gatshekedi (108), Goodhope (117) and Rowell 1 & 2 (35)	290 Households provided with Sanitation at Eiffel/Klein Eiffel (30), Gatshekedi (108), Goodhope (117) and Rowell 1 & 2 (35) by 30 June 2023	Achieved 203 Households provided with dry sanitation Gasehunelo Wyk 9 – 11 Nov 2021 Completed - 98 Units Makettlele – 19 Nov 2022 Completed - 66 Units Motlhoeng – 19 Nov 2022 Completed - 39 Units	Construction works at Gatshekedi is 100% completed but the community is demanding unrealistic ploughback from the contractor. They also refuse practical completion to take place. However, the Beneficiary List was obtained.  Additional MIG funding was received from MIG in 2021-22 FY. This was allocated to Dithakong Dry pit sanitation. This project was completed in 2022/23 FY	Close out reports and Happy Letters for: <ul style="list-style-type: none"> <li>Eiffel/Klein Eiffel (30)</li> <li>Goodhope (117)</li> <li>Rowell 1 &amp; 2 (35)</li> <li>Dithakong (500)</li> </ul> Beneficiary list Provided for Gatshekedi (108)	
<b>KPI 50</b>	Basic Service Delivery and Infrastructure Development	Number of SPLUMA Tribunal meetings held	4 SPLUMA Tribunal meetings held by 30 June 2023	Achieved 4 quarterly reports on the Implementation of SPLUMA and Functionality of Tribunal	2 SPLUMA Tribunal meetings held by 30 June 2023	Not achieved	All applications that were processed for Q1 and Q3 were still under the process	Virtual meetings will be arranged even when there are no applications to discuss, to allow the Tribunal to	

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							of public participation	take a formal resolution to refer the applications to the next meeting	
<b>KPI 51</b>	Basic Service Delivery and Infrastructure Development	% of land development applications processed as per request	100% of land development applications processed as per request by 30 June 2023	Achieved 4 quarterly reports on new received and processed all land development applications as and when there are new applications	100% of land development applications processed as per request by 30 June 2023	Achieved	N/A	N/A	
<b>KPI 52</b>	Basic Service Delivery and Infrastructure Development	Number of Land surveys conducted	1 Land survey conducted by 30 June 2023	N/A	0 Land survey conducted by 30 June 2023	Not achieved	There were challenges relating to getting a land surveyor who can assist with the process	The land survey will be conducted in the next financial year	
<b>KPI 53</b>	Basic Service Delivery and Infrastructure Development	Number of reports on housing consumer education held in 15 wards	4 reports on housing consumer education held in 15 wards by 30 June 2023	Target not achieved  0 campaigns in housing consumer education held	4 reports on housing consumer education held in 15 wards by 30 June 2023	Achieved	N/A	N/A	
<b>KPI 54</b>	Basic Service Delivery and infrastructure Development	Number of environmental awareness campaigns held	4 environmental awareness campaigns held in 15 wards by 30 June 2023	Target not achieved 29 environmental awareness campaigns on safe and clean environment in all wards held	4 environmental awareness campaigns held in 15 wards by 30 June 2023	Achieved	N/A	N/A	

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION
KPI 55	Basic Service Delivery and Infrastructure Development	Number of disaster management awareness campaigns held in 8 wards	2 disaster management awareness campaigns held in 8 wards by 30 June 2023	New target	2 disaster management awareness campaigns held in 8 wards by 30 June 2023	Achieved	N/A	N/A
KPI 56	Basic Service Delivery and Infrastructure Development	Number of awareness campaigns held in 15 wards on the usage of recreational facilities	4 awareness campaigns held in 15 wards on the usage of recreational facilities by 30 June 2023	Target achieved  1 Recreational Facilities Usage Policy developed	2 awareness campaigns held in 7 wards on the usage of recreational facilities by 30 June 2023	Not achieved	Unavailability of the responsible official to conduct the Awareness Campaigns	The director to unsure that the responsible official to conduct the Awareness Campaigns is available.
KPI 57	Basic Service Delivery and infrastructure Development	Number of households provided with refuse removal services in Hotazel and Vanzylsrus	818 households provided with refuse removal services in Hotazel and Vanzylsrus by 30 June 2023	Target achieved 877 households provided with refuse removal services in Hotazel and Vanzylsrus	818 households provided with refuse removal services in Hotazel and Vanzylsrus by 30 June 2023	Achieved	N/A	N/A
KPI 58	Basic Service Delivery and infrastructure Development	Number of Commercial businesses provided with refuse removal services in Hotazel and Vanzylsrus	57 Commercial businesses provided with refuse removal services in Hotazel and Vanzylsrus by 30 June 2023	N/A	57 Commercial businesses provided with refuse removal services in Hotazel and Vanzylsrus by 30 June 2023	Achieved	N/A	N/A
KPI 59	Basic Service Delivery and infrastructure Development	Number of reports on Veld and Forest fire suppression and emergency incidents attended to	4 reports on Veld and Forest fire suppression and emergency incidents attended to by 30 June 2023	N/A	4 reports on Veld and Forest fire suppression and emergency incidents attended to by 30 June 2023	Achieved	N/A	N/A

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KPI 60	Basic Service Delivery and Infrastructure Development	Number of sports fields maintained at Ncwelengwe	1 sports field maintained at Ncwelengwe by 30 June 2023	Target Not Achieved 0 Sports fields maintained (Dithakong and Ncwelengwe)	0 Sports field maintained at Ncwelengwe by 30 June 2023	Not achieved	Still awaiting response from Eskom	Will be done in the next quarter
KPI 61	Basic Service Delivery and Infrastructure Development	Number of community halls constructed at Cardington and Washington	2 community halls constructed at Cardington and Washington by 30 June 2023	Target Not Achieved  0 community halls at Cardington and Washington constructed	0 community halls constructed at Cardington and Washington by 30 June 2023	Not achieved	Slow contractor performance	Both projects will be completed in Q1 of 2023/24
KPI 62	Basic Service Delivery and Infrastructure Development	Number of community halls maintained at Heuningvlei, Kikahela, Gadiboe, Penryn, Glenred and Vanzylsrus	6 community halls maintained at Heuningvlei, Kikahela, Gadiboe, Penryn, Glenred and Vanzylsrus by 30 June 2023	Target Not Achieved  0% maintenance of community Rusfontein Wyk 10, Heuningvlei and Laxey)	2 community halls maintained at Heuningvlei and Glenred by 30 June 2023	Achieved	N/A	N/A

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KPI 63	Basic Service Delivery and Infrastructure Development	Number of community halls electrified at Kikahela, Mecwetsaneng, Danoon, Bothetheletsa and Madibeng (restore) Gadiboe (new installation)	6 Community halls electrified at Kikahela, Mecwetsaneng, Danoon, Bothetheletsa and Madibeng (restore) Gadiboe (new installation) by 30 June 2023	N/A	0 community halls electrified at Kikahela, Mecwetsaneng, Danoon, Bothetheletsa, Madibeng (restore) and Gadiboe (new installation) by 30 June 2023	Not achieved	Still awaiting response from Eskom	Will be done in the next quarter
KPI 64	Basic Service Delivery and	Number of Drivers	1 Drivers Testing and Licensing Centre	Target Not achieved	0 Drivers Testing and Licensing	Not achieved	Lack of	A service provider for

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	Infrastructure Development	Testing and Licensing Centre (DTLC) assessments conducted by Department of Transport, Safety and Liaison	(DTLC) assessment conducted by Department of Transport, Safety and Liaison by 30 June 2023	0 DTLC assessed	Centre (DTLC) assessment conducted by Department of Transport, Safety and Liaison by 30 June 2023		Telecommunication system in the municipality	the supply of a telecommunication system will be appointed in the next financial year.
<b>KPI 65</b>	Good Governance and Public Participation	Number of reports on Local AIDS Council (LAC) implemented and reported to Council	4 reports on Local AIDS Council (LAC) implemented and reported to Council by 30 June 2023	Achieved 4 reports on Local AIDS Council (LAC) compiled	2 reports on Local AIDS Council (LAC) implemented but not reported to Council	Not achieved	LAC meetings could not be held in Q4 as the date clashed with the National AIDS Council event held in Durban	Local AIDS Council (LAC) will be implemented in the next quarter
<b>KPI 66</b>	Good Governance and Public Participation	Number of reports on programs on youth development compiled and submitted	1 report on programs on youth development compiled and submitted by 30 June 2023	Not Achieved 2 youth empowerment programs held	1 report on programs on youth development compiled and submitted by 30 June 2023	Achieved	N/A	N/A

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<b>KPI 77</b>	Municipal Financial Management and Viability	Number of monthly cashbook and bank reconciliation reports compiled and submitted to Council	12 monthly cashbook and bank reconciliation reports compiled and submitted to Council by 30 June 2023	Achieved 12 monthly cashbook and bank reconciliation reports compiled and submitted Council by June 2022	12 monthly cashbook and bank reconciliation reports compiled and submitted Council by 30 June 2023	Achieved	N/A	N/A	Copies of monthly cashbook and bank reconciliation reports  Council resolution
<b>KPI 78</b>	Municipal Financial Management and	Number of quarterly reports on the updated audit action plan	4 quarterly reports on the updated audit action plan	Achieved 4 quarterly reports on implementation of audit		Achieved	N/A	N/A	Quarterly reports on



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	Viability	submitted to Council and Treasury	submitted to Council and Treasury by 30 June 2023	action plan and submitted to Council and Treasury by 30 June 2022	4 quarterly reports on implementation of audit action plan and submitted to Council and Treasury by 30 June 2023				implementation of audit action plan  Proof of submission to Council and Treasury  Council Resolution
<b>KPI 79</b>	Municipal Financial Management and Viability	AFS and supporting schedules submitted to the AGSA	AFS and supporting schedules submitted to the AGSA by 31 August 2022	N/A	AFS and supporting schedules submitted to the AGSA by 31 August 2022	Achieved	N/A	N/A	Copy of Annual Statements and supporting schedules submitted to AGSA  Acknowledgement letter from AGSA
<b>KPI 80</b>	Municipal Financial Management and Viability	Number of monthly reports on timeous billing and mailing of accounts to customers and submission to Council	12 monthly reports on timeous billing and mailing of accounts to customers and submission to Council by 30 June 2023	Achieved 12 monthly reports on timeous billing and mailing of accounts to customers and submission to Council by June 2022	12 monthly reports on timeous billing and mailing of accounts to customers and submission to Council by 30 June 2023	Achieved	N/A	N/A	Copies of monthly billing reports on timeous billing and mailing of accounts to customers  Proof of delivery of accounts to customers  Council Resolution

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
<b>KPI 81</b>	Municipal Financial Management and Viability	Number of reports on bad debts written off developed and submitted to Council	1 report on Bad debts written off developed and submitted to Council by 30 June 2023	Achieved 4 reports on Bad debts written off and traceable debtors by June 2022	4 reports on bad debts written off developed and submitted to Council by 30 June 2023	Achieved	N/A	N/A	Reports on bad debts written off  Council resolution
<b>KPI 82</b>	Municipal Financial Management and Viability	Number of reports on debtors' reconciliation developed and submitted to Council	12 reports on debtors' reconciliation developed and submitted to Council by 30 June 2023	Achieved 12 debtors' reconciliation reports performed by June 2022	12 reports on debtors' reconciliation developed and submitted to Council by 30 June 2023	Achieved	N/A	N/A	Copies of debtor's reconciliation reports  Council Resolutions
<b>KPI 83</b>	Municipal Financial Management and Viability	Number of indigents register developed and submitted to Council	1 indigent register developed and submitted to Council by 30 June 2023	Not Achieved 0 Updated indigent register by June 2022	0 Indigents register developed and submitted to Council by 30 June 2022	Not achieved	Registration of indigents programme completed and still capturing forms.	Register to be submitted to council on the first quarter 2023/2024	Copy of updated indigent register  Council resolution
<b>KPI 84</b>	Municipal Financial Management and Viability	Number of Budget documents (Adjustment, Draft and Final) compiled and submitted to the Mayor, Council and Treasury	3 Budget documents (Adjustment, Draft and Final) compiled and submitted to the Mayor, Council and Treasury by 31 May 2023	Achieved  3 Budget documents (Adjustment, Draft and Final) compiled and submitted to the Mayor, Council and National and Provincial Treasury by June 2022	3 Budget documents (Adjustment, Draft and Final) compiled and submitted to the Mayor, Council and Treasury by 31 May 2023	Achieved	N/A	N/A	2022/2023 Adjustment budget, Draft budget (For next financial year) and Council Resolution  Proof of Submission to the Mayor, LG Database email confirmation Council and Treasury  Final budget (For next financial year) Proof of

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									Submission to the Mayor, LG Database email confirmation Council and Treasury
<b>KPI 85</b>	Municipal Financial Management and Viability	Number of Section 71, Monthly reports developed and submitted to Council and Treasury	12 Section 71, Monthly reports developed and submitted to Council and Treasury by 30 June 2023	Achieved 12 reports of section 71 submitted to the Mayor, Council and National and Provincial Treasury by June 2022	12 Section 71, Monthly reports developed and submitted to Council and Treasury by 30 June 2023	Achieved	N/A	N/A	Copies of Section 71 reports, Council resolution  LG Database email confirmation Council and Treasury
<b>KPI 86</b>	Municipal Financial Management and Viability	Number of reports on withdrawals developed and submitted to Council and Treasury	4 reports on withdrawals developed and submitted to Council and Treasury by 30 June 2023	Achieved 4 reports on withdrawals submitted to Council, National and Provincial Treasury	4 reports on withdrawals developed and submitted to Council and Treasury by 30 June 2023	Achieved	N/A	N/A	Copies of reports on withdrawals  Council resolution  LG Database email confirmation Council and Treasury
<b>KPI 87</b>	Municipal Finances and Financial Viability	Number of conditional grants expenditure reports developed and submitted to Council and Treasury	12 conditional grants expenditure reports developed and submitted to Council and Treasury by 30 June 2023	Achieved 12 reports each on conditional grants expenditure reports submitted to Council, PT, NT (FMG, MIG, EPWP, WSOG, O & M, MSIG, RBIG and MWIG) by June 2022	12 conditional grants expenditure reports developed and submitted	Achieved	N/A	N/A	Reports on conditional grants expenditure reports  LG Database email confirmation Council and Treasury

