

GAMAGARA LOCAL MUNICIPALITY



FINAL ANNUAL REPORT 2023/2024

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Vision

A good society through sound ethical governance and building sustainable communities

Mission

To achieve the following:

- Provide access to universal, sustainable services for our communities
- attain a safe and healthy environment
- Ensuring sound, sustainable financial management
- Optimum use of available resources
- Be a development- focused institution
- Promote active citizenry in local government
- Promote and practice Good governance
- Embrace technology

Values

As stipulated in section 195 of the Constitution:

Transparency

Accountability

Integrity

Responsiveness

Accessibility

Professionalism

Ethical

1.1. Mayor's Foreword



It is my honour to present the final 2023/24 Annual Report of the Gamagara Local Municipality. Notwithstanding the various challenges we faced, our commitment saw us through to retain our position as one of the leading municipalities in the Northern Cape. Notably, Gamagara Local Municipality is part of the John Taolo Gaetsewe District Municipality the latter which, by GDP contribution, ranks the 3rd largest local economy in the Northern Cape Province¹.

This annual report will be used as a tool to measure our commitment and our institutional competence to sustainable service delivery, clean and transparent

governance. With our focus being on our constitutional local municipality mandate to provide basic services, we acknowledge that we may have failed the needs of some interest groups and stakeholders. However, we will continue to adhere to the needs of our people across all sectors with the limited resources at our disposal.

As the host of the largest iron ore and manganese belt in the district, the Gamagara Local Municipality enjoyed support from the mines doing business in our areas. This evidenced the importance of good co-operation and collaboration with our private sector stakeholders in order to build a better future the municipality and all its residents.

We thank all our stakeholders and role-players who have contributed to this report. A special thanks goes to the council and administration team of Gamagara Local Municipality for having served the community with excellence, against all odds. Special thanks also go to the community members who have been very patient with us regarding service delivery in our municipality.

The following projects were **not successfully** accomplished:

1. Installation of 700 LED Streetlight:

The contractor was appointed on a 5-month contract to implement the project for 2023/24 financial year in accordance with LED lighting specifications approved by the Department of Energy (DOE). The Municipality experienced delays in the delivery of lights onsite from the Contractor, numerous correspondence and continuous follow-

ups were done to no avail. After two months Contractor supplied LED lights The LED light sample verification failed to meet the DOE specification. The contractor failed to comply with the set standards.

2. High Mast Light installed in Dibeng, Babatas and Olifantshoek:

The target is discontinued from the SDBIP because The Municipality is not the implementer, and the Funder (Khumani Mine) is responsible for procurement, implementation and finalisation of the project. It is very challenging for the Municipality to set targets for a project it is not implementing.

3. internal sewer network to 529 households in Dibeng (Phase 5

0% connecting internal sewer network to 529 households in Dibeng (Phase 5) (Design completed) Contractor could not be appointed. BID was un-responsive and had to be referred for Re-advert. The project will be re-advertised in the first quarter of the 2024-25 Financial year.

4. Existing manholes covers replaced with lockable manholes Reprioritization of funds by the Funder (Kumba SLP) as a result the target was discontinued.

Despite diverse challenges the municipality faced in the 2023/24 financial year, the municipality committed to its core business values and principles to deliver better services to all communities within our jurisdiction as enshrined in the Constitution of the Republic of South Africa and further affirmed by the Municipal Systems Act and Municipal Finance Management Act. The Gamagara Loal municipality council therefore pride its self with the completion of the following projects and highlights categorised as follows:

KPI NO	Project Name	Project Progress to date
BSD003	Boreholes linked to Bulk water Pipeline in Olifantshoek	3 boreholes linked to bulk water pipeline in Olifantshoek, the project finished in December 2023.
BSD004	Construction of bulk water augmentation equipping of 3 boreholes in Dibeng	32% of work done on construction of bulk water augmentation equipping of 3 boreholes in Dibeng
BSD005	Water and Electrical meters audits conducted	A total of 5153 water and electrical meters audits conducted.

BSD006	Reservoir Pump station refurbished at Mapoteng	1 Reservoir Pump station refurbished at Mapoteng, project is completed and final hand over done on the 15 March 2024.
BSD007	Technical feasibility report for Implementation Readiness Study of Sesheng	1 Technical feasibility report for Implementation Readiness Study of Sesheng. PART A – Completed Technical Report approved by DWS. Municipality busy with PART B of the report.
BSD008	Construction work done for Internal sewer network for 797 households in Dibeng (Phase4)	85% Construction work done for Internal sewer network for 797 households in Dibeng (Phase4)
BSD0010	Construction of gravity flow sewer network in Mapoteng	69% work done in Constructing gravity flow Sewer network to Mapoteng pump station by 30 th June 2024
BSD0012	Number of kilometres of internal roads resurfaced in Kathu	5.02 kilometres of internal roads resurfaced
BSD0013	Design Report for internal roads Upgraded in Dibeng	1 Design report for internal road upgrade in Dibeng
BSD0014	Design Report for internal roads Upgraded in Mapoteng	1 Design report for internal road upgrade in Mapoteng

The following projects were successfully **accomplished in the 2023/24 BESIDES PUBLIC WORKS AND BASIC SERVICES** :

Public Safety and Sustainable Environment (Community Services Department)

18 229,8 cubic meters on removal of household solid waste in Kathu, Dibeng and Olifantshoek, Availability of three additional waste compactor vehicles with capacity of 19 cubic meter and two 15 cubic meters from January 2024.

The municipality managed to collect waste for both businesses and households during the quarter under review. Waste collection of **47 839,5** Cubic meters of solid waste removed for household in Kathu, Dibeng and Olifantshoek, and **17 641** Cubic meters of business waste removed in the last quarter of the financial year.

The provision of two additional refuse removal vehicles and a Front-end loader by contractor, had a huge relief. The capacity of **42** cubic meters for the super link and tipper of 17 cubic meter added up to addition removal capacity.

305 Water samples were submitted for analysis, to protect the community from a risk of water borne diseases, 18 quarterly Sewage effluent samples submitted for analysis, for bacteriological and chemical. Provision was made for additional samples in conjunction with CSIR and DWS.

A total of **316** environmental Inspections were conducted in businesses premises in all Gamagara areas to protect the community from Environmental risk and inspections of the correct operation of business. **145** Stop and approaches were conducted to improve road safety and to minimise road traffic transgression. Kathu Vehicle Testing Station (VTS) the machine was broken for the month April

To regulate the establishment of and control over cemeteries and matters relating to the interment of human remains all cemeteries were maintained and for recreational purposes, Parks were maintained throughout the quarter under review.

The Fire Prevention Division was established in **2016** by Rural Metro Fire and Rescue Services as a division of Gamagara Local Municipality and a total of incidents were attended to by the Fire division which includes, Fire Safety Inspections, Fire awareness and Training, Fire Hydrants Inspections as well as LPG Safety Inspections.

Good Governance and Public Participation

The municipality has **4** ordinary Council meetings (07 Aug 2023, 12 Dec 2023, 31 January 2024 and 11 June 2024,) held in the year under review, **4** Management Meetings were held throughout the quarters there were caucus meetings as well. Secretarial support provided to all portfolio committees, and Exco meetings to perform its responsibilities as oversight body of council. Municipal Public Accounts Committee (MPAC) did not meet a minimum number of members to conduct a meeting.

The municipality managed to engage the communities through various communication channels. IDP Representative Forums as well as IDP Steering Committee Meetings were held to engage with different stakeholders. To determine the developmental needs of the communities IDP ward Consultative meeting were convened in all Wards.

Social and Economic Development

To develop SMME's and co-ops to enter the market space and to be in an advanced stage of doing business, a training was held on the **21** June 2024 at Mapoteng, the training had **two (2)** modules which is Central Supplier Database CSD and Request for Quotation (RFQ). A total number of **34** local SMME's benefited from the training.

In collaboration with stakeholders to enhance and develop economic opportunities LED Forum was held on the 26 June 2024.

Spatial Development and Transformation

Land Use and Building Control awareness campaign conducted, to prevent / mitigate and respond to Land Use Developments control aspects. A total of **1325** building control inspections were conducted in the year under review. The Municipality had Community Awareness Campaigns, to engage the Public and consider public input with regards to Building Control regulations, Town Planning Regulations. Building control contravention is a method that is used to enforce and regulate illegal structures in line with Gamagara Building Control By-law and NBR, **499** Contraventions were issued.

Housing Consumer Education was held for the community of ward 3 and 4 in Olifantshoek on the 27th of June 2024. 37 people attended and were educated on the National Housing Needs Register the plan will include all jurisdiction of Gamagara Local Municipality

To ensure that all developments are compliant with SPLUMA requirements and administer Land Use Application for all development at Gamagara Local municipality Gamagara Council established its own Municipal Planning Tribunal (MPT) and four **(4)** MPT Meetings were held in the year under review. 87 land use contraventions were issued.

Municipal Transformation and Institutional Development

To provide adequate opportunities for the skills development of Employees and Councillors the Workplace Skills Plan was developed and submitted to LGSETA by 30 April 2024. A total of R2

To achieve high productivity levels and clarify all employees' roles and responsibilities, the Municipality started a process of drafting, reviewing and signing job descriptions.

Municipal Financial Viability and Management

The physical verification of Assets to ensure that they exist was conducted in this quarter under review. To ensure customers are aware of the indigents subsidy and encourage qualifying customers to register, an awareness campaign was conducted.

The Audit Action Plan was developed and submitted to Council to improve measures to address Auditor General findings. Tabled key Schedule deadlines to Council in August to ensure there is a timetable that guides the IDP, Budget and PMS process. The Annual Financial Statement were submitted to Auditor General by the 31 August 2023

PUBLIC PARTICIPATION:

The municipality's Public participation programmes were well attended and robust the townships but registered a lesser attendance in towns.

- A good relationship exists between Council and the communities. However, challenges do exist where sectoral interests tend to try and derail general service delivery processes.
- The 2023/24 IDP and budget consultation process was successful
- However, ward committees were averagely functional.

FUTURE ACTIONS:

Due to the expansion of mining activities in the Gamagara Local Municipal jurisdiction, there is a high need for basic and bulk infrastructure. Moreover, the growth in the mining sector and its attendant job opportunities has led to a growth in migrant labour into our municipality. Therefore, the increased labour migration has resulted in informal settlements, a growth in backyard dwellings and construction of hostels thus putting a strain on the infrastructure, overall.


This situation calls upon the municipality, provincial and national government to plan appropriately together to guard against any unintended consequences. Amongst the most pressing, is the need to upgrade our infrastructure, especially the sewerage system, water network, electrical capacity and roads. Equally, there is a high need for affordable housing, rental stock as-well low-cost housing. These prospects of growth should be harnessed for the benefit of all and should be used as tools for a modern human settlement development.

CONCLUSION:

Gamagara Local Municipality will continue to strive for political stability, administrative excellence as well socio-economic growth in the next business cycle.

Despite all the challenges mentioned above, we observed a steady audit outcome of an unqualified opinion with few matters over the past three financial years. The Municipality is financially distressed and it is working around the clock to implement financial recovery plan. Therefore, we urge our communities to pay for their services in order to improve our income and register for indigent subsidy if you qualify. Together, we can continue to grow our municipality as a progressive settlement of choice.

Yours Sincerely



Cllr. J. Roman
MAYOR

1.2. Municipal Manager's Overview



Amongst obvious challenges faced by our beloved country at large, Gamagara Local Municipality has tried its outmost best to improve the standard of living of its community. Entrenching good governance and accountability remained one of our key priorities within the organisation.

Most of the municipality's plans did not go accordingly because of our financial challenges which resulted in our undesirable dependence on external stakeholders to finance most of our plans/projects. Nevertheless, this did not discourage the core mandate of municipality, which is provision of basic services, being dispensed with.

The municipality is still adapting to effective ways on how to track critical milestones and better the usage of tools that strengthen contract management and enhance consequence management so as to improve on key areas of service delivery.

Financial Stability

Having stable finances is an integral aspect of long-term sustainable development. The municipality continues to evaluate and monitor its financial status in order to achieve an improved financial position. Our financial vigilance is necessitated by a constant and steady decline on cash flow due to increasing water and electricity losses, ageing infrastructure, illegal connections and major leaks on our mainlines.

During the financial year under review, numerous initiatives were implemented to improve the finances at large, to mention a few:

- implementation and enforcement of MFMA Circular 82 which deals with cost containment measures;
- implementation and enforcement of MFMA Circular 68 which outlines procedures to be followed when dealing with unauthorized, irregular, fruitless and wasteful expenditure.
- Execution of circular 64 of the MFMA which gives a briefing about revenue management. The municipality has a revenue enhancement strategy which includes data cleaning to improve our finances.

- Correct billing for all our services rendered to our community. The property owners are supposed to be charged correct property rates in terms of the amended Municipal Property Rates Act. Previously, the municipality used to reconcile the valuation roll with the system at the beginning of the process of valuation but, to enhance revenue collection, this will also be performed monthly. Regular verification of data will be accomplished as well to ensure that all charges levied are within the stipulated norms.

Legislation

This report is compiled and tabled in terms of section 127(2) of the Municipal Finance Management Act (MFMA), Act 56 of 2003

The final report will includes the following documents:

- The municipality's Audited Annual financial statements for the year under review in terms of section 126(1) of the MFMA.
- The Audited Annual performance report in terms of section 46 of the Municipal Systems Act.
- The Auditor General's audit report in terms of Sec 45(b) of the Municipal Systems Act.
- The Auditor General's report on financial statements in terms of section 126(3).

Audit Opinion

The auditor general's report was expressed as an unqualified for 2023/24. This was made possible through the hard work and determination from both the administration and council. This opinion has been steady from financial year 2021/22 to date, reflecting determination of a better opinion. Hoping that the next opinion to be expressed by end of November 2025 will be an improved one.

Yours most sincerely,



Mr. Lebogang Seetile

MUNICIPAL MANAGER

1.3. MUNICIPAL BACKGROUND, FUNCTIONS, POPULATION AND ENVIRONMENT OVERVIEW

Brief Municipal Overview

The Gamagara Municipality serves an area of 2619 square kilometres, which is approximately 10% of the total John Taolo Gaetsewe District area. It is located in the North-Eastern sector of the Northern Cape on the N14 National Road between Upington and Vryburg. The municipality forms part of the John Taolo Gaetsewe District Municipality area. The municipality is part of the region now commonly referred to as the Gamagara Mining Corridor which is experiencing a boom in mining activities.

It is approximately 200km north-east of Upington and 280km north-west of Kimberley. The municipal area consists of the following wards:

- WARD 1: Kathu
- WARD 2: Babatas, Dibeng Town and Bestwood
- WARD 3: Diepkloof, Skerpdraai and Olifanthoek Town
- WARD 4: Ditloung and Welgelee
- WARD 5: Sesheng and Mapoteng
- WARD 6: 1/3 Kathu
- WARD 7: Dibeng Township
- WARD 8: Siyathemba



Kathu, 'the town under the trees', came into being because of Iscor's iron ore mining activity in the Kalahari. Municipal status was allocated to the town of Kathu in July 1979. Kathu is connected by rail (Dingleton Station) via Kimberley, as well as by road to all the main centres namely Johannesburg, Bloemfontein, Windhoek and Cape Town, and has an airport with a tarmac runway. The municipality originally consisted of 2 towns, namely Sesheng and Kathu.

Sesheng is located to the west of Kathu and was initially planned as a high density residential area for mine workers. It consists of group housing units that belong to the mine to the west, with small pockets of other houses to the west

Due to pressure from labour unions and Government policy on hostels, group homes are to be changed to single flat units for employees of the mine. The larger residential housing component of Sesheng is located nearer to Kathu in the form of single residential houses (Ext. 5).

Dibeng is located approximately 28km North West of Kathu alongside the R380 road in the Northern Cape Province. The settlement consists of two suburbs, namely Dibeng and Haakbosdraai. Dibeng started off as a small settlement on the banks of the Gamagara River, which provided water for the small town.