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									Council Resolution
<b>KPI 88</b>	Municipal Financial Management and Viability	Number of reports on investment made and submitted to Council and Treasury	4 reports on investments made and submitted to Council and Treasury by 30 June 2023	Achieved 4 quarterly reports on investments made and submitted to Council by June 2022	4 reports on investments made and submitted to Council	Achieved	N/A	N/A	Copy of report on investments made  Council resolution
<b>KPI 89</b>	Municipal Financial Management and Viability	Number of Quarterly Updated contract registers submitted to Council	4 Quarterly Updated contract registers submitted to Council by 30 June 2023	Achieved Report on all contracts awarded submitted to council List of all contracts awarded submitted to council	Achieved Report on all contracts awarded submitted to council List of all contracts awarded submitted to council	Achieved	N/A	N/A	Reports on contracts awarded  Council resolution
<b>KPI 90</b>	Municipal Financial Management and Viability	Number of updated GRAP compliant asset registers developed and submitted to Office of the Auditor General	1 updated GRAP compliant asset register developed and submitted to Office of the Auditor General by 31 August 2022	N/A	0 updated GRAP compliant asset register developed and submitted to Office of the Auditor General by 31 August 2022	Not achieved	The asset register is still being updated	The register will be submitted in September 2024	Memo
<b>KPI 91</b>	Municipal Financial Management and Viability	Number of reports on the physical verification of assets approved by Council and submitted to Office of the Auditor General	4 reports on the physical verification of assets approved by Council and submitted to Office of the Auditor General by 30 June 2023	N/A	0 reports on the physical verification of assets approved by Council and submitted to Office of the Auditor General by 30 June 2023	Not achieved	Year-End Annual Asset verification is still in progress.	It will be submitted in the next financial year	Memo
<b>KPI 92</b>	Municipal Financial Management and Viability	Number of disposal reports approved by Council and submitted to Office of the Auditor General	1 disposal report approved by Council and submitted to Office of the Auditor General by 30 June 2023	N/A	0 disposal report approved by Council and submitted to Office of the Auditor	Not achieved	Asset verification is still in progress list of disposal/ obsolesce will	Disposal list will be submitted upon verification completion.	Memo

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
					General by 30 June 2023		be submitted upon completion.		
<b>KPI 93</b>	Municipal Financial Management and Viability	Number of reports on inventory stock counts developed and submitted to Council	12 reports on inventory stock counts developed and submitted to Council by 30 June 2023	Achieved 12 monthly reports on inventory stock counts performed	12 reports on inventory stock counts developed and submitted to Council by 30 June 2023	Achieved	N/A	N/A	Copies of monthly reports on inventory stock count performed  Council Resolutions
<b>KPI 94</b>	Municipal Financial Management and Viability	Number of procurement plans developed and submitted to Council Treasury by 30 July and monitoring reports developed and submitted to Council	1 procurement plan developed and submitted to Council Treasury by 30 September 2022 and 4 procurement plan monitoring reports developed and submitted to Council	New target	0 procurement plan developed and submitted to Council Treasury by 30 September 2022 and 0 procurement plan monitoring reports developed and submitted to Council	Not achieved	Draft procurement plan was submitted to treasury August 2022	Final/ approved Procurement plan was submitted to treasury in March 2023	Procurement plan
<b>KPI 95</b>	Municipal Financial Management and Viability	Number of quarterly reports on the monitoring of the performance of contracts developed and submitted to Council	4 quarterly reports on the monitoring of the performance of contracts developed and submitted to Council by 30 June 2023	N/A	4 quarterly reports on the monitoring of the performance of contracts developed and submitted to Council by 30 June 2023	Achieved	N/A	N/A	Reports on the performance contract monitoring  Council resolutions
<b>KPI 96</b>	Municipal Financial Management and Viability	Number of reports on the implementation of supply chain procurement process submitted to Council	12 reports on the implementation of supply chain procurement process submitted to Council by 30 June 2023	N/A	12 reports on the implementation of supply chain procurement process submitted to Council by 30 June 2023	Achieved	N/A	N/A	Supply chain reports  Council resolutions

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
KPI 87	Municipal Financial Management and Viability	To perform monthly inventory stock counts.	Budget and Treasury Office	Number of inventory stock counts by June 2022	12 monthly reports on inventory stock counts performed by June 2022	Achieved  12 monthly reports on inventory stock counts performed	N/A	N/A	

KPI NO	KEY PERFORMANCE AREAS (KPA)	KEY PERFORMANCE INDICATORS (KPI)	ANNUAL TARGET	ACTUAL ANNUAL PERFORMANCE 2021/2022	ACTUAL ANNUAL PERFORMANCE 2022/2023	ACHIEVED/ NOT ACHIEVED	REASONS FOR DEVIATION	REMEDIAL ACTION	POE
KPI 98	Local Economic Development	Number of Jobs created through Expanded Public Works Programme (EPWP)	240 jobs created through Expanded Public Works Programme (EPWP) by 30 June 2023	Achieved 240 jobs opportunities were created through EPWP	122 jobs created through Expanded Public Works Programme (EPWP) by 30 June 2023	Not achieved	The target could not be achieved due to budget constraints	The project will be completed in the next financial year.	List of appointed people  Employment contracts
KPI 99	Local Economic Development	Number of reports on SMMEs developed and submitted	4 reports on SMMEs developed and submitted by 30 June 2023	Not Achieved 20 SMMEs supported	4 reports on SMMEs developed and submitted by 30 June 2023	Achieved	N/A	N/A	List of SMMEs supported  SMMEs report
KPI 100	Local Economic Development	Number of Local Economic Development Projects coordinated and supported	30 Local Economic Development Projects coordinated and supported by 30 June 2023	Achieved 24 economic development projects were coordinated and supported	30 Local Economic Development Projects coordinated and supported by 30 June 2023	Achieved	N/A	N/A	List of Economic Development Projects coordinated and supported  Economic Development Projects coordinated and supported report
KPI 101	Local Economic Development	Number of LED summits held in JMLM	1 LED summit held in JMLM by 30 June 2023	Not Achieved 0 LED summit held	1 LED summit held in JMLM by 30 June 2023	Achieved	N/A	N/A	LED Summit report and attendance register

<b>KPI NO</b>	<b>KEY PERFORMANCE AREAS (KPA)</b>	<b>KEY PERFORMANCE INDICATORS (KPI)</b>	<b>ANNUAL TARGET</b>	<b>ACTUAL ANNUAL PERFORMANCE 2021/2022</b>	<b>ACTUAL ANNUAL PERFORMANCE 2022/2023</b>	<b>ACHIEVED/ NOT ACHIEVED</b>	<b>REASONS FOR DEVIATION</b>	<b>REMEDIAL ACTION</b>	<b>POE</b>
<b>KPI 102</b>	Local Economic Development	Number of Tourism exhibitions attended by 30 June 2023	1 Tourism Exhibitions attended by 30 June 2023	Achieved 1 Tourism Exhibitions conducted	1 Tourism Exhibitions attended by 30 June 2023	Achieved	N/A	N/A	Tourism Exhibitions Report
<b>KPI 103</b>	Local Economic Development	Number of reports on tourism attraction sites identified submitted	1 report on tourism attraction sites identified submitted by 30 June 2023	Not Achieved 0 tourism boards erected	1 report on tourism attraction sites identified submitted by 30 June 2023	Achieved	N/A	N/A	Report on tourism attraction sites identified

## CHAPTER 4 ORGANISATIONAL DEVELOPMENT PERFORMANCE

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

Chapter 7 Section 51 of the Municipal Systems Act (MSA) 32 of 2000, mandates the Municipality to establish and organise its administration in a manner that would enable the municipality to be responsive to the needs of the local community. Furthermore, Section 67(1) of the MSA compels the municipality to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration.

The strategic objective of the directorate is to establish and maintain a skilled, healthy labour force guided by relevant policies, systems, procedures that are geared towards realising the needs of the communities. Municipal transformation and organisational development is key to service delivery, hence much emphasis is on implementation of Batho Pele principles in all municipal structures, systems, procedures, policies and strategies.

The Corporate Services administers the Municipality's human resource development and management, political offices, labour relations, information technology and facilities management.

#### 4.1 Employee Totals, Turnover and Vacancies

Description	Approved posts No.	Employees No.	Vacancies No.
Office of the Municipal Manger	34	24	10
Financial Services	51	31	20
Corporate Services	51	44	7
Technical Services	105	63	41
Community Services	48	27	21
Planning and Development	10	8	2

#### 4.1.2 Vacancy Rate

Department	Incumbents	Vacancies	Total
Corporate Services	44	7	51
Office of the Municipal Manager	24	10	34
Community Services	27	21	48
Technical Services	63	41	105
Financial Services	31	20	51
Development & Town Planning	8	2	10
<b>TOTAL</b>	<b>198</b>	<b>101</b>	<b>299</b>



### 4.1.3 Turnover

Turn-over rate			
Details	Total appointments as of beginning of financial year. (No.)	Terminations during the financial year. (No.)	Turnover rate*
2022/2023	32 vacancies were filled on permanent basis 15 vacancies were filled on contract basis	6	0.014
*Divide the number of employees who have left the organization within year, by total number of employees who occupied posts at the beginning of the year			

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Municipal Workforce management is part of the broader organisational management strategy which seeks to amongst others ensure that there is a defined process of accountability as well as adequate procedures to deal with administrative matters. To this end, the municipal council has approved a number of policies and procedures aimed at improving management and administration affairs within the municipality. Tabulated below are the policies that are in place

### 4.2 Municipal Policies

HR policies and plan				
	Name of policy	Completed	Reviewed	Date adopted by Council or comment on failure to adopt
1	Asset Management Policy		√	2022/05/27
2	Bad Debt Write-Off Policy		√	2022/05/27
3	Budget Policy		√	2022/05/27
4	Cash Management and Investment Policy		√	2022/05/27
5	Cash Shortage Policy		√	2022/05/27
6	Cellphone Policy for Officials		√	2022/05/27
7	Contract Management Policy		√	2022/05/27
8	Credit Control and Debt Collection Policy		√	2022/05/27
9	Danger and Risk Allowance Policy		√	2022/05/27
10	HR Abscondment Policy		√	2022/05/27
11	HR Management Strategy		√	2022/05/27
12	HR Recruitment and Selection Policy		√	2022/05/27
13	Indigent Support Policy		√	2022/05/27
14	Individual Performance Management Policy		√	2022/05/27
15	Infrastructure Procurement and Delivery Management Policy		√	2022/05/27
16	Internal Audit Policy		√	2021/09/15
17	Leave Management Policy		√	2022/05/27
18	Placement Policy		√	2022/05/27
19	Property Rates Policy		√	2022/06/29
20	Retention Policy		√	2022/05/27

21	Supply Chain Management Policy		√	2022/05/27
22	Tariffs Policy		√	2022/05/27
23	Travel and Subsistence Policy		√	2022/05/27
24	UIFW Expenditure Policy		√	2022/05/27
25	Utilization of Recreational Facilities Policy		√	2022/05/27
26	Vehicle Allowance Policy		√	2022/6/29
27	Virement Policy		√	2022/05/27

### 4.3 Injuries, Sickness and Suspensions

Type of injury	Employees using medical conditions Leave	Medical conditions leave taken	Employees using injury leave (no.)	Injury leave taken	Proportion employees using sick leave %	Average injury leave per employee
Required basic medical attention only	01 (Motsewabangwe)	109	0	0	None	None
Temporary total disablement	01 (Sefai)	125	None	None	None	None
Fatal	None		None	None	None	None
<b>Total</b>	02	134	0	0	0	0

There were no injuries on duty in the year under review and no suspensions.

Salary band	Total sick leave days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post*
Lower skilled (levels 1 – 2)	80	0	0	0
Skilled (levels 3 – 5)	80	30%	31	37
High skilled production (levels 6 – 8)	80	9%	75	83
Senior management	80	4%	69	80
MM and section 57	30	0%	4	4
<b>Total</b>			179	204

### 4.3 Performance Rewards

The municipality has, as a response to the call by municipal council, set in place a process of cascading performance management to levels below section 57 management. Individual performance management policy has been adopted by council. It is anticipated that early in the next financial year, the policy will be implemented accordingly. therefore, no performance

bonuses were awarded for the year under review for lower-level employees. with respect to section 57 managers (including the municipal manager), once the final annual report has been approved by council, a formal process of assessing the performance of these managers will ensue after which panel recommendations on the awards will be submitted to council for consideration.

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### 4.4 Skills Development and Training

Work Place Skills Development Plan was adopted by Council for 2022/23 financial year and has been implemented.