The town is characterized by the river in the centre and the rocky lime stone outcrops directly east and west of the river. Dibeng consists entirely of single residential houses, but can be split into a low density area to the west and higher density houses to the east. In SeTswana, Dibeng means "first drinking place".

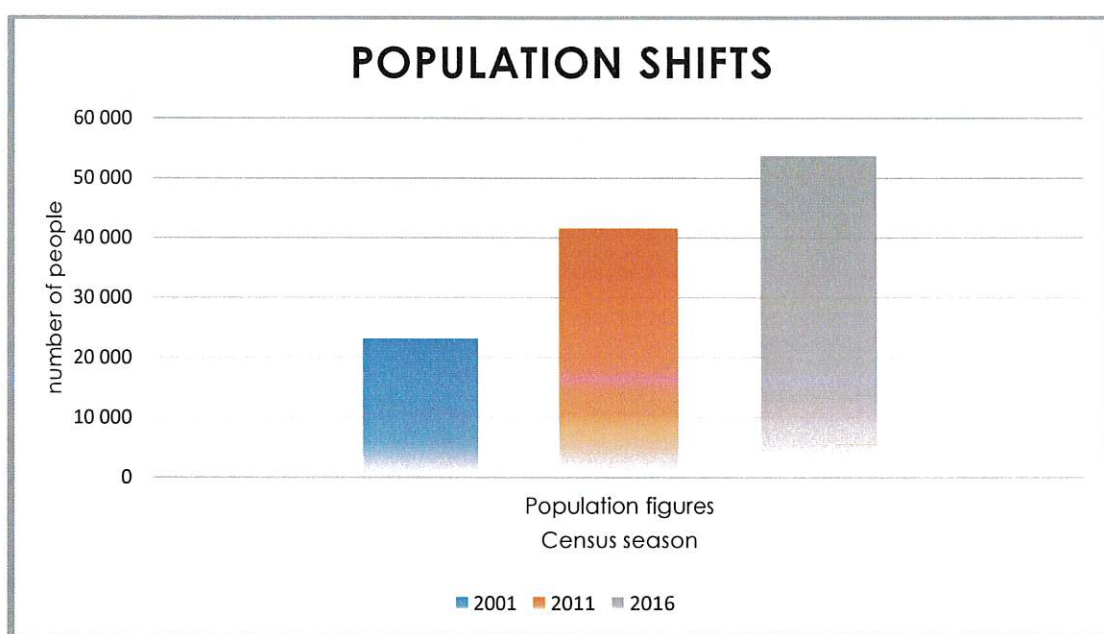
Dingleton developed in a linear form along the one side of the then main road between Upington and Kuruman. Dingleton consists almost totally of low density single residential houses. The town is surrounded by large mine activities and the resettlement of Dingleton residents is eminent due to expansions of mining activities in this direction.

Olifantshoek is south-west of Kathu, south-west of Kuruman and north-east of Upington. With the amalgamation of municipalities in 2000 Olifantshoek Municipality became part of the Tsantsabane Local Municipality, until 2006 when it was amalgamated with the Gamagara Local Municipality. The town is a low/medium density residential area, but due to new developments which are underway it will in future become a high density residential area.

The Gamagara Municipality has a high urbanisation rate of 97.6%, which is significantly higher than that of the District (24.9%). Dingleton has relocated to Kathu and thus no population study would indicate Dingleton. Rather, Kathu will be representative of both Dingleton and Kathu Community.

1.3.1. Population (Add the Census 2022 stats)

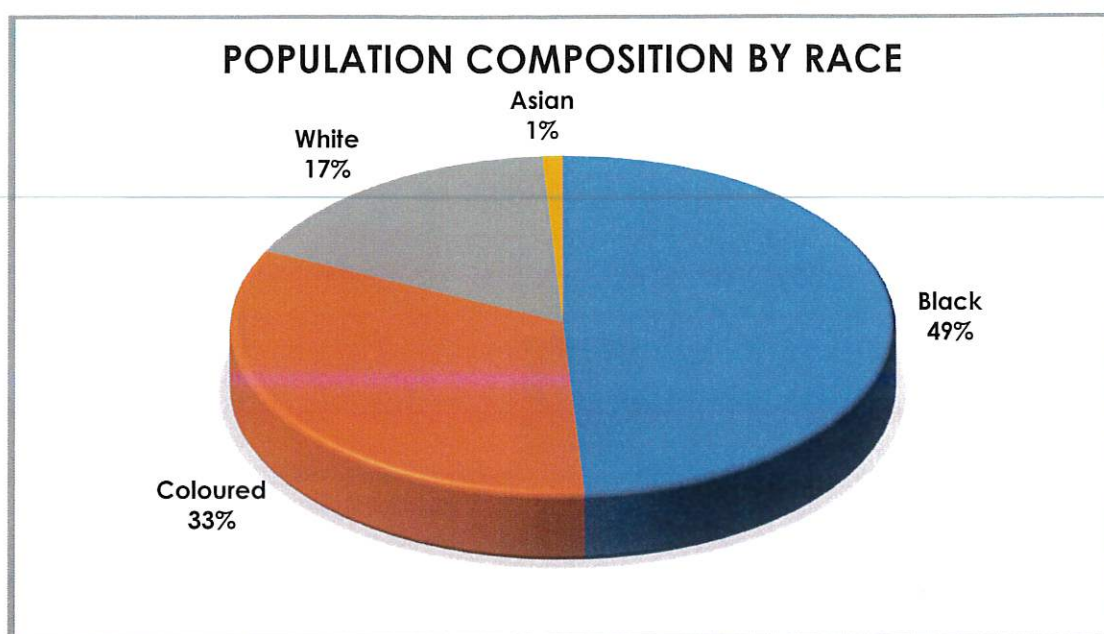
The results for the latest census report of 2022 have not been published. Therefore the demographic statistics used in this report will be of 2011-2016. Statistics of South Africa Community Survey (2016) indicates that Gamagara Municipality has a total population of 53 656 as compared to 41,617 in 2011. Thus translating to a population increase of 22,48% (12,039 individuals) from 2011 to 2016. The population is growing at a rate of 6.68% per year. Population density (people per square kilometre) increased from 8.9 to 15.9. The Gamagara Municipality has a high urbanisation rate of 97.6% which is significantly higher than that of the District (24.9%).



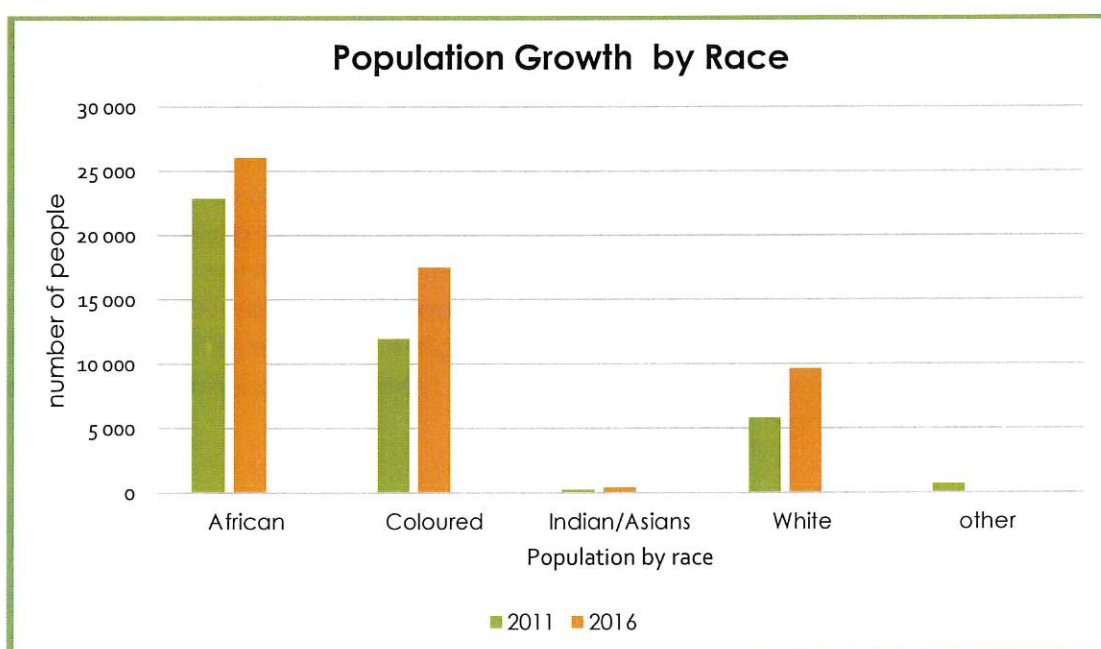
Population shifts

Source: StatsSa community survey 2015

The Gamagara Municipality population comprises of African, Coloured, White and Indian or Asian people split into 48, 6% African, 32, 6% Coloured, 18% Whites and 0, 82 % Indian/Asian. Population growth by race dynamics suggests that the coloured community experienced the highest growth in Gamagara at a growth rate of 31,7% followed by African community at 22% , Asian community grew by 9% and the white community grew least at 4,1%. Gender ratio was recorded at 120,1:100 male to females and mean age was 27 years as captured in census 2011 (Statssa, 2011). The literacy level is low and only 24, 9% have gone through matric and 3, 6% has gone through higher education. This explains the type of job-opportunities in the municipal area, i.e. mining and related industries.

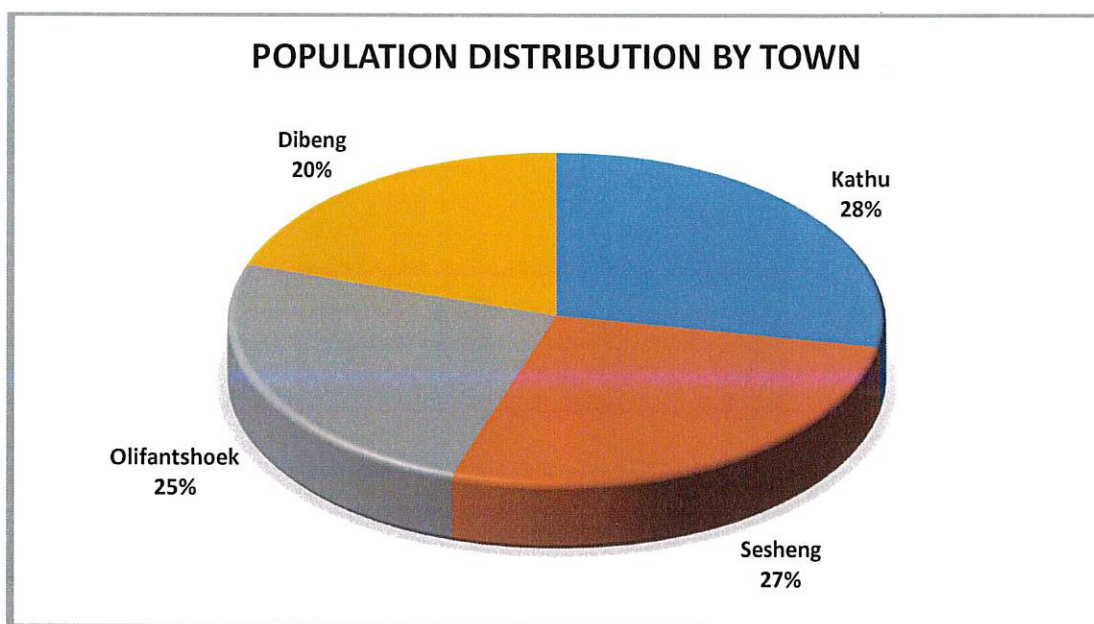


Population composition by race



Population growth by race

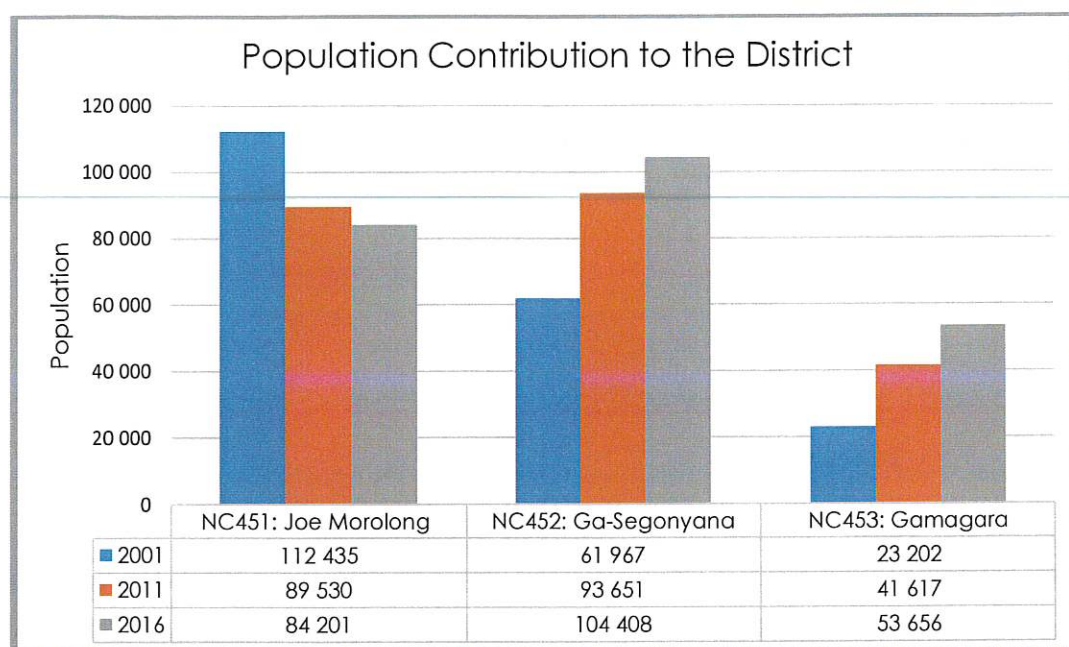
The most significant portion of Gamagara's population is resident in Kathu (27.7% or 11,511 individuals), followed by Sesheng (26.5% or 11,033 individuals), Olifantshoek (24.6% or 10,235 individuals), and Dibeng (18.9% or 7,848 individuals). Another 2.4% (991 individuals) of the Municipality's population is resident in the Gamagara Non-Urban (NU)8 area.



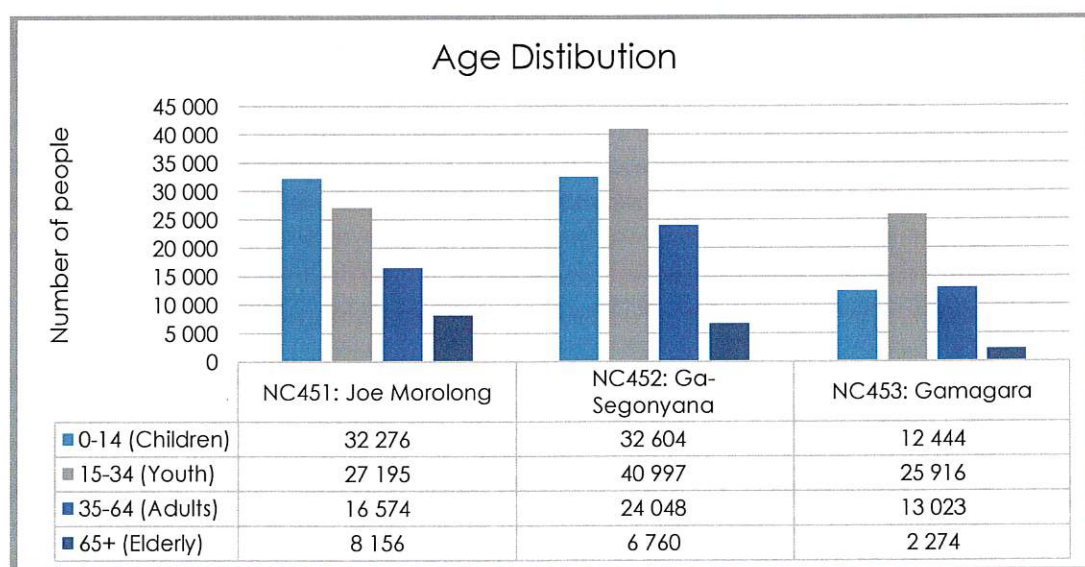
Population Distribution by Town

In terms of population growth, all the main places experienced a positive growth from 2001 to 2011 except the Gamagara NU mail place. Sesheng and Dibeng experienced the most significant growth rate of 125.7% and 95.9% respectively. In terms of numbers, the main place that experienced the most significant growth is Sishen (6,144 individuals) and Kathu (5,232 individuals). The Gamagara NU area covers 89.6% of the Gamagara Municipality's total geographical area. The second largest geographical area and largest urban area is Sishen, which covers 6.9% of the Municipality. Dependency ratio was 50.9% in 2001 and has now decreased to 39% in 2011. This can be attributed to more people being economically active.