The Municipality also implemented a number of skills development-related programmes, which include:

- Implementation of the Workplace Skills Plan 2022/23;
- Learnership Programme
- National Treasury Minimum Competency Requirement

Course name	Service provider	Total trained (officials)	Total trained (Councillors)
Municipal Finance Management Programme	Wits school of Governance	0	2
Finance and Payroll	Sebata	6	0
Councillors Induction	SALGA	0	29
Supply Chain Management	Commerce Edge Competence	3	0
Achieve and ICT Training	LGSETA	6	0
Payroll and IRP5 training	Sebata	3	0
Performance Management Practitioners Training	SALGA	4	0
<b>Total</b>		<b>22</b>	<b>31</b>
<b>Overall total</b>		<b>53</b>	

## **CHAPTER 5 - FINANCIAL PERFORMANCE**

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

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

### **COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE**

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

## 5.1 Statements of Financial Performance

### Reconciliation of Table A1 Budget Summary

Reconciliation of Table A1 Budget Summary																
Description	Year 0												Year -1			
	Original Budget	Prior Adjusted	Budget Adjustments (i.to. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.to. s31 of the MFMA)	Virement (i.to. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousands																
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Financial Performance</b>																
Property rates	17 063	25 639	-	25 639			25 639	34 024		(8 385)	133%	199%				
Service charges	44 797	37 524	-	37 524			37 524	49 085		(11 560)	131%	110%				
Investment revenue	5 300	7 588	-	7 588			7 588	7 595		(7)	100%	143%				
Transfers recognised - operational	180 211	181 283	-	181 283			181 283	176 443		4 840	97%	98%				
Other own revenue	16 420	12 485	-	12 485			12 485	17		12 468	0%	0%				
	<b>263 790</b>	<b>264 519</b>	<b>-</b>	<b>264 519</b>			<b>264 519</b>	<b>267 163</b>								
<b>Total Revenue (excluding capital transfers and contributions)</b>										(2 644)	101%	101%				
Employee costs	100 976	90 101	2 821	92 922			92 922	88 710		4 212	95%	88%				
Remuneration of councillors	13 896	13 050	89	13 139			13 139	13 636		(497)	104%	98%				
Debt impairment	-	-	-	-			-	-		-						
Depreciation & asset impairment	19 420	118 813	(1 431)	117 382			117 382	93 099		24 283	79%	479%				
Finance charges	221	551	(80)	471			471	1 112		(641)	236%	503%				
Materials and bulk purchases	21 741	22 671	(517)	22 154			22 154	16 304		5 850	74%	75%				
Transfers and grants	500	650	-	650			650	5 071		(4 421)	780%	1014%				
Other expenditure	114 776	124 874	(882)	123 992			123 992	94 710		29 281	76%	83%				
<b>Total Expenditure</b>	<b>271 531</b>	<b>370 710</b>	<b>-</b>	<b>370 710</b>			<b>370 710</b>	<b>312 643</b>		<b>58 068</b>	<b>84%</b>	<b>115%</b>				
<b>Surplus/(Deficit)</b>	<b>(7 741)</b>	<b>(106 191)</b>	<b>-</b>	<b>(106 191)</b>			<b>(106 191)</b>	<b>(45 480)</b>		<b>(60 712)</b>	<b>43%</b>	<b>588%</b>				
Transfers recognised - capital	105 071	105 071	16 463	121 534			121 534	124 959		(3 425)	103%	119%				
Contributions recognised - capital & contributed assets				-			-	-		-						
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>97 330</b>	<b>(1 120)</b>	<b>16 463</b>	<b>15 343</b>			<b>15 343</b>	<b>79 479</b>		<b>(64 136)</b>	<b>518%</b>	<b>82%</b>				
Share of surplus/ (deficit) of associate				-			-	-		-						
<b>Surplus/(Deficit) for the year</b>																
<b>Capital expenditure &amp; funds sources</b>																
<b>Capital expenditure</b>	<b>128 923</b>	<b>132 578</b>		<b>132 578</b>			<b>132 578</b>	<b>-</b>		<b>132 578</b>	<b>0%</b>	<b>0%</b>				
Transfers recognised - capital	105 071	119 034		119 034			119 034			119 034	0%	0%				
Public contributions & donations	-	-		-			-			-						
Borrowing	-	-		-			-			-						
Internally generated funds	23 852	13 544		13 544			13 544			13 544	0%	0%				
<b>Total sources of capital funds</b>	<b>128 923</b>	<b>132 578</b>		<b>132 578</b>			<b>132 578</b>	<b>-</b>		<b>132 578</b>	<b>0%</b>	<b>0%</b>				
<b>Cash flows</b>																
Net cash from (used) operating	(4 284 842)	127 254	16 463	143 717			143 717	88 807		54 909	62%	-2%				
Net cash from (used) investing	(105 071)	(105 071)	(16 463)	(121 534)			(121 534)	(304 688)		183 154	251%	290%				
Net cash from (used) financing	(204)	(199)		(199)			(199)	(103 586)		103 387	52049%	50773%				
<b>Cash/cash equivalents at the year end</b>	<b>(4 324 423)</b>	<b>78 653</b>					<b>78 653</b>	<b>(262 651)</b>		<b>341 304</b>	<b>-334%</b>	<b>6%</b>				

T 5.1.1

## 5.2 Grants

Grant Performance							R' 000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
<b>Operating Transfers and Grants</b>				<b>177</b>			
<b>National Government:</b>	<b>160 166</b>	<b>175 119</b>	<b>166 332</b>	<b>401</b>	1.29%		
Equitable share	155 940	158 668	158 668	404	1.73%	-6.89%	
Levy replacement				3			
Finance Management Grant	3 100	3 100	3 100	100	0.00%	0.00%	
Expanded Public Works Programme	1 126	1 139	1 139	140	0.05%	0.05%	
Municipal Infrastructure		3 425	3 425	758	-	24.17%	
<b>Provincial Government:</b>	<b>1 200</b>	<b>1 200</b>	<b>1 200</b>	<b>200</b>			
Department of Sport Arts and Culture	1 200	1 200	0	800	33.33%	100.00%	
Housing				1			
Ambulance subsidy							
Sports and Recreation							
Municipal Infrastructure							
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<i>[insert description]</i>							
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<i>Mining Companies</i>	-	940	0	1 515	37.93%	100.00%	
<b>Total Operating Transfers and Grants</b>	<b>168 192</b>	<b>164 536</b>	<b>161 519</b>	<b>161 366</b>			

*Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.*

T 5.2.1

## 5.3 Asset Management

The Joe Morolong Local Municipality's Asset Management Policy was reviewed and adopted by the council. The development, update, and management of the JMLM fixed asset register is also overseen by the Asset Management Unit. In accordance with the relevant accounting standards, this section is responsible for the financial reporting of assets in the municipality.

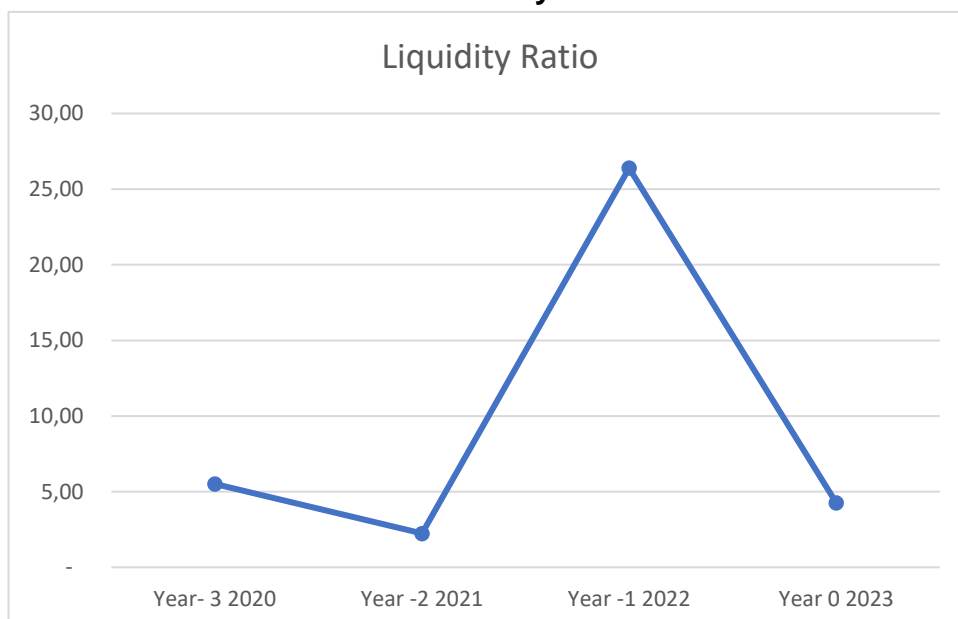
Performance of bi-annual and annual asset verification, barcoding assets of municipality, compiling loss and theft assets control report to the disciplinary committee through the CFO.

The Unit is also responsible for ensuring that all assets are safe guarded, insured with appointed asset service provider of municipality, claims are submitted as and when required, monitoring the insurance claims and preparation of the Asset Disposal Report submitted to council. These functions are executed in accordance of Chapter 8 and 9 of MFMA

<b>Repair and Maintenance Expenditure: Year 0</b>				
<b>R' 000</b>				
	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Budget variance</b>
Repairs and Maintenance Expenditure	909	698	086	-2%
<i>T 5.3.4</i>				

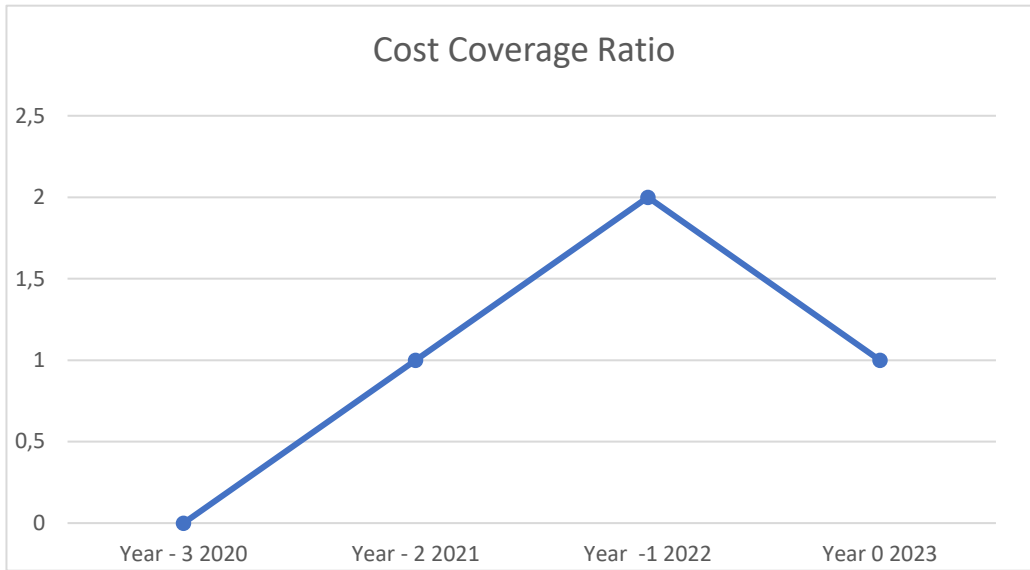
<b>Repair and Maintenance Expenditure: Year -1</b>				
<b>R' 000</b>				
	<b>Original Budget</b>	<b>Adjustment Budget</b>	<b>Actual</b>	<b>Budget variance</b>
Repairs and Maintenance Expenditure	10 137	13 764	8 057	21%
<i>T 5.3.4</i>				

#### 5.4 Financial Ratios based on Key Performance Indicators



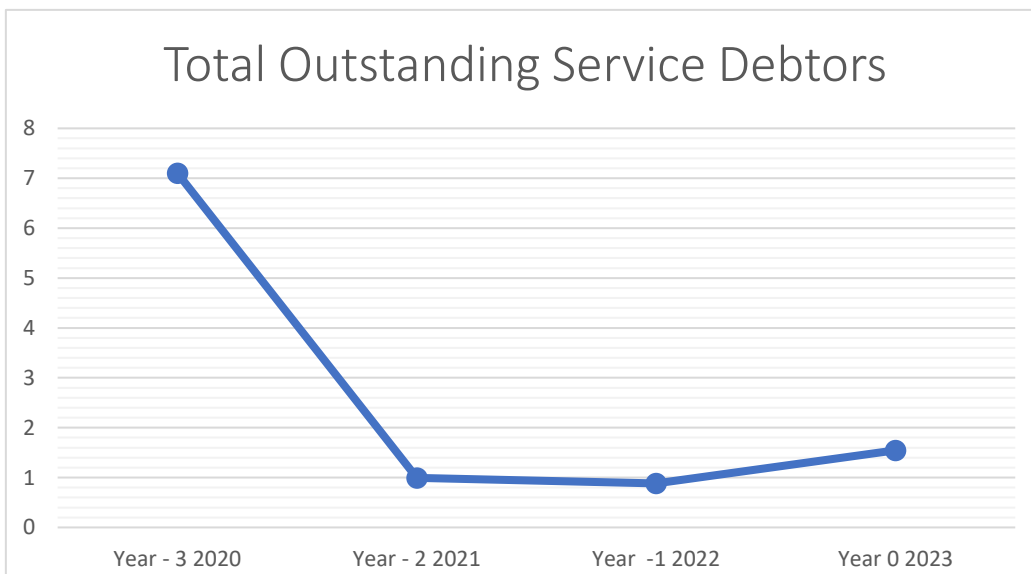
Liquidity Ratio – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality’s current liabilities. A higher ratio is better.