When looking into the migration patterns and population growth in the district, one can deduce that Gaagara Local Municipality is the fastest and the high population growth in the district, standing at 22,48%. Ga-Segonyana Local Municipality has the second population growth of 9,86% while Joe Morolong Local Municipality is experiencing a negative growth of -7,5%. The analysis determines that most movement is in the age range of 14 – 45, who are actually migrating to Gamagara which are predominantly males and females move to Ga-Segonyana, this could be associated with the type of job-opportunities and the types thereof. the population depression in Joe Morolong is characterised by moving of the population within the age grouping of 14-45, of most female are found in Ga-Segonyana and most males are found in Gamagara.



Population Contribution to the District



Age distribution

In 2001 the Gamagara Municipality had a total population of 23 193 which grew to 41 618 in 2011. The total population of the Municipality increased 79% which means that the Municipality is growing at a calculated average growth rate of 5, 84% per annum. Population Density (people per square kilometer) increased from 8.9 to 15.9. The Gamagara Municipality has a high urbanisation rate of 97.6%, which is significantly higher than that of the District (24.9%).

As much as the mining provides employment in the area it also brought pressure on the development of the town. More people coming to the area seeking employment and putting pressure on the services and also hampering with proper planning. This was demonstrated by the population growth rate of 5, 84%. Gamagara had an unemployment rate of 17%.

In 2011 the total number of households resident in the Gamagara Municipality totalled 10,807, showing an increase of 62% from 2001 (4,124 households). The overall household growth and the CAGR (Compound Annual Growth Rate) household growth rates are both lower than that of the population growth rates, indicating that the population is growing faster than the number of households.

This is also evident when comparing the average household size of 2001 (3.5) with 2011 (3.9), which shows that the average size of households are increasing, this is however not the trend of the District which experienced a decrease in average household size during this period.

The increase in the average household size of the Municipality can be related to the significant increase in households staying in brick structures dwellings (3,030) and their household sizes averaging 4 persons.

Population has grown unrecorded in the area since 2011. This is due to census being conducted every ten years and the migration patterns in the area due to changing of contractors from the surrounding mines.

Natural Resources	
Major Natural Resource	Relevance to Community
Iron Ore	Employment and economic benefit
Manganese	Employment and economic benefit
	T 1.2.7

The mining developments has encouraged the in-migration of people into Gamagara either as job seekers, families of the employed or as employed people. These has impacted on the demographic patterns and the population growth in the area.

These demographic patterns. Proximity to the mining companies on the North-Eastern borders, bordering Gamagara and Joe Morolong is along the manganese

belt has caused towns of Kathu, Sesheng and Dibeng to experience an influx of people either employed, seeking employment or family member of previously mentioned categories of people.

Where there is a lot of economic activity, the population tends to be greater as people migrate into areas where they can earn a living. The ability to earn a living therefore affects the level of skills in an area. In geographic areas where poverty is the norm, education levels and the level of skills are also normally low as such communities cannot afford to educate their offspring. Such are the discrepancies that the LED process seeks to iron out.

The population of Gamagara grew by 33% from 2007 to 2011, from 28,053 to approximately 42000. The municipality is mainly dominated by the African racial groups who make up 75.43%, followed by the White racial group (24.57%), with Afrikaans being the most spoken language (49.91%) and English (27.06%). The current trend indicates an increasing population growth in Gamagara Local Municipality.

The population of Gamagara is largely youth – 35 years and below (64.46%), and an economically active population 19, 54 (69.66%), and (3.97%) of population are pensioners. Most of the population is of income generating age and therefore potential economic contributors, with the precondition that adequate employment opportunities are available.

1.3.2 Service Delivery Overview

The Constitution of South Africa mandates local government to ensure that people have access to basic services such as proper sanitation, clean or drinkable water, safe energy and waste removal.

According to Stats SA, 2022 Gamagara Local municipality achieved the following at Household Services:

Service at households level	2022	2011
Households with flush toilets connected to sewerage	89.3%	87.6%
Weekly refuse removal	84.7%	90.6%
Access to piped water in the dwelling	67.3%	59.1%
Electricity for lighting	95.1%	87.9%

Municipality service performance improved with a decline in weekly refuse removal.

However, backlogs that could not be officially verified were due to the dynamics and movements of people who settle illegally on land. These illegal land grabs impact negatively on service delivery of water and sanitation, electricity and refuse removal in the areas such as Dibeng, Olifantshoek and Mapoteng/Sesheng.

Civil Section

The Municipality is both the Water Service Authority and Water Service Provider in terms of the Water Services Act 1997, (Act 108 of 1997) and is responsible for the provision of bulk water services and potable water distribution within its jurisdiction area.

Water

Sources of water supply for the Municipality are Municipal boreholes, dewatering from Kumba Mine and bulk water supplied from the Vaal Central Water Board Pipeline via Vaal Gamagara Water Supply Scheme.

Vaal Central Water Board is currently appointed as a Water Service Provider for the supply of bulk water only to Olifantshoek area. In the past financial year, the Water board experienced water supply challenge due to high maintenance of old bulk pipeline and broken pumps between the Water Treatment Works in Delpotshoop and reservoirs supplying Olifantshoek pipeline. The extensive maintenance work including the Water Board budget constraints impacted negatively in the constant supply of water to Olifantshoek. The Municipality has drilled and connected 15 (fifteen) new production boreholes in Olifantshoek to augment the supply of water to communities of Olifantshoek.

The water quality is analysed monthly and is proving to be well within the set parameters as prescribed by SANS 241. However, few occasional failures which are not detrimental were addressed with immediate effect.

Gamagara Local Municipality is providing its residence with a higher level of service where more than 80% of the households are serviced with either a yard or a house water connection.

Shortage of maintenance resources due to budget constraints is still a challenge to effectively address water losses in the Municipality. Registered indigent households are monthly supplied with 6 Kl of free basic water.

The Municipality has started to address water shortage in Dibeng by connecting three of the already drilled boreholes to the elevated tank. More work in terms of establishing new water sources by drilling more boreholes is underway.

Sanitation

Access to sanitation promotes health and dignity through the provision of safe disposal and treatment of human waste. In situation where sanitation systems are inadequate the consequence can have extreme negative health effects.

Water borne sanitation, septic tank and Ventilated Improved Pit (VIP) toilets are types of technology currently used to safely dispose human waste into the municipality's wastewater treatment works. VIP toilets are being used in some areas of Dibeng, Olifantshoek and Mapoteng new settlements. Sewage trucks in Dibeng and Olifantshoek towns are continuously collecting wastewater from households that uses septic tanks. The Kathu 6.5ML/day Wastewater Treatment Works has been relived from previous overloading after refurbishing and operating the old 3.5ML/day old treatment works. However, an additional 6.5ML/day module as per the Master Plan is required to accommodate new developments.

Roads and Stormwater

Municipality strive to provide roads that are safe and comfortable to commute. Delayed or lack of maintenance of these roads will in future increase vehicles operating costs and hazardous for use. The road network consists of roads that are bituminous surfaced, block paved and gravel. The challenges facing roads and stormwater in the municipality is limited funding for operation and maintenance. Poor stormwater drainage compromises the integrity of surfaced roads and manifest potholes. Despite limited budget, repairs of potholes remains a priority in the municipality.

Electrical Section

Gamagara LM is a NERSA licensed electricity supplier for all its areas except Dibeng as a whole and Olifantshoek (Ditlouw, Skerpdraai and Diepkloof) which are all ESKOM supply area.

The planned project to increase the capacity of Olifantshoek was dealt a big blow by ESKOM when pulled out of the DoE funded project arrangements to assist with upgrading of ESKOM network. Citing exorbitant debt the municipality is owing the SoE.. High voltage electricity maintenance in Kathu is now performed by the municipal staff. There has been lot of MV challenges mainly as a result of excessive rainfall experienced during the course of the financial year until June. Whereby a lot of streetlights maintenance is left behind and could not be addressed due to exhausted budget towards the end of the financial year. Some of the achievements in the Section was made possible by the two appointed maintenance annual.

1.4 Financial Health Overview

Gamagara Local Municipality billed total revenue (Including Grants) of R789.7 million in operating revenue (Revenue from exchange and non-exchange transactions) against an adjusted budgeted operating revenue of R733.6 million representing an overall over-budgeting of 7.6 % or 56 million. This over budgeting can be attributed mainly to the Public contributions and donations of 137 million, which were not initially budgeted for during the in the Original Budget as well as the Adjustment budget (Final budget). service charges recorded an under-billing of R94.3 million or 23.7%.

The revenue for service charges is mainly adversely affected by the distribution losses, which come as a result of the following reasons amongst others: tempering of meters and faulty meters. The drop in service charges as with the previous year was mainly as a result of water losses which directly affects water and sanitation revenue as their billing is linked to water consumption.

Revenue from non-exchange transactions, namely Property rates, had a variance or under billing of 9.1% or R15 million, when evaluated against the adjusted budget (Final Budget). This is not a significant increment.

The financial health of the municipality continues to be hugely affected by low billing as a result of inaccurate data and gradual data cleansing is underway. There has been a revenue enhancement committee that has been set up to address data cleansing in order to ensure that all meters are read and correct accounts are distributed to the correct customer or address. The municipality is further undergoing process of appointment of a new financial system to be mandated to provide solutions on some of the system limitations that affected the revenue levels.

We also need to strengthen our account distribution system, i.e. electronic services (Emails and MMS statements) and compatibility to download statements from our website or smartphone app. An adoption of the relevant technology is at the forefront to ensure all parts of the community we serve is reached.

The Municipality is currently under the Municipal Debt relief, and reporting is carried out monthly, as per the MFMA circular 124. One of the conditions of the Municipal debt relief Program is that the Municipality has to prepare quarterly reconciliations between the Valuation roll and the billing for the quarter, thus addressing discrepancies in order to enhance revenue and achieve revenue billing completeness.

There was a 15% or R2.7 million variance between the non-exchange interest billing and the budgeted amount for non-exchange interest. This was an overbudgeting which was informed by the debt impairment provision for consumers not maintaining the current account payment

The total operating expenditure amounted to R756.2 million, including non-cash items against the projected operational expenditure of R802.6 million which represent an under-expenditure of -5.7% or R46 million. The major operational expenditure by type were as follows:

1. Employee related costs which amounted to R217 million (28.7% of total expenditure incurred) against a budget of R273 million representing a variance of 20.5%,
2. Depreciation and Asset Impairment which amounted to R54 million against a budget of R67 million representing an under-spending of 17.9% or 12 million
3. Bulk purchases amounting to R173 million against a budget of R169 million representing an over-spending of R4 million or 2.3%
4. General expenditure amounting to R168 million against a budget of R163 million which represents over-spending of R5 million or 3%.

The municipality closed the financial year with an operating surplus of R33.4 million against a budgeted deficit of (R68 million). The total income including grant revenue amounted to R789.7 million, fair value adjustments and losses / write downs amounted to a net R27.3 million, leading to a Surplus before taxation of R6.1 million against budgeted deficit before taxation of R70.5 million.

The municipality closed the financial year with a positive bank balance of R14 million, and short-term deposits of R289 thousands, total cash and cash equivalents amounted to R14.3 million, which includes cash backing of unspent conditional grants of R11.8 million which the municipality will be applying for rollover in line with the requirements of the Division of Revenue Act.

Our Capital Expenditure amounts to R15 million against a projected budget of R30.6 Million which represent an underspending of 49% or R15.6 million. This can mainly be attributable to delays due to disruptions to projects caused by poor performance of the contractor on the MIG funded project which therefore caused procurement and construction delays.

Gross margins on trading services

Electricity

Gross surplus as a % of sales	=16.1 %
Net Surplus as a % of sales (Exc. capital grants)	=(12.35)%
Net Surplus as a % of sales (Exc. Equitable Share grant)	=(12.35)%

The municipality made a gross surplus after deduction of bulk purchases (Eskom) of 16.1 % but made an overall net deficit or distribution losses of 12.35% after inclusion of all costs associated with the provision of electricity services minus the government

grants. Total service charges – electricity revenue amounted to R201 million and Bulk purchases amounted to R173 million, there was a surplus of R28 million, which amounts to 16.1%

Water

Gross surplus as a % of sales	=81%
Net Surplus as a % of sales (Exc. capital grants)	=(69.85%)
Net Surplus as a % of sales (Exc. Equitable Share grant)	=(69.85%)

The municipality made a gross profit after deduction of bulk purchases (Sedibeng Water and Kumba Iron Ore) of 81% but made an overall loss of 69.85% (Distribution losses) after inclusion of all costs associated with the provision of water services minus the government grants. Total service charges – sale of water amounted to R28.7 million. The cost of water production for the year amounted to R7.15 per kilolitre. Raw water purchased from Sishen Iron Ore amounts to R0.06 per kilolitre. No Inventories have been pledged as collateral for Liabilities of the municipality. Total inventory purchases amounted to R5 610 608.

Sewer

Gross surplus as a % of sales	= 100%
Net Surplus as a % of sales (Exc. capital grants)	=(5%)
Net Surplus as a % of sales (Exc. Equitable Share grant)	=(5%)

The municipality made an overall loss of 5% after inclusion of all costs associated with the provision of sewer services minus the government grants. There is no direct costs of sales associated with the provision of the service.

Refuse

Gross surplus as a % of sales	= (34%)
Net Surplus as a % of sales (Exc. capital grants)	= (34%)
Net Surplus as a % of sales (Exc. Equitable Share grant)	= (34%)

The municipality made an overall loss of 34% after inclusion of all costs associated with the provision of refuse services minus the government grants.

Government Grants

The municipality received the following operational grants;

- Equitable Share of R61.6 million which was 100% spent,
- Financial Management Grant of R2.1 million which was fully spent, Rollover of R1.4 million was not approved.
- Expanded Public Works Projects (EPWP) R950 Thousand was received during the year and 100% was spent.
- Education, Training and Development Practices- SETA grant of R176 thousand was received and 100% of R176 Thousand was spent.
- Provincial: Library grant of R1 million was received and 100% of R1 million grant was spent.

The following Capital Grants were received and spent as follows;

- Municipal Infrastructure Grant of R9.3 million of which R3 million was spent and R6.3 million remained unspent.
- Water Services Infrastructure Grant (WSIG) of R11.3 million was received during the year and R9.9 million was spent, representing an underspending of 12% or R1.4 million.
- Energy Efficiency Demand Side Management of R4 million was received during the year and R0 was spent and thus representing an underspending of R4 million or 100%.

Non-Revenue and Technical Losses

Water Distribution losses

The municipality incurred distribution losses of 69.85% or R27.4 million. This is a decrease from the previous year or 73% however the monetary value in the previous year amounted to R25 million. This was as a result of leakages, by-passed meters and technical losses. We have already rolled 90% of prepaid water meters throughout the municipality however a large percentage of the meters are by-passed. We are

in the process of upgrading and installing devices on the smart meters in order to increase monitoring and to curb this problem.