Data used from MBRR SA8



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

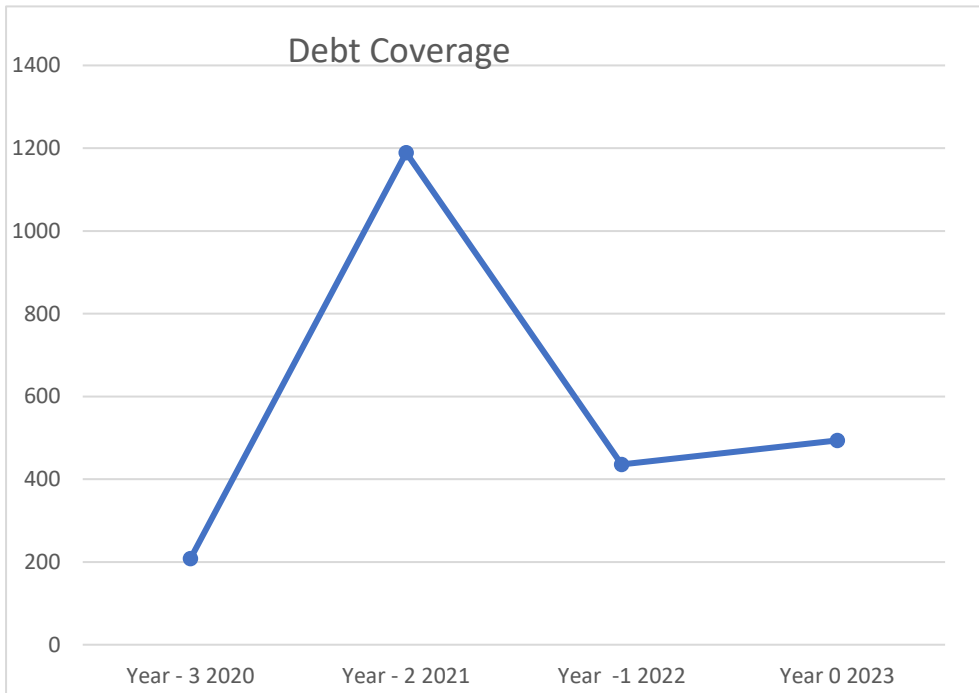
Data used from MBRR SA8



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

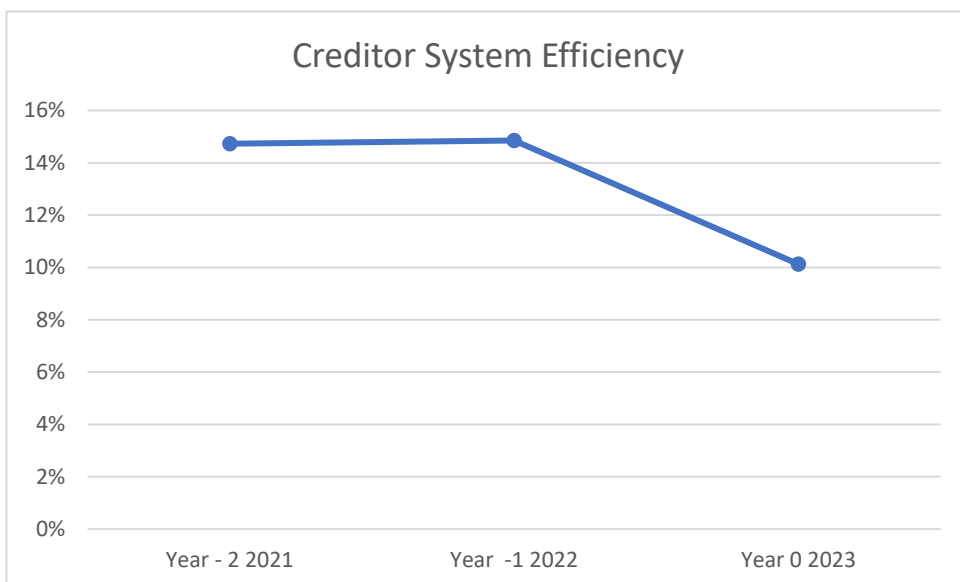
Data used from MBRR SA8



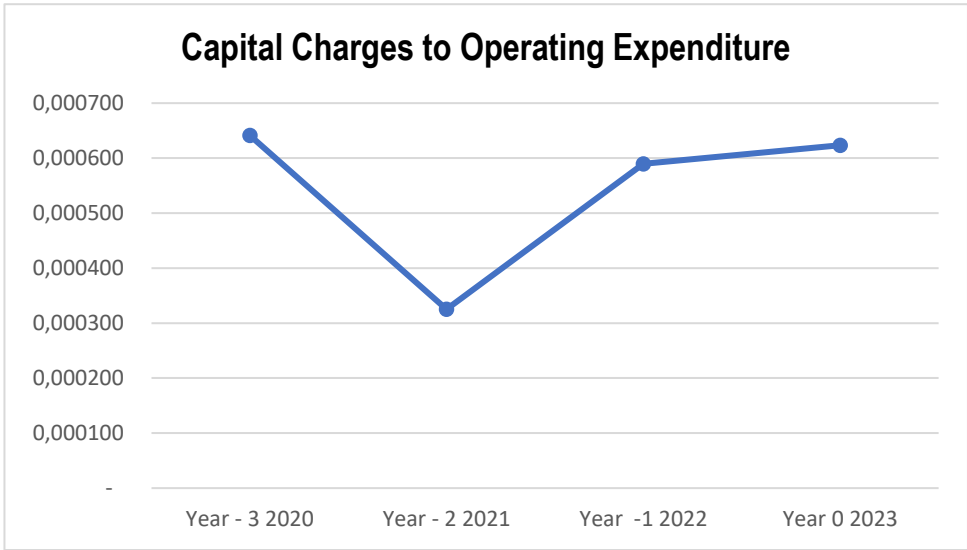


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

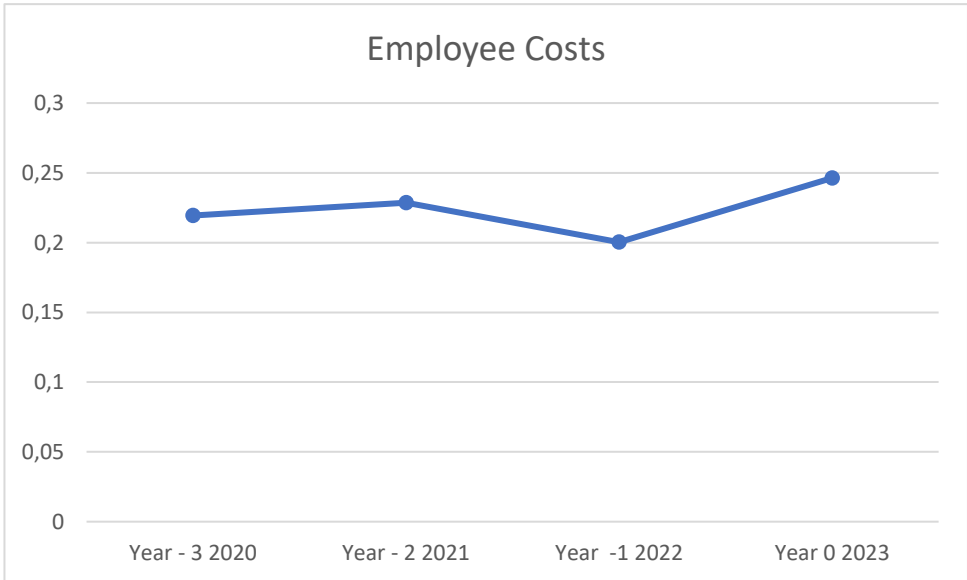


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit

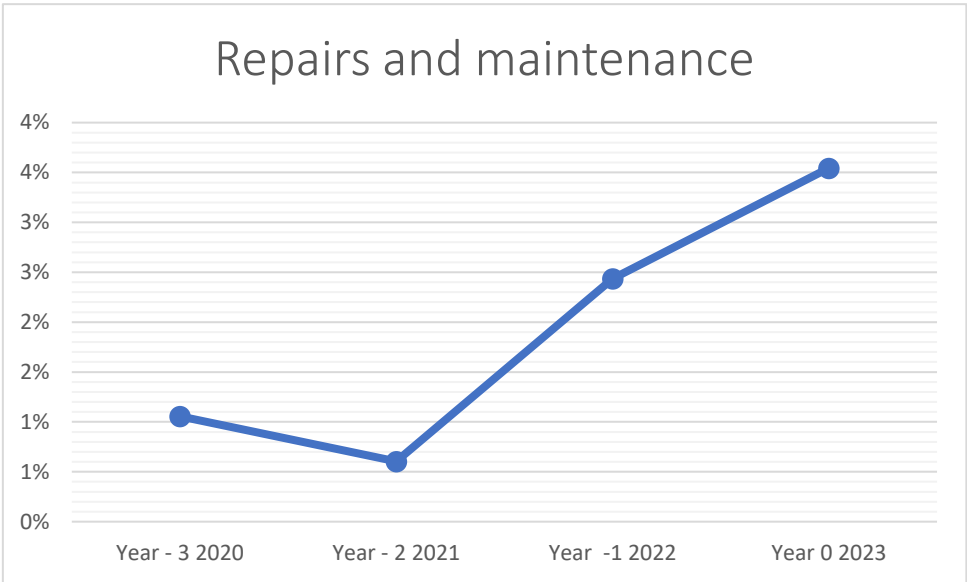


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8



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



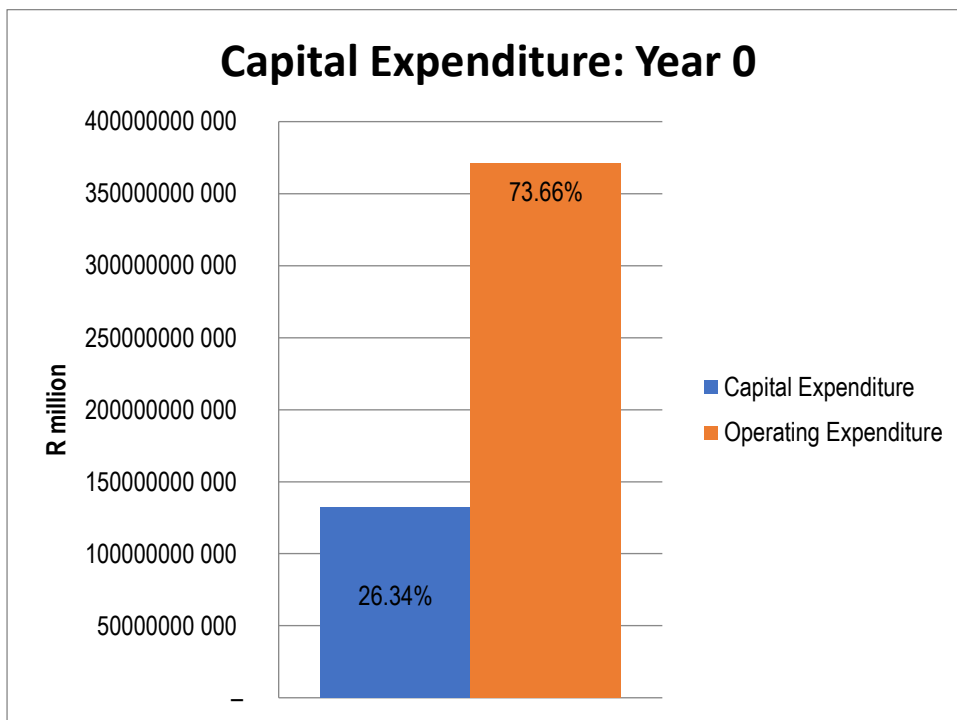
Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Component B deals with capital spending indicating where the funding comes from and whether Joe Morolong Local Municipality was able to spend the funding as planned. Capital expenditure is funded from grants, borrowing, operating expenditure and surpluses.

### 5.5 Capital Expenditure



### 5.6. Sources of Finance

Capital Expenditure - Funding Sources: Year -1 to Year 0						
						R' 000
Details	Year -1	Year 0				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						

	External loans					0.00%	0.00%
	Public contributions and donations					0.00%	0.00%
	Grants and subsidies	65175	105071.2	119034	105821	13.29%	0.71%
	Other	91975	23852	13544	10964	-43.22%	-54.03%
<b>Total</b>		<b>157150</b>	<b>128923</b>	<b>132578</b>	<b>116784</b>	<b>-29.93%</b>	<b>-53.32%</b>
<i>Percentage of finance</i>							
	External loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Grants and subsidies	41.5%	81.5%	89.8%	90.6%	-44.4%	-1.3%
	Other	58.5%	18.5%	10.2%	9.4%	144.4%	101.3%

<b>Capital expenditure</b>							
	Executive and council	824					
	Finance and administration	13160	10232	5732	2906	-43.98%	-71.60%
	Community and social services	77467	12100	7416	7662	-38.71%	-36.68%
	Road transport	44961	20145	20145	17515	0.00%	-13.05%
	Environmental protection	198	220	196	196	-10.97%	-10.97%
	Energy sources	1304					
	Water management	4294	75221	88384	79198	17.50%	5.29%
	Waste water management	14810	11005	10705	9306	-2.73%	-15.44%
	Waste management	130					
<b>Total</b>		<b>157150</b>	<b>128923</b>	<b>132578</b>	<b>116784</b>	<b>-78.89%</b>	<b>142.45%</b>
<i>Percentage of expenditure</i>							
	Executive and council	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
	Finance and administration	8.4%	7.9%	4.3%	2.5%	55.7%	50.3%
	Community and social services	49.3%	9.4%	5.6%	6.6%	49.1%	25.7%
	Road transport	28.6%	15.6%	15.2%	15.0%	0.0%	9.2%
	Environmental protection	0.1%	0.2%	0.1%	0.2%	13.9%	7.7%
	Energy sources	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
	Water management	2.7%	58.3%	66.7%	67.8%	-22.2%	-3.7%
	Waste water management	9.4%	8.5%	8.1%	8.0%	3.5%	10.8%
	Waste management	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%

T 5.6.1

### 5.7.1. Capital Expenditure of 5 largest projects

Capital Expenditure of 5 largest projects*						R' 000
Name of Project	Current: Year 0			Variance: Current Year 0		
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)	
Shalaneng Water Supply Portion 2	R 451 13	R 451 13	R13 085	0%	-3%	
Permonkie Water Supply	R 000 4	R 465 14	R14 672	-267%	1%	
Esperanza/ Churchill Water Supply	R 000 8	R 361 11	R11 361	-42%	0%	
Tsaelengwe Internal Road Portion 2	R 944 11	R 944 11	R11 943	0%	0%	
Washington Internal Road Portion 2	R 200 8	R 200 8	R8 199	0%	0%	
<i>* Projects with the highest capital expenditure in Year 0</i>						
<b>Shalaneng Water Supply Portion 2</b>						
Objective of Project	To provide potable water to the community					
Delays	None					
Future Challenges	Dependant on the Bulk Scheme at Heuningvlei					
Anticipated citizen benefits	345 Households					
<b>Permonkie Water Supply</b>						
Objective of Project	To provide potable water to the community					
Delays	None (additional funding was allocated)					
Future Challenges	None					
Anticipated citizen benefits	162 Households					
<b>Esperanza/ Churchill Water Supply</b>						
Objective of Project	To provide potable water to the community					
Delays	Additional funding was allocated					
Future Challenges	None					
Anticipated citizen benefits	144 Households					
<b>Tsaelengwe Internal Road Portion 2</b>						
Objective of Project	To upgrade the gravel road to paving blocks					
Delays	None					
Future Challenges	None					
Anticipated citizen benefits	1.5km					
<b>Washington Internal Road Portion 2</b>						
Objective of Project	To upgrade the gravel road to paving blocks					

Delays	None
Future Challenges	Nothing anticipated
Anticipated citizen benefits	700m
<i>T 5.7.1</i>	

## 5.8. Basic Service and Infrastructure Backlogs – Overview

There are about 186 rural villages in the Joe Morolong Local Municipality area that need access to basic services like water, electricity, sanitation, housing and roads. STATS SA showed an increase in total population for the area, therefore will be a need for additional funding to address the increased backlog. It was also noted that people, sometimes families, tend to move back into some villages. This is mainly due to the improved basic services (Water, Road infrastructure and Electricity). This situation caused a yearly increase in the number of households, which makes it very difficult to estimate the actual backlog of services and infrastructure. For the purpose of the ratios, the total number of households were taken as 23 707 (as published).