Electricity Distribution losses

The municipality incurred distribution losses of 12.35 % R21.4 million as a results of tempered meters and technical losses. This is a decrease from the previous year of 15.09% or R21.9 million. Council has put in a policy in place that is meant to promote prepaid electricity meters through-out the municipality. However there are still cases of meters being by-passed but not as much as with the water meters.

Collection Rate

The outstanding debtors amounts to R469 million (Nett Debtors' balances) of which the majority is older than 90 days. The collection rate for the year under review was 91% (Including advanced payments) against a projection of 95%. This has been the trend for the past three years since the migration to a new mSCOA system however efforts and plans are underway to clean up the data to ensure that we achieve the targeted 95% collection of the billed revenue.

The billing process is slowly improving and the financial position of the municipality is still under threat. The municipality is intensifying the following actions to address the cash flow constraints; 1. Smart metering, 2. Data cleansing, 3. Replacement of stuck meters and 4. Enforcement of the debt collection and credit control policy.

Creditors Analysis

The outstanding payables from exchange transactions amounts to R346 million while payables from non-exchange transactions amounts to R46 million. Total creditors amount to R392 million. The bulk of these outstanding creditors is Eskom for which a payment arrangement has been concluded, the Municipality has been approved for Municipal Debt relief as per MFMA circular 124. Please refer to the Annual Financial Statements for a detail on outstanding creditors. The municipality is in the process of negotiating a debt repayments agreement with Eskom and is continuously servicing its other debt.

External loans

The municipality has external loans of R42.9 million with the Development Bank of South Africa (**DBSA**) and a payment arrangement has been entered into in order to negotiate a lower interest rate.

1.5. Organisational Development Overview

The Gamagara Local Municipal Council, headquartered in Kathu, takes pride in creating and attracting a highly skilled and capable workforce to ensure efficient and effective service delivery and implementing the Integrated development plan strategic objectives and goals. The municipality complies with Section 66 of the Municipal Systems Act (MSA) and the 2021 Local Government Staff Regulations by appointing suitably qualified, experienced, competent, and skilled workers.

As a developing municipality surrounded by thriving mining operations, Gamagara faces increasing demands for services, necessitating continuous organizational development to align human resources with these needs.

In accordance with the 2021 Local Government Staff Regulations, the municipality reviewed and aligned its organizational structure to enhance its capacity for service delivery. This process involved reevaluating designations, renaming and realigning divisions and sections, adjusting reporting lines, and creating new positions.

During the 2023/24 financial year, the municipality faced significant financial constraints, which limited movement on employee-related costs.

Gamagara Local Municipality was selected as one of the pilot municipalities in the Northern Cape by COGHSTA national to assess, review, and align the municipal organizational structure to the Staff Regulations and IDP objectives, but also to ensure that clearly defines functional roles and responsibilities and complies with relevant legislation, including the Employment Equity Act and the Skills Development Act.

1.6. Auditor General Report

As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and, section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the responsibility of the General is to express an opinion on the municipality's financial statements based on conducting an audit in accordance with International Standards on Auditor Auditing.

The Annual Financial Statement for financial year 2023/24 was submitted to the office of the Auditor General on the 31st of August 2024 and the audit opinion was expressed end of November 2024

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	
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	September - October
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	
12	Municipalities receive and start to address the Auditor General's comments	
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	November December Jan-March
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	

16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	
T 1.7.1		

Annual Report Process

It is necessary that the municipality derive maximum benefit from its efforts in submitting reports. Such benefits are typically obtained in the form of being able to compare and benchmark against other municipalities and to learn from the feedback mechanisms.

The Annual Report process flow provides a framework for the municipality to follow in completing various reports within each financial year cycle. It is recommended that Municipal Manager study this process flow and ensure that reports are submitted timeously. If the process flow is followed, the municipality should be able to provide an unaudited Annual Report in August of each year, which is consistent with the MFMA.

The Annual Report of a municipality must be tabled in the municipal council on or before 31 January each year (MFMA S127). In order to enhance oversight functions of the Council, this must be interpreted as an outer deadline; hence the municipality must submit the Annual Report as soon as possible after year end, namely, August. The entire process is concluded in the first or second week of December for all municipalities, the same year in which the financial year ends and not a year later, as is currently the case. It is expected that effective management of performance will also result from this change.

The Annual Report must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, SDBIP, in-year reports, annual performance report and Annual Report should have similar and consistent information to facilitate understanding and to enable the linkage between plans and actual performance. The above can only occur if the municipality set appropriate key performance indicators and performance targets with regards to the development of priorities and objectives in its IDP and outcomes (MSA S41). This requires an approved budget together with a resolution of approving measurable performance objectives for revenue from each source and each vote in the budget (MFMA, S24).

The annual report serves as the barometer for compliance and performance of the municipality against the goals it sets for itself in the IDP. It is an information tool that informs other stakeholders of the general organisational performance of the

municipality. It assist to provide a view of areas that need improvement and those need to be strengthened.

CHAPTER 2: Governance

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Introduction to Governance

The governance framework of a municipality is established by the Constitution of the Republic of South Africa, 1996, which provides the foundation for municipal councils to exercise both legislative and executive powers. This enables municipalities to fulfill their mandate by ensuring public service delivery, managing local resources, and ensuring local governance remains transparent and accountable to the community.

Section 156 of the Constitution outlines the executive authority of municipalities, specifically regarding local government matters listed in Schedule 4, Part B, and Schedule 5, Part B of the Constitution, which are essential for local governance. Municipalities are also granted the right to manage additional matters assigned through national or provincial legislation, ensuring local governments remain adaptive to community needs and legal changes.

2.1 Political Governance

Gamagara Local Municipality operates as a Category B municipality under a collective executive system, which combines the strengths of a ward participatory system with political leadership. This governance model ensures that decisions are made collectively by the elected representatives, fostering broad participation and accountability.

The municipal council consists of 15 elected councilors, who include both 8 ward councilors representing local districts and 7 proportional representatives from various political parties. This structure promotes a balance of power and enables diverse community interests to be represented. The municipal council, which is responsible for strategic oversight, policy formulation, and budget approval, plays a key role in guiding the municipality toward its developmental objectives.

The mayor, who leads the municipal council, is at the helm of political governance. The mayor's duties include setting the council's priorities, ensuring that policies are aligned with the municipality's vision and strategic goals, and maintaining communication with other spheres of government. The mayor also leads in representing the municipality in external matters, forging relationships with other municipalities, provincial and national governments, and key stakeholders such as the private sector and civil society.

The executive committee of the municipality is composed of portfolio heads who oversee specific areas such as finance, community services, corporate services, public works and basic services, and town planning and development. These committee members are responsible for the implementation of council decisions within their respective sectors and reporting back to the council on progress. This system allows for specialized oversight and ensures that all areas of governance are handled efficiently.

A significant element of political governance is the ward participatory system, which allows residents to actively engage with their ward councilors. This system facilitates direct interaction between elected representatives and their communities, ensuring that local needs and concerns are communicated and addressed in the decision-making process.

2.2 Administrative Governance

The administrative governance of the municipality is led by the Municipal Manager, the most senior administrative officer, who ensures that the municipality's day-to-day operations are carried out in an efficient, effective, and compliant manner. The Municipal Manager acts as the bridge between the political leadership (the mayor and council) and the administration.

The Municipal Manager is responsible for overseeing the municipality's senior management team (SMT), which is composed of directors or departmental heads. Each department within the municipality is responsible for implementing the policies and strategies set by the council, managing budgets, and ensuring that services are delivered according to local needs.

The senior management team is responsible for strategic management, resource allocation, financial oversight, and performance management. The SMT ensures that municipal projects, services, and operations are in line with the approved budget, strategic goals, and regulatory requirements. Key positions within the SMT include the Chief Financial Officer (CFO), Director of Community Services, Director of Public Works and Basic Services, Director Corporate Services and Director Town Planning and Development.

In addition to the operational oversight provided by the Municipal Manager and SMT, the municipality's performance management system (PMS) plays a critical role in ensuring that employees at all levels are accountable for meeting the municipality's objectives. The PMS is designed to monitor, evaluate, and improve the performance of municipal staff, ensuring service delivery aligns with both political and community expectations.