Distances between the various villages makes it very difficult to provide basic services such as bulk water infrastructure to be shared between villages. This has a huge effect on the unit and maintenance cost. The table below indicates the estimated backlogs. Please note that due to migration into some villages, especially after electrification, these numbers might be higher.

### Service Levels

Service Backlogs as at 30 June Year 0				
	Households (HHs)			
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	17 987,00	76%	5 720,00	24%
Sanitation	18 419,00	78%	5 288,00	22%
Electricity				
Waste management				
Housing				
<i>% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.</i>				
<i>T 5.8.2</i>				

During the financial year, heavy rains were experienced in our area which caused serious damages to road and water infrastructure. It is anticipated that this had a negative impact on our service backlogs. Business Plans were developed and submitted to possible funders to do emergency repairs.

A portion of the MIG grant was used to upgrade roads in the area, to improve access to decent sanitation facilities and to provide more people with access to basic water.

The WSIG grant was also utilized to eradicate the water backlog but also to refurbish boreholes and associated equipment.

SLP-funding was spent mainly on the upgrading of roads and water infrastructure.

During the financial year, our backlog was adjusted to be in-line with our WDSP and DWS figures.

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.9 Cash Flow Outcomes

Cash Flow Outcomes					R'000
Description	Year -1	Current: Year 0			
	Audited Outcome	Original Budget	Adjusted Budget	Actual	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
<b>Receipts</b>					
Ratepayers and other		50 102	47 019	879	
Government - operating		180 411	181 383	443	
Government - capital		105 071	121 534	959	
Interest		21 235	18 958		
Dividends					
<b>Payments</b>					
Suppliers and employees		(4 641 661)	(225 178)	379	
Finance charges					
Transfers and Grants				125	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>-</b>	<b>(4 284 842)</b>	<b>143 717</b>	<b>439 661</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Receipts</b>					
Proceeds on disposal of PPE					
Decrease (Increase) in non-current debtors					
Decrease (increase) other non-current receivables					
Decrease (increase) in non-current investments					
<b>Payments</b>					
Capital assets		(105 071)	(121 534)	688	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-</b>	<b>(105 071)</b>	<b>(121 534)</b>	<b>(304 688)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
<b>Receipts</b>					
Short term loans					
Borrowing long term/refinancing					



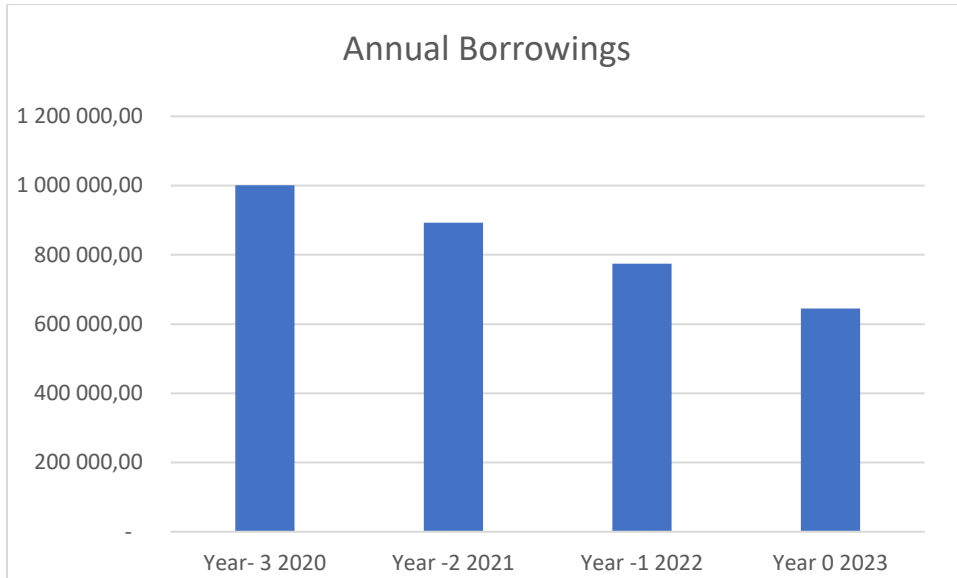
Increase (decrease) in consumer deposits		(9)	(4)	
<b>Payments</b>				
Repayment of borrowing		(195)	(195)	129
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>(204)</b>	<b>(199)</b>	<b>129</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>-</b>	<b>(4 390 117)</b>	<b>21 983</b>	<b>101 135</b>
Cash/cash equivalents at the year begin:		65 694	56 669	669 56
Cash/cash equivalents at the year end:		(4 324 423)	78 653	771 191
<i>Source: MBRR A7</i>				<i>T 5.9.1</i>

## 5.10 Borrowing and Investments

Managing the cash resource remains a key requirement to ensure liquidity of the Municipality in order to meet its financial obligations, both currently and into a sustainable future.

Cash flow is actively monitored to enable the municipality to meet its obligations as they become due. Both major revenue (grants, equitable share etc.) and expenditure (purchases and loan repayments) categories have been identified and accounted for appropriately to ensure that repayments are made on time and that surplus funds are invested in order to earn a favourable return on investment.

<b>Actual Borrowings: Year -2 to Year 0</b>			
	<b>R' 000</b>		
<b>Instrument</b>	<b>Year -2</b>	<b>Year -1</b>	<b>Year 0</b>
<b>Municipality</b>	892	774	645
Long-Term Loans (annuity/reducing balance)	0	0	0
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	<b>892</b>	<b>774</b>	<b>645</b>
<i>T 5.10.2</i>			



<b>Municipal and Entity Investments</b>			
			R' 000
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<b><u>Municipality</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	46 108	56 670	34 956
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	46108	56670	34955.98
<b><u>Municipal Entities</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			

Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>	0	0	0
<b>Consolidated total:</b>	46108	56670	34955.98
			<i>T 5.10.4</i>

### 5.11 Public Private Partnerships

The Municipality does not have any public private partnerships.

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 Supply Chain Management

All Supply Chain Management officials comply with the prescribed levels required for their positions in terms of the MFMA Competency Regulation Guidelines.

There were adverse remarks in the Auditor General's Report for the previous financial year regarding the quality of the Supply Chain Management of Joe Morolong Local Municipality.

The Joe Morolong Local Municipality have adopted and implemented the following policies and practices relating to Supply Chain Management:

- Supply Chain Management Policy
- Preferential Procurement Policy
- Infrastructure Procurement and Delivery Management Policy

### 5.13 GRAP Compliance

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The main goal of mSCOA is to ensure that municipal data sets are collected with a sufficient degree of consistency and quality. A business reform known as the Municipal Standard Chart of Accounts (mSCOA) would improve the efficiency and effectiveness of local government operations. mSCOA compliance aligns municipal infrastructure, planning and development (IDP) with budgets and annual financial statements.

The Municipality is GRAP compliant. As part of addressing capacity challenges experienced in Budget and Treasury Office, for the year under review, officials in the Budget and Treasury Office were assigned to work with the team appointed to assist in compiling the Annual Financial Statements. This was done as part of the skills transfer and Consultants Reduction Plan and is to continue in the foreseeable future.

## CHAPTER 6 - AUDITOR GENERAL AUDIT FINDINGS

The Auditor General audited the financial and performance information for the 2022/23 Financial Year after the audit was concluded the Auditor General's office presented Joe Morolong Local Municipality with an audit's opinion which will be enclosed in Volume III.

Subsequent to that, Joe Morolong Local Municipality developed an action plan that will address the Auditor General's findings. The action plan will also be enclosed in Volume III.

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

#### 6.1 Auditor-General Opinion on Financial Statements 2021/2022 (Previous Year)

Auditor-General Report on Financial Performance: Year 2021/2022	
Audit Report Status*:	Disclaimer
Non-Compliance Issues	Remedial Action Taken
Employee Cost (Non-pensionable allowance) - Non-compliance with salary and wage collective agreement	Management have performed inspection of the site and identified all the challenges and issues. We have allocated a budget to repair some of the damage
Compliance - UIFW incurred however no investigations performed	1) Internal audit should annually conduct a determination test or analyse the particulars of non-compliance in order to establish the facts and losses, if any, related to the transaction and submit the report to the accounting officer  2) The accounting officer should submit the internal audit report to council as soon as he receives it
No controls in place for the prevention of UIFW	1) Implement SCM compliance checklists to supplement policies and procedures  2) Strengthen the SCM control environment by conducting regular training to improve skills  3) Submit regular reports to management and governance structures on compliance with key legislation  4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.
	1) Implement SCM compliance checklists to supplement policies and procedures

Interest not declared and declaration of interest not submitted	<ol style="list-style-type: none"> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
Non- Compliance with NEMWA [National Environmental Management: Waste act 59 of 2008	Management have performed inspection of the site and identified all the challenges and issues. We have allocated a budget to repair some of the damage
Compliance Expenditure not paid within 30 days	<ol style="list-style-type: none"> <li>1) Ensuring strict adherence to 30 day timelines allocated for processing of an invoice through weekly meetings with different Managers</li> <li>2) Turnaround time of invoices within BTO to be reviewed (15 days)</li> <li>3) Payment should only be processed with a Creditors Stament, delivery note and signed invoice confirming receipt and accuracy of the goods or services</li> <li>4) Implement Payment Checklists that will be reviewed by Internal Control and the CFO</li> <li>5) Perform monthly Creditors' Reconciliation Statement</li> <li>6) Consequence management to be implemented against officials who are delaying payments</li> </ol>
Delegation of authority to approve payments not properly done	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
General expenses - Three quotations not obtained	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
Declaration of interests not submitted or no declarations made	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> </ol>

	<p>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</p>
<p>Local Content - Incomplete declarations by winning bidders on local production and content</p>	<p>1) Implement SCM compliance checklists to supplement policies and procedures</p> <p>2) Strengthen the SCM control environment by conducting regular training to improve skills</p> <p>3) Submit regular reports to management and governance structures on compliance with key legislation</p> <p>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</p>
<p>Competitive Bidding - No approved deviation for a bid above R10Million advertised for less than 30 days</p>	<p>1) Implement SCM compliance checklists to supplement policies and procedures</p> <p>2) Strengthen the SCM control environment by conducting regular training to improve skills</p> <p>3) Submit regular reports to management and governance structures on compliance with key legislation</p> <p>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</p>
<p>SCM Quotation testing - Three quotations not obtained</p>	<p>1) Implement SCM compliance checklists to supplement policies and procedures</p> <p>2) Strengthen the SCM control environment by conducting regular training to improve skills</p> <p>3) Submit regular reports to management and governance structures on compliance with key legislation</p> <p>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</p>
<p>Deviations -Deviation from inviting competitive bids process not followed properly</p>	<p>1) Implement SCM compliance checklists to supplement policies and procedures</p> <p>2) Strengthen the SCM control environment by conducting regular training to improve skills</p> <p>3) Submit regular reports to management and governance structures on compliance with key legislation</p> <p>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</p>
<p>Competitive Bidding: No evidence provided that the accounting officer ratified the different recommendations of which supplier to appoint</p>	<p>1) Implement SCM compliance checklists to supplement policies and procedures</p> <p>2) Strengthen the SCM control environment by conducting regular training to improve skills</p> <p>3) Submit regular reports to management and governance structures on compliance with key legislation</p>

	4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.
SCM-Quotation and Bids not evaluated in accordance with PPPF	<p>1) Implement SCM compliance checklists to supplement policies and procedures</p> <p>2) Strengthen the SCM control environment by conducting regular training to improve skills</p> <p>3) Submit regular reports to management and governance structures on compliance with key legislation</p> <p>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</p>
SCM Quotation testing - The required three quotations were not obtained	<p>1) Implement SCM compliance checklists to supplement policies and procedures</p> <p>2) Strengthen the SCM control environment by conducting regular training to improve skills</p> <p>3) Submit regular reports to management and governance structures on compliance with key legislation</p> <p>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</p>
<p><i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i></p> <p style="text-align: right;">T 6.1.1</p>	

### 6.1.2. Auditor-General Report on Service Delivery Performance: Year 2021-2022

Auditor-General Report on Service Delivery Performance: Year 2021/2022	
Audit Report Status:	Disclaimer
Non-Compliance Issues	Remedial Action Taken
Delay in completion of project	Adequate monitoring measures being put in place by PMU such monthly progress meetings with the contractors. Site inspections prior to payment being processed.
Non- Compliance with NEMWA [National Environmental Management: Waste act 59 of 2008	Management have performed inspection of the site and identified all the challenges and issues. We have allocated a budget to repair some of the damage
Blue drop - Internal Deficiency relation to Blue Drop Report	Action plan will be deduced from audit outcomes which were conducted from December 2022.
T 6.1.2	

**COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2022/2023**

**6.2 Auditor-General Opinion 2022/2023**

<b>Auditor-General Report on Financial Performance Year 2022- 2023</b>	
<b>Status of audit report:</b>	Disclaimer
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Bid adjudication minutes not submitted	<p>1) The Municipality has decided to enhance document management system by scanning all the documents such as payment vouchers and service level agreements. No payments</p> <p>2) Officials who request documents are issued with photocopies to minimise the risk of losing original documents.</p> <p>3) All documentation must go through Internal control to ease the transfer of information.</p> <p>4) Management to check information before it gets submitted to Internal control to ensure that all the relevant documentation are on file.</p> <p>5) Internal Control to double check the information before it gets sent to the Auditors.</p> <p>6) AG to acknowledge the receipt of all information</p>
AOPO: Performance management system of the municipality not adequate	<p>1) Develop and adopt a performance management system or framework that will describe how the municipality's cycle and processes of performance planning, monitoring, measurement, review and reporting</p>
UIFW incurred not reported to council and no investigations performed	<p>1) Internal audit should annually conduct a determination test or analyse the particulars of non-compliance in order to establish the facts and losses, if any, related to the transaction and submit the report to the accounting officer</p> <p>2) The accounting officer should submit the internal audit report to council as soon as he receives it</p>
No controls in place for the prevention of UIFW	<p>1) Implement SCM compliance checklists to supplement policies and procedures</p> <p>2) Strengthen the SCM control environment by conducting regular training to improve skills</p> <p>3) Submit regular reports to management and governance structures on compliance with key legislation</p> <p>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</p>



<p>General Expenses: Payment of expenditure incurred was not made within 30 days of receipt of invoice</p>	<ol style="list-style-type: none"> <li>1) Ensuring strict adherence to 30 day timelines allocated for processing of an invoice through weekly meetings with different Managers</li> <li>2) Turnaround time of invoices within BTO to be reviewed (15 days)</li> <li>3) Payment should only be processed with a Creditors Statement, delivery note and signed invoice confirming receipt and accuracy of the goods or services</li> <li>4) Implement Payment Checklists that will be reviewed by Internal Control and the CFO</li> <li>5) Perform monthly Creditors' Reconciliation Statement</li> <li>6) Consequence management to be implemented against officials who are delaying payments</li> </ol>
<p>AOPO: Measurability could not be confirmed</p>	<ol style="list-style-type: none"> <li>1) Management will ensure that performance information is adequately reviewed to ensure that it adheres to the SMART Principles</li> <li>2) Ensure that there are adequate controls and processes over the review, collection, monitoring and reporting of performance information</li> </ol>
<p>AOPO: Indicators with ambiguous definitions</p>	<ol style="list-style-type: none"> <li>1) Management will ensure that performance information is adequately reviewed to ensure that it adheres to the SMART Principles</li> <li>2) Ensure that there are adequate controls and processes over the review, collection, monitoring and reporting of performance information</li> </ol>
<p>Bulk purchases: Payment of expenditure incurred was not made within 30 days of receipt of invoice</p>	<ol style="list-style-type: none"> <li>1) Ensuring strict adherence to 30 day timelines allocated for processing of an invoice through weekly meetings with different Managers</li> <li>2) Turnaround time of invoices within BTO to be reviewed (15 days)</li> <li>3) Payment should only be processed with a Creditors Statement, delivery note and signed invoice confirming receipt and accuracy of the goods or services</li> <li>4) Implement Payment Checklists that will be reviewed by Internal Control and the CFO</li> <li>5) Perform monthly Creditors' Reconciliation Statement</li> <li>6) Consequence management to be implemented against officials who are delaying payments</li> </ol>
<p>General Expenses: Payment of expenditure incurred was not made within 30 days of receipt of invoice</p>	<ol style="list-style-type: none"> <li>1) Ensuring strict adherence to 30 day timelines allocated for processing of an invoice through weekly meetings with different Managers</li> <li>2) Turnaround time of invoices within BTO to be reviewed (15 days)</li> <li>3) Payment should only be processed with a Creditors Statement, delivery note and signed invoice confirming receipt and accuracy of the goods or services</li> <li>4) Implement Payment Checklists that will be reviewed by Internal Control and the CFO</li> <li>5) Perform monthly Creditors' Reconciliation Statement</li> <li>6) Consequence management to be implemented against officials who are delaying payments</li> </ol>

<p>Deviation reasons for not following the SCM process were not valid</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
<p>Deviation reasons for not following the SCM process were not valid</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
<p>No evidence in the bidding documents that the winning bidder's tax matters were in order</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
<p>No evidence in the bidding documents that the winning bidder's was registered on the CIDB database.</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>

<p>The municipality did not comply with legislation applicable on contracts entered into and monitoring of the contracts</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
<p>The municipality did not comply with the PPPFA relating to local content and production</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
<p>The municipality did not comply with relevant legislation and regulation applicable to the use of consultants</p>	<ol style="list-style-type: none"> <li>1) Internal audit will ensure that they perform a compliance audit and identify all governance and internal control deficiencies and then submit regular reports to management and governance structures on compliance with key legislation</li> </ol>
<p>The procurement through a panel of contractors was not according to SCM related legislation</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
<p>Contract awarded to more than one bidder. Bidders that did not score the highest points were appointed.</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
<p>SCM: Declaration of interest not submitted by suppliers who were appointed by the municipality</p>	<ol style="list-style-type: none"> <li>1) Internal audit will ensure that they perform a compliance audit and identify all governance and internal control deficiencies and then submit regular reports to management and governance structures on compliance with key legislation</li> </ol>

<p>The municipality does not have delegations of authority in place, however expenditure transactions were approved</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> <li>5) Ensure that a delegation of authority is developed and approved</li> </ol>
<p>Competitive Bidding: No approved deviation for a bid above R10Million advertised for less than 30 days</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
<p>Compliance relating to contract management could not be confirmed, and information requested was not submitted.</p>	<ol style="list-style-type: none"> <li>1) The Municipality has decided to enhance document management system by scanning all the documents such as payment vouchers and service level agreements. No payments</li> <li>2) Officials who request documents are issued with photocopies to minimise the risk of losing original documents.</li> <li>3) All documentation must go through Internal control to ease the transfer of information.</li> <li>4) Management to check information before it gets submitted to Internal control to ensure that all the relevant documentation are on file.</li> <li>5) Internal Control to double check the information before it gets sent to the Auditors.</li> <li>6) AG to acknowledge the receipt of all information</li> </ol>
<p>Municipality underspent significantly on repairs and maintenance of assets.</p>	<ol style="list-style-type: none"> <li>1) Internal audit will ensure that they perform a compliance audit and identify all governance and internal control deficiencies and then submit regular reports to management and governance structures on compliance with key legislation</li> </ol>
<p>Budgeted amount for maintenance of water infrastructure assets is not adequate</p>	<ol style="list-style-type: none"> <li>1) Internal audit will ensure that they perform a compliance audit and identify all governance and internal control deficiencies and then submit regular reports to management and governance structures on compliance with key legislation</li> </ol>

<p>CCG invoices have insufficient information to determine if cost containment measures were considered</p>	<ol style="list-style-type: none"> <li>1) Ensuring strict adherence to 30 day timelines allocated for processing of an invoice through weekly meetings with different Managers</li> <li>2) Turnaround time of invoices within BTO to be reviewed (15 days)</li> <li>3) Payment should only be processed with a Creditors Statement, delivery note and signed invoice confirming receipt and accuracy of the goods or services</li> <li>4) Implement Payment Checklists that will be reviewed by Internal Control and the CFO</li> <li>5) Perform monthly Creditors' Reconciliation Statement</li> <li>6) Consequence management to be implemented against officials who are delaying payments</li> </ol>
<p>SCM: The winning quotation is similar (format/wording/pricing) with any other losing quotation</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
<p>SCM: The reasons for deviation provided do not make it impossible/ impractical to obtain 3 written quotations.</p>	<ol style="list-style-type: none"> <li>1) Implement SCM compliance checklists to supplement policies and procedures</li> <li>2) Strengthen the SCM control environment by conducting regular training to improve skills</li> <li>3) Submit regular reports to management and governance structures on compliance with key legislation</li> <li>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</li> </ol>
<p>SCM: Deviations were not reported to council</p>	<ol style="list-style-type: none"> <li>1) Internal audit should annually conduct a determination test or analyse the particulars of non-compliance in order to establish the facts and losses, if any, related to the transaction and submit the report to the accounting officer</li> <li>2) The accounting officer should submit the internal audit report to council as soon as he receives it</li> </ol>
<p>Compliance with contract management related requirements could not be confirmed.</p>	<ol style="list-style-type: none"> <li>1) Internal audit should annually conduct a determination test or analyse the particulars of non-compliance in order to establish the facts and losses, if any, related to the transaction and submit the report to the accounting officer</li> <li>2) The accounting officer should submit the internal audit report to council as soon as he receives it</li> </ol>

SCM: The winning provider's tax matters has not been declared by SARS to be in order	<p>1) Implement SCM compliance checklists to supplement policies and procedures</p> <p>2) Strengthen the SCM control environment by conducting regular training to improve skills</p> <p>3) Submit regular reports to management and governance structures on compliance with key legislation</p> <p>4) Upon receipt of the procurement Bids SCM undergoes mandatory governance compliance checks which includes Tax Status, mandatory forms and documents, Local Content and CIDB requirements.</p>
Annual Financial Statements (AFS) and Annual Performance Report (APR) were not submitted with 2 months after year end, which is the legislated deadline for submission of AFS and APR	<p>1) Management should use the National Treasury GRAP disclosure checklist on their website to facilitate all GRAP disclosure requirements.</p> <p>2) Management should enhance their annual financial statements review processes in order to ensure that their prepared financial statements comply with GRAP framework.</p>
The Annual Report was only approved on 16 September 2021, which is after 2 months from the financial year end, and not within 2 months as required by DoRA 12(5). Furthermore it could not be confirmed that the business plan or implementation plan was submitted within 2 months after year-end to the transferring officer.	1) Internal audit will ensure that they perform a compliance audit and identify all governance and internal control deficiencies and then submit regular reports to management and governance structures on compliance with key legislation
<p><i>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.</i></p>	
	T 6.2.1

## 6.2.2. Auditor-General Report on Service Delivery Performance: Year 0 2022-2023

Auditor-General Report on Service Delivery Performance: Year 2021/2022	
Audit Report Status:	Disclaimer
Non-Compliance Issues	Remedial Action Taken
Glendred Landfill Site	Management Should develop and Monitor controls to ensure that the Landfill site is being efficiently and economically used
	T 6.2.2

## APPENDICES

### APPENDIX A: Full list of Councillors, committee allocation, and attendance to meetings

NO.	NAME	WARD/PR	EXCO
1	Cllr D. Leutlwetse-Tshabalala	PR Councillor	Mayor
2	Cllr V Jordan	PR Councillor	Speaker
3	Cllr D Kgosierileng	PR Councillor	Yes
4	Cllr O Mokweni	PR Councillor	Yes
5	Cllr G Kaotsane	Ward Councillor	Yes
6	Cllr M Mbolekwa	Ward Councillor	Yes
7	Cllr N Tswere	PR Councillor	No
8	Cllr G Tagane	Ward Councillor	No
9	Cllr K Maamogwa	Ward Councillor	No
10	Cllr K Lebatlang	Ward Councillor	No
11	Cllr G Kgositau	Ward Councillor	No
12	Cllr T Gaobuse	Ward Councillor	No
13	Cllr L Machogo	Ward Councillor	No
14	Cllr A Manzana	Ward Councillor	No
15	Cllr M Filipo	Ward Councillor	No
16	Cllr T Mosegedi	Ward Councillor	No
17	Cllr L Manankong	Ward Councillor	No
18	Cllr K Majoro	Ward Councillor	No
19	Cllr S Choche	Ward Councillor	No
20	Cllr J Kolberg	Ward Councillor	No
21	Cllr I Matebese	PR Councillor	No
22	Cllr D Kopeledi	PR Councillor	No
23	Cllr D Gaoorwe	PR Councillor	No
24	Cllr E Kehologile	PR Councillor	No
25	Cllr T Magano	PR Councillor	No
26	Cllr O Etshetshang	PR Councillor	No
27	Cllr T Tikane	PR Councillor	No
28	Cllr V Mosimanyana	PR Councillor	No
29	Cllr M Gaetsewe	PR Councillor	No

The Portfolio Committee members were elected in terms of Section 80 of the Local Government Municipal Structures Act (Act no 117 of 1998) as follows:

NAME OF COMMITTEE	MEMBERS
Finance, Human Resource and Administration	Cllr. B. Mbolekwa (Chairperson) Cllr. G. Kgositau Cllr. M. Filipo Cllr. K. Majoro Cllr. G. Tagane Cllr. D. Kopeledi Cllr. T. Magano
Planning and Development (Economic Development, Planning and Tourism )	Cllr. O. Mokweni (Chairperson) Cllr. L. Manankong Cllr. T. Gaobuse

	Cllr. J. Kolberg Cllr. L. Machogo Cllr E. Kehologile
Infrastructure	Cllr G. Kaotsane (Chairperson) Cllr. K. Maamogwa Cllr. A. Manzana Cllr. T. Mosegedi Cllr. O. Etshetshang Cllr. K. Lebatlang Cllr. T. Tikane
Community Services	Cllr. N. Kgosierileng (Chairperson) Cllr. I. Matebese Cllr. K. Tswere Cllr. S. Choche Cllr. G. Mosimanyana Cllr. M. Gaetsewe Cllr. D. Gaoorwe

## ATTENDANCE TO MEETINGS

### EXCO

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr D. Leutlwetse-Tshabalala	4	4
2	Cllr G. Kaotsane	4	4
3	Cllr M Mbolekwa	4	4
4	Cllr O. Mokweni	4	4
5	Cllr N Kgosierileng	4	2

## ATTENDANCE TO SPECIAL COUNCIL MEETINGS

NO.	NAME	NO. OF MEETINGS	NO. OF MEETINGS ATTENDED
1	Cllr D. Leutlwetse-Tshabalala	11	7
2	Cllr V Jordan	11	9
3	Cllr O. Mokweni	11	9
4	Cllr G Kaotsane	11	11
5	Cllr M Mbolekwa	11	11
6	Cllr N Kgosierileng	11	10
7	Cllr N. Tswere	11	11
8	Cllr G Tagane	11	11
9	Cllr K Maamogwa	11	11
10	Cllr K Lebatlang	11	11
11	Cllr G Kgositau	11	11
12	Cllr T Gaobuse	11	10
13	Cllr L Machogo	11	11
14	Cllr A Manzana	11	11
15	Cllr M Filipino	11	11
16	Cllr T Mosegedi	11	9



17	Cllr T Manankong	3	11
18	Cllr K Majoro	3	6
19	Cllr S Choche	3	11
20	Cllr J Kolberg	3	11
21	Cllr I Matebese	3	9
22	Cllr D Kopeledi	3	10
23	Cllr D Gaoorwe	3	11
24	Cllr E Kehologile	3	11
25	Cllr T Magano	3	11
26	Cllr O Etshetshang	3	10
27	Cllr T Tikane	3	8
28	Cllr V Mosimanyana	3	8
29	Cllr M Gaetsewe	3	11

#### ATTENDANCE TO ORDINARY COUNCIL MEETINGS

NO.	NAME	NO. OF SCHEDULED MEETINGS	NO. OF MEETINGS ATTENDED
1	Cllr D. Leutlwetse-Tshabalala	4	3
2	Cllr V Jordan	4	2
3	Cllr O Mokweni	4	3
4	Cll G Kaotsane	4	3
5	Cllr B Mbolekwa	4	4
6	Cllr N Kgosierileng	4	1
7	Cllr G Tagane	4	4
8	Cllr N. Tswere	4	4.
9	Cllr K Maamogwa	4	4
10	Cllr K Lebatlang	4	4
11	Cllr G Kgositau	4	4
12	Cllr T Gaobuse	4	4
13	Cllr L Machogo	4	4
14	Cllr A Manzana	4	4
15	Cllr M Filipo	4	4
16	Cllr T Mosegedi	4	3
17	Cllr L Manankong	4	4
18	Cllr K Majoro	4	4
19	Cllr S Choche	4	4
20	Cllr J Kolberg	4	4
21	Cllr I Matebese	4	3
22	Cllr D Kopeledi	4	3
23	Cllr D Gaoorwe	4	3
24	Cllr E Kehologile	4	3
25	Cllr T Magano	4	4
26	Cllr O Etshetshang	4	4
27	Cllr T Tikane	4	2
28	Cllr V Mosimanyana	4	3
29	Cllr M Gaetsewe	4	3

**ATTENDANCE TO PORTFOLIO COMMITTEE MEETINGS****FINANCE, HUMAN RESOURCES AND ADMINISTRATION**

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr M Mbolekwa	4	4
2	Cllr D Tagane	4	3
3	Cllr G Kgositau	4	4
4	Cllr M Filipino	4	3
5	Cllr K Majoro	4	3
6	Cllr D Kopeledi	4	4
7	Cllr T Magano	4	4

**INFRASTRUCTURE**

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr G Kaotsane	4	4
2	Cllr E Maamogwa	4	3
3	Cllr A Manzana	4	3
4	Cllr T Mosegedi	4	1
5	Cllr K Lebatlang	4	4
6	Cllr T Tikane	4	4
7	Cllr O Etshetshang	4	1

**PLANNING AND DEVELOPMENT (ECONOMIC DEVELOPMENT, PLANNING & TOURISM)**

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr O Mokweni	4	4
2	Cllr L Manankong	4	4
3	Cllr T Gaobuse	4	4
4	Cllr O Kolberg	4	4
5	Cllr L Machogo	4	4
6	Cllr E Kehologile	4	3

**COMMUNITY SERVICES**

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr N Kgosierileng	4	3
2	Cllr P Choche	4	3
3	Cllr D Gaoorwe	4	4
4	Cllr J Gaetsewe	4	3
5	Cllr V Mosimanyana	4	3
6	Cllr N Tswere	4	3
7	Cllr I Matebese	4	1

## MPAC COMMITTEE

NO.	NAME	NO. OF SCHEDULED MEETING	NO. OF MEETINGS ATTENDED
1	Cllr N Tswere	2	2
2	Cllr D. Kopeledi	2	2
3	Cllr D Gaoorwe	2	2
4	Cllr M Gaetsewe	2	2
5	Cllr V Mosimanyana	2	2
6	Cllr T Tikane	2	1
7	Cllr T Mosegedi	2	1
8	Cllr L Manankong	2	2
9	Cllr G Kgositau	2	2

## APPENDIX B: Committees and Committee Purposes

### AUDIT, PERFORMANCE AND RISK COMMITTEE

The Municipality has signed appointed a new Audit, Performance and Risk Committee during the 2022-2023 financial year.

Primary functions of the audit, performance and risk committee includes:

- Monitoring the integrity of Council;
- Review of financial statements;
- Reviewing the effectiveness of Council's internal control and risk management;
- Overseeing the relationship between management and the municipality's external auditors;
- The Committee will make recommendation to management via Council, resulting from activities carried out by the Committee in terms of the reference;
- The compilation of reports to Council, at least twice during a financial year;
- To review the quarterly reports submitted to it by the Internal Audit;
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation;
- Review audit results and actions plans implemented by management; and
- Making recommendations to Council and also carrying out its responsibility to implement the recommendations.

### MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

MPAC was established in terms of Section 79 of the Municipal Structures Act, 117 of 1998.

The committee is composed as follows:

- i. Cllr. Keikantsemang Novility Tswere (Chairperson)
- ii. Cllr. Dineo Lovedalia Kopeledi

- iii. Cllr. Dipitso Emmanuel Gaoorwe
- iv. Cllr. Gopolang George Kgositau
- v. Cllr. Thapelo George Mosegedi
- vi. Cllr. Lesedi Precious Manankong
- vii. Cllr Vincent Mosimanyana
- viii. Cllr. Tuelo Joshua Tikane
- ix. Cllr. Moneedi Joshua Gaetsewe

### **APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE**

This is discussed in Chapter 2 under Governance and no additional information is provided here.

### **APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY**

This is discussed in Chapter 1 under Executive summary and no additional information is provided here.

### **APPENDIX E – WARD REPORTING**

This is discussed in Chapter 2 under Intergovernmental Relations and no additional information is provided here

### **APPENDIX F – WARD INFORMATION**

This is discussed in Chapter 2 under Intergovernmental Relations and no additional information is provided here

### **APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT, PERFORMANCE AND RISK COMMITTEE YEAR 0**

#### **1. Purpose**

- 1.1. The Committee is honoured to present its oversight report to the Council for noting and implementation by management.

#### **2. Legislative requirements**

- 2.1. The Audit, Risk and Performance Committee is required to report to the Council on the work it is doing focusing on its primary responsibilities outlined in terms of Section 166 of the Municipal Finance Management Act (MFMA) for the purpose of advising the municipal council, political office bearers, accounting officer and management.
- 2.2. The committee has in terms of circular 65 of MFMA adopted an appropriate formal term of reference clearly setting out the establishment, purpose, authority, composition

and the relationship with council, management, internal and external auditors as per its charter.

### **3. Matters relating to the structure of the committee and its responsibilities:**

#### **3.1. The structure of the Committee**

3.1.1. Established committee currently consists of 3 independent external members listed below:

Mr. J. Snyders: Chairperson

Mrs. N. Ntsepo: Member

Mr. K. Nkoe: Member

3.2. The Audit, Risk and Performance Committee is required to continuously evaluate the activities and performance of Internal Audit to ensure that it remains capacitated, independent and objective in discharging its responsibilities.

3.3. Unit needs to be properly capacitated in order to enable it to carry out its tasks properly so that objectives are achieved. The structural reviews of internal audit should be done.

3.4. Internal audit reports to Audit, Risk and Performance Committee in order to ensure its independence and objective in performance of its tasks.

3.5. The committee advised management to implement internal audit findings and recommendations properly and on time to ensure improvement of audit outcomes.

3.6. The committee reviewed and approved 2022/2023 internal audit charter, methodology and internal audit plans for implementation by Internal Audit in 2022/2023 financial year.

3.7. The assignments carried out in quarter 2 and 3 are quarterly performance validations, revenue management and assigned adhoc tasks.

### **4. Internal Controls**

4.1 The accounting officer is obliged, in terms of section 165 of the MFMA, to ensure that the entity has a system of internal audit under the control and direction of the audit committee.

An in-house internal audit unit exists. The internal audit unit reports to the Municipal Manager administratively and functionally to the ARPC.

The following resolutions were passed by the ARPC:

- ARPC reviewed and approved the Internal Audit Charter for 2023/2024 for implementation by the internal audit unit.
- Internal audit unit experience capacity challenges. The structure is to be taken to council for final approval. (Chief Audit Executive, Senior Internal Auditor, 5 Internal Auditors).
- Internal Audit Plan for 2023/2024 was provisionally approved and will be reassessed at the following ARPC meeting.

The internal audit manager does not attend all senior management meetings. It is recommended that the internal audit manager attends senior management meetings, ex officio, to be kept abreast of processes and decisions impacting the risk profile of the municipality. This will enforce the role of the internal audit function in providing assurance on governance, risk management and controls in the municipality.

## 5. Internal Controls

- 5.1. The ARPC relies on AGSA and internal audit for the assessment of internal control. This will be reviewed and assessed at all the ARPC meetings.

The ARPC passed the following resolutions:

- Management should ensure that contingent liabilities amounts are accurate, complete and supported by reliable estimated information from the attorneys.
- Management should separate cases that have already been settled and cases that in their nature constitute contingency liabilities as well as to determine prospects of success per case.
- Management to report implementation progress on ethics management.

## 6. External Auditors Report

- 6.1. Joe Morolong LM has achieved a “disclaimer” audit outcome for an extended period (7 years). Although the municipality can improve in a specific year, the opening/comparative balances need to be addressed to improve the audit outcome. This will require an enormous effort to rectify historical non-compliance and mistakes over an extended period.

AGSA reports were reviewed as well as the implementation of the action plans. The following issues contributed to the disclaimer:

- Property, plant and equipment
- Receivables (exchange transactions, non-exchange transactions, VAT, statutory)
- Depreciation and amortisation
- Interest (revenue non-exchange transactions, exchange transactions)
- Property rates and services charges
- Payables from exchange transactions
- General expenses
- Employee-related costs
- Debt impairment and impairment of assets
- Bulk purchases
- Transfers and subsidies
- Unauthorised, irregular, fruitless & wasteful expenditure
- Commitments
- Statement of comparison of budget and actual amounts
- Contingent liabilities
- Distribution losses
- Segment reporting
- Related parties
- Cashflow statement, Statement of cash flow (operating activities and investment activities)
- Prior period error
- Statement of changes in net assets
- Additional disclosures in terms of MFMA

- Revenue from exchange transactions

Material findings were also reported in the AGSA management report on the usefulness and reliability of performance information.

## **7. Risk Management Matters**

- 7.1. The Audit, Performance and Risk Committee is responsible for the oversight of the risk management function.

The following was presented to the ARPC:

- Draft risk management governance documents
- Strategic risk register

The following resolutions were passed by the ARPC:

- CRO to prepare a report and submit to ARPC quarterly.
- The draft risk management governance documents to be aligned to Joe Morolong Local Municipality dynamics and submitted for approval by Council.
- Internal audit to provide assurance on the risk management function and processes.

14

## **8. Performance Management Information**

- 8.1. Part of the responsibilities of the ARPC includes the review of institutional performance. ARPC was appraised of the progress. Municipality has 60 KPI's applicable for Q3 of which 53 were achieved.

The ARPC passed the following resolutions:

- Management should submit reports to the ARPC at least 7 days before the date of the meeting.
- Management should confirm if POE was submitted.
- Internal audit should review and validate Q3 performance information and submit a report to ARPC in the next meeting.
- IDP manager to develop a standard reporting format for all departments.

## **9. Financial Information**

- 9.1. The committee reviewed second to third quarterly financial information reports and directed management to implement all reviews and recommendations of the committee.
- 9.2. The committee noted that there was a lack of record keeping for most of historical and current transactions not supported by necessary documentations which makes it difficult for auditors to confirm credibility, accuracy, completeness, existence of audit trails and ultimately not able to confirm that financial information present credible views of financial position, financial performance and cash flow information.
- 9.3. Management started to compile quarterly financial statements from quarter 3 of the current financial year. The committee insisted that quarterly financial statements should be prepared in order to urgently resolve compliance findings from AGSA that municipality was not able to submit Annual Financial Statements and Annual Performance Report within two month from the end of financial year.

- 9.4. The committee is worried about low revenue collections resulting in debts impairments which are also not being calculated correctly in terms of GRAP Standard 104. The committee directed management to implement stringent measures to ensure that collections are maximised from debtors. The committee started with the reviews of payment factor reports on the quarterly basis in order to discuss and resolve problems of revenue collections.
- 9.5. Management committed to review and implement debts impairment policy to be in line with GRAP 104 and to ensure that individual assessment of each debtor is done before decision to impair is taken. Management is in process of reversing impairments which were not done in line with GRAP 104.
- 9.6. The committee advised management to ensure that interests are charged on long overdue or outstanding debts payments for services consumed. This was subsequently corrected in the current financial year and system is now automatically charging interest on outstanding debts.
- 9.7. Management is in process of rectifying incorrect classifications of tariffs and rates and they have already uploaded reviewed supplementary valuations rolls into the system. The committee will monitor the progress and report accordingly.
- 9.8. Management already identified duplicate service accounts and in process of reversing them.
- 9.9. The committee noted that leave administration is being done manually in excel spreadsheet which may result into many errors, incomplete, inaccuracy and unreliability of information. The committee directed management to implement leave management module in the system in order to automate leave administration and do reconciliations. Management is committed to automate leave administration from the new financial year.
- 9.10. The committee directed management to continuously review leave policy, processes, systems descriptions, control effectiveness monitoring in order to monitor compliance implementations with leave policy and to ensure proper leave accounting, completeness, accuracy and that the leave liability to officials is minimised.
- 9.11. The committee directed management to continuously review overtime policy, processes, system descriptions and to monitor controls effectiveness and compliance implementations with overtime policy and to minimise payments of overtime.
- 9.12. The costs of assets in the Fixed Asset Register are not supported by proper supporting documents and even journals passed are not supported by necessary supporting documents. The committee advised management to do assets counts on a monthly basis in order to correct control deficiencies in the Fixed Asset Register on time instead of doing this exercise once late at the end of financial year.
- 9.13. Asset verifications is now being conducted, verifications & unbundling of infrastructure assets is taking place to ensure that those assets certified to be completed are transferred into completed property, plant & equipment and those not completed are reconciled into work in progress.
- 9.14. This will also entails eliminations or write-offs of assets which could not be located and those assets which are broken or in bad conditions.
- 9.15. Disclosure of unauthorised, irregular, fruitless and wasteful expenditure were not complete and management were not able to keep registers of UIFW expenditure opening balances and provided them to auditors within agreed timeframes when required for audit purposes.



- 9.16. Management constructed the registers of UIFW and are assembling supporting documents for reviews and further processing by MPAC to investigate and reduce balances in line with Section 32 of the MFMA.
- 9.17. The committee directed management to develop and implement preventative strategy of UIFW expenditure and present this to the committee for reviews and implementations monitoring.
- 9.18. The committee is also monitoring compliance improvements with supply chain management policies and regulations to ensure that control deficiencies identified by AGSA are corrected to reduce UIFW expenditure and improve audit outcomes.
- 9.19. Management are reviewing all payables reported in the previous financial year to confirm validity of the transactions reported. Creditors' confirmations are currently being done with all creditors appearing on the list to confirm validity.
- 9.20. The committee advised management to develop credible and comprehensive check list of the year-end procedures for implementations. This includes amongst other things, proper reconciliations to ensure that bank statements and cash book balances reconcile, cash, stock & assets counts with involvement of auditors to participate. Management committed to review and implement year-end procedures to ensure readiness of transactions for preparations of annual financial statements.
- 9.21. Management committed to conduct adequate reviews of journals which are passed to ensure that sufficient supporting documents are attached in reversing or correcting transactions.
- 9.22. The Committee advised management to perform proper reconciliations of grants as at year-end to ensure that they are cash-backed and accounted accordingly in line with treasury guidelines.
- 9.23. Management committed to provide progress report together with updated set of annual financial statements to the committee by the 22 July 2022 for reviews.
- 9.24. The main focus of the committee is to drive the municipality into achieving improved audits outcomes going forward.

#### **10. Implementations of material irregularity raised by AGSA in 2020/2021 Financial Year**

- 10.1. AGSA raised two material irregularities in 2020/2021 financial year audit report which are consisting of the failure by municipality to charge interest on outstanding accounts and insufficient record keeping.
- 10.2. The committee reviewed the control deficiencies which resulted into these material irregularities and advised management to implement suggested or recommended controls in order correct deficiencies in the control environment.
- 10.3. Record keeping is main factor which contributed to disclaimer audit opinions because AGSA indicated that information requested were not submitted within the agreed timeframes even in cases where extensions were given to management to submit information.
- 10.4. The committee advised management to improve on record keeping and will be following-up on this matter regularly including the cases of interest which were not charged on outstanding debts to ensure that management implements recommended actions plans.

#### **11. ICT Business Continuity and Disaster Recovery Policies**

- 11.1. ICT Business Continuity Plan is in the process of being developed for reviews by the committee and implementation by management once finalised.
- 11.2. The committee advised management to ensure that ICT Business Continuity Plan should enable the municipality to with-stand the shocks of any kind of disaster which may strike so that services continued to be delivered uninterrupted
- 11.3. The committee is in the process of review of ICT Disaster Recovery Policy for implementation by management.
- 11.4. The ICT Strategic Plan is in process of being developed which will include critical activities such as promoting better access to information, infrastructure upgrades, software upgrades, online computing management, improved systems security management against attacks and improved connectivity.
- 11.5. The Committee advised management to ensure that Disaster recovery Policy should enable municipality to sufficiently protect its information and recovery of data lost as a result of any unwanted incident or accidents and also to ensure regular data recovery testing.
- 11.6. The committee noted that only financial information is being backed-up on the iCloud and the rest of information is being backed-up on memory sticks and hard drives.
- 11.7. The committee noted that Municipality does not have Electronic Record Management System and Servers are outdated which present the risks of the effectiveness and retrieval of backed-up information.
- 11.8. The committee directed management to pay special attention to these issues mentioned above to ensure that all systems and information are properly backed-up.
- 11.9. The committee directed management to submit all ICT policies for reviews.
- 11.10. The committee directed management to ensure that ICT Steering Governance Committee should meet on the quarterly basis and should provide regular feedback reports in terms of work which is being done for regular reviews, monitoring and evaluations.

## **12. Conclusion**

- 12.1. The Audit, Risk and Performance Committee would like to thank the Internal Audit Unit, Management and Council for the ongoing support provided.
- 12.2. The committee will direct more efforts on improving audit opinion of the municipality from disclaimer, qualified, unqualified and to clean audit opinions going forward.

## **13. Recommendation to Council**

- 13.1. The committee recommends this report to the Council for noting and implementation by management.

## **APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS**

No long-term contracts were entered into during 2022/23. There are no public private partnerships.

**APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE**

The Municipality has no municipal entities

Municipal Entity/Service Provider Performance Schedule														
Name of Entity		Purpose (i) b	Name of project	(a) Service Indicators	(b) Service Targets (ii)	Year 0		Year 1		Year 2	Year 3			
Consultant (i) a.1	Contract (i) a.2					Target	Actual	Target		Actual	Target			
						*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)	
KMSD Engineering Consultants	Tsaathebe/Around the Moon JV Logistics and Projects 49	To provide potable water within a 200m radius to households in the JMLM area	Bojelapotsane	Number of households served with quality basic water supply at Bojelapotsane (47), Bush Buck (553), Esperenza/Churchill (144), Madula Ranch (292), Shalaneng (173), Penryn (76), Ganghaai (94), Permonkie (53) and	1500	0	2533	1500	2800		0	0	0	0
KMSD Engineering Consultants	Leano Lentle JV Sozamshlongo Electrical		Bush Buck								0	0	0	0
Tsela Tweu Consulting Engineers	Tsaathebe/Around the Moon JV Logistics and Projects 49		Esperenza/Churchill								0	0	0	0
Tsela Tweu	MohauMolutsi Civil Works		Madula Ranch								0	0	0	0

Consulting Engineers				Gamakgatle (69)									
Bvi Consulting Engineers	SupaVolt		Shalaneng							0	0	0	0
Tsela Tweu Consulting Engineers	One Line Phepheng JV		Penryn							0	0	0	0
Kgosiha di Consulting Engineers	Dropdot		Ganghaai							0	0	0	0
Bvi Consulting Engineers	Tsaathebe/Around the Moon JV Logistics and Projects 49		Permonkie							0	0	0	0
Kgosiha di Consulting Engineers	SupaVolt		Gamakgatle							0	0	0	0
Kgosiha di Consulting Engineers	Gobora Kemonona JV	To refurbish boreholes in the	Madibeng	Number of Boreholes Refurbished at Madibeng, Maketlele,	7	4	5	7	6	0	0	0	0

Kgosiha di Consulting Engineers	Dropdot	JMLM area	Maketele	Washington, Galotlhare						0	0	0	0
Kgosiha di Consulting Engineers	MohauMolutsi Civil Works		Washington							0	0	0	0
Kgosiha di Consulting Engineers	Leano Lentle JV Sozamshlongo Electrical		Galotlhare							0	0	0	0
KMSD Engineering Consultants	Tsaathebe Construction cc	To provide double pit dry sanitation units to households in the JMLM area	Eiffel/Klein Eiffel	Number of households provided with Sanitation at Eiffel/Klein Eiffel (30), Gatshekedi (108), Goodhope (117) and Rowell 1 & 2 (35)	290	203	290	290	405	0	0	0	0
KMSD Engineering Consultants	Tsaathebe Construction cc		Gatshekedi		0	0	0	0					
KMSD Engineering Consultants	Tsaathebe Construction cc		Goodhope		0	0	0	0					
KMSD Engineering Consultants	Tsaathebe Construction cc		Rowell 1 & 2		0	0	0	0					

KMSD Engineering Consultants	Tlotlo Tlhago Plant Hire and Construction	To upgrade gravel roads to surfaced (paved/tar) roads in the JMLM aarea	Tsaelengwe	Km's of Roads Upgraded from Gravel to Tar at Tsaelengwe (1.5km) and Washington (1km)	2,5 Km's	3,85km's	7,1 Km's	2,5km's	2,2 km	0	0	0	0
KMSD Engineering Consultants	MacP Construction		Washington							0	0	0	0

## APPENDIX J: DISCLOSURES OF FINANCIAL INTERESTS

All councillors and senior managers are required to declare their business interests annually. Such business interests are listed below:

<b>Councillors</b>	
Councillor Manankong L.P	Lite Projects (Pty) Ltd
Councillor Kolberg J.O	Manyeding Agricultural Cooperative
	Mahube Agrow
Councillor Gaetsewe M.J	Rona Mmogo (Pty) Ltd
Councillor Kaotsane G.G	Asili Ya Mama (Pty) Ltd
	Saba Logistics (Pty) Ltd
	Seconded councillor to John Taolo Gaetsewe District Municipality
Councillor Tagane G.C	Puoko Construction
Councillor Maamogwa K.E	Nonong Trading and Projects
Councillor Mokweni O.N	Battharo Agriculture (Pty) Ltd
<b>Senior Management</b>	
B.D Motlhaping	Lebotore (Pty) Ltd
	Aggab Construction
	Leboref Petroleum
L.A Moinwe	EML Consulting & Trading
	Glo Freight
	Glo Fuels
M.C Melokwe	Vinmaude Holdings
	Sibo Resources

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance details are disclosed in the Audited Annual Financial Statements and no further information is provided.

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Grant information details are disclosed in the Audited Annual Financial Statements and no further information is provided.

## APPENDIX M CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMMES

Refer to Chapter 3 for Capital Expenditure –New & Upgrade/Renewal Programmes.

## **APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 0**

Capital expenditure details are disclosed in the Audited Annual Financial Statements and no further information is provided.

## **APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 0**

Refer to Chapter 3 for Capital Programmes by Project by Ward.

## **VOLUME I: ANNUAL FINANCIAL STATEMENTS**

The Audited Annual Financial Statements for the 2022/23 Financial Year is enclosed hereto.

## **VOLUME II: ACTION PLAN 2022-2023**

The Action Plan for the 2022/23 Financial Year is enclosed hereto.

## **VOLUME III: AUDITOR-GENERAL'S REPORT**

The Auditor General's Report 2022/2023 is enclosed hereto.

## **LIST OF ABBREVIATIONS**

**AOPO** – Association of Organ Procurement

**CFO** – Chief Financial Officer

**CLLR** - Councillor

**COGHSTA** – Cooperative Governance, Human Settlements and Traditional Affairs

**DOE** – Department of Energy

**DORA** – Division of Revenue Act

**EPWP** – Expanded Public Works Programme

**EXCO** – Executive Committee

**FY** – Financial Year

**HOD** – Head of Department

**HR** – Human Resources

**ICT** – Information and Communication Technology

**IDP** – Integrated Development Plan

**IGR** – Inter-governmental Relations



**IT** – Information Technology

**JMLM** – Joe Morolong Local Municipality

**JTGDM** – John Taolo Gaetsewe District Municipality

**KPA** – Key Performance Area

**KPI** – Key Performance Indicator

**LED** – Local Economic Development

**LGSETA** – Local Government Sector Education and Training Authority

**LM** – Local Municipality

**MFMA** – Municipal Financial Management Act

**MHS** – Municipal Health Section

**MIG** – Municipal Infrastructure Grant

**MM** – Municipal Manager

**MPAC** – Municipal Public Accounts Committee

**MSA** – Municipal Systems Act

**PIGR** – Provincial Inter-governmental Relations

**PMDS** – Performance Management Development Systems

**PMS** – Performance Management Development Systems

**IDP** – Integrated Development Plan

**PMU** – Project Management Unit

**SALGA** – South African Local Government Association

**SANS** – South African National Standard

**SDBIP** – Service Delivery and Budget Implementation Plan

**SDF** – Spatial Development Plan

**SLP** – Social Labour Plan

**SPLUMA** – Spatial Planning and Land Use Management Act

**STATSSA** – Statistics South Africa

**VAT** – Value Added Tax

**WSA** – Water Services Authority

**WSDP** – Water Services Development Plan

**WSIG** – Water Services Infrastructure Grant

**WSP** – Water Services Provider