The administration's role also includes ensuring compliance with national and provincial legislation, including the Municipal Finance Management Act (MFMA) which regulate financial management and accountability within municipalities. The administration must ensure that municipal funds are managed prudently and that there is transparency in budgeting, reporting, and spending.

Furthermore, the administrative structure is designed to ensure that departments work in tandem to provide coordinated services. Effective collaboration between departments such as Public Works and Basic Services, Community Services, Corporate Services, Town Planning and Development, ensures that projects and programmes are well-planned and executed.

2.3 Interphase between Political and Administrative Governance

The political and administrative governance systems in Gamagara Local Municipality are designed to work in tandem to ensure smooth and effective governance. The political leadership, represented by the mayor and the council, sets the direction and framework for the municipality's development. Meanwhile, the administrative leadership, led by the Municipal Manager, ensures the day-to-day implementation of these policies and strategies.

This interphase is based on clear communication, defined roles, and a mutual understanding of respective responsibilities. Regular engagements between the mayor and the Municipal Manager, as well as between the council and the administration, ensure that the municipality remains aligned with its strategic goals and responsive to changing community needs.

The governance framework further supports this collaboration through the establishment of joint Portfolio Committees where elected councilors and senior management meet to discuss issues that require both political oversight and administrative execution. These committees enable shared decision-making and ensure that the municipality's operations remain transparent, accountable, and effective.

The table below indicates names of former Council members according to their political parties represented and representation in council committees.

WARD	COUNCILLOR	PORTFOLIO	STATUS	POLITICAL PARTY	GENDER
1	Cllr. J. Roman	Mayor, finance committee portfolio chairperson, Ward 8, member of EXCO	Ward Councilor and mayor	ANC	Male
2	Cllr. H. du Plessis	Ward 1, community service, corporate service Chairperson and member and EXCO member	Ward Councilor	DA	Female
3	Cllr. K. Dithupe	Ward 2, LLF chairperson, member of public works, basic services, Development and Town Planning, chairperson an	Ward Councilor	ANC	Female
4	Cllr. M. Jafta	Ward 3, MPAC member	Ward Councilor	ANC	Male
5	Cllr. T. Motsoare	Ward 4, member of community service and corporate service portfolio	Ward Councilor	ANC	Male
6	Cllr. N. Magagane	Ward 5, MPAC chairperson	Ward Councilor	ANC	Male
6	Cllr. A. Caetano	Ward 6, Member of Municipal Finance Account Committee	Ward Councilor	DA	Female
7	Cllr. T. Tiroyame	Ward 7, Member of Municipal Finance Account Committee	Ward Councilor	ANC	Male

WARD	COUNCILLOR	PORTFOLIO	STATUS	POLITICAL PARTY	GENDER
8	Cllr. S.Mines	Member of all portfolio member	Proportional Representative Councilor	GCF	Female
9	Cllr. O.E Hantise	Development and town planning and public works and basic services portfolio chairperson and EXCO member	Proportional Representative Councilor	ANC	Male
10	Cllr. B. Sebego	Member of public works, basic service and Town Planning portfolio Committee	Proportional Representative Councilor	DA	Male
11	Cllr. G. Sekgopi	Speaker	SPEAKER	EFF	Female
12	Cllr. N. Koikoi	Member of Community Services portfolio committee , Local Labour Forum member	Proportional Representative Councilor	DA	Male
13	Cll. Makape	Member of Municipal Finance Account Committee (MPAC)	Proportional Representative Councilor	GCF	Female
14	Cll A. Morwe	Member of Municipal Finance Account Committee (MPAC)	Proportional Representative Councilor	DA	Female

Municipal Public Accounts Committee (MPAC)

In accordance with the provisions of Section 79 (1) (a) (b) and (c) of the Municipal Structures Act 1998 a municipality may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and appoint the members of such committee from among its members. Furthermore, Section 79 (2) of the Municipal Structures Act, 1998 provides the framework and guidelines within which such committees of council shall operate.

During the 2009 Association of Public Accounts Committee (APAC) Conference, a resolution was taken stating that the Conference supports the establishment of Municipal Public Accounts Committees (MPACs) in each municipality in the country as part of improving financial management and accountability at the local level.

Thus, in order to enhance, promote, and consolidate the oversight role of the Council over the executive, the Department of Cooperative Governance and Traditional Affairs has consulted the National Treasury and SALGA, has instructed that all municipalities establish MPACs.

Key Purpose of MPAC:

1. Assist the municipal council in holding the executive accountable.

2. Promote transparency and ensure responsible financial management.
3. Investigate reports of irregular, fruitless, and wasteful expenditures.
4. to ensure the effective and efficient use of municipal resources.

Gamagara Local Municipality established the MPAC Committee in terms of section 79 of the Municipal Structures Act, 117 of 1998.

During the year under review, the Municipal Public Accounts Committee (MPAC) convened two meetings and further meetings could not be held as per the approved schedule.

The challenge identified as a contributory factor was the lack of capacity for MPAC members. Since then, training has been requested from SALGA, which took place on 27 August 2024.



Cllr. J. Roman
Hon Mayor
Ward 8

NB: At the beginning of the financial year under review, Councillor Du Plessis took over for approximately two months as Mayor (29 May 2023 to 07 August 2023).



Cll Sekgopi
Hon. speaker



Cllr. H. du Plessis
Ward 1 councilor



Cllr. J. Molusi
Ward 3



Cllr. J. Roman
Ward 8



Cllr Dithupa
Ward 2



Cllr. A. Caetano
Ward 6 councilor



Cllr. T. Tiroyame
Ward 7



Cllr. T. Motsoare
Ward 4



Cllr N Magagane

Ward 5



Cllr. G. Sekgopi
Proportional Representative Councilor



Cllr. B. Sebego
Proportional Representative Councilor



Cllr. N. Koikoi
Proportional Representative Councilor



Cllr. J. Makape
Proportional Representative councillor



Cllr Mines
Proportional Representative Councilor



Cllr .A.Morwe
Proportional Representative Councilor

The provided information reflects the performance of council and portfolio meetings for the financial year under review wherein the council adopted an itinerary of 8 planned monthly council meetings and 8 planned portfolio meetings at the beginning of the year. During the period under review 5 planned council meetings were convened and 12 Special Council meetings and the non-sitting of planned schedule meetings was due to instability caused by the ongoing "Motions of No Confidence" which disrupted the function of the council. Despite the disruptions council still reported a notable and commendable achievement that demonstrates the commitment and adherence of the council to the itinerary and 6 portfolio meetings convened.

INTERNAL AUDIT COMMITTEE

The Municipal Financial Management Act (MFMA) section 166 mandates that municipalities establish an audit committee to provide oversight and advisory services. Gamagara Local Municipality has entered a Service Level Agreement (SLA) with the John Taolo Gaetsewe District Municipality to share an audit committee, ensuring compliance with legislative requirements while optimizing resources.

The Internal Audit Committee executes its oversight and advisory functions effectively and efficiently by conducting periodical audits and presenting audit outcomes with recommendations and the municipality to develop remedial strategies and control systems for the identified deficiencies.

The Audit Committee

Chapter 14 of the MFMA requires that an Audit Committee be appointed to conduct an advisory role on issues of risk and financial management. The Audit Committee performs and executes its responsibilities and two meetings sat for the financial year under review.

2.2. Administrative Governance

In terms of part 7 section 82 of the Municipal Structures Act 117 of 1998 as amended the Municipality must appoint the Municipal Manager who is the head of administration and therefore the Accounting Officer. In terms of section 55 of the Municipal Systems Act, 32 of 2000 as amended the Municipal Manager as head of administration is subject to policy directives of the municipal council responsible for the formation and development of an efficient, economical, effective and accountable administration and must manage the municipality in accordance with all legislation and policies pertaining to Local Government.

Section 50 of the Municipal Systems Act 32 of 2000 as amended the Council in consultation with the Municipal Manager must appoint managers who are reporting directly to the Municipal Manager who must have relevant and requisite skills and expertise to perform the duties associated with the posts they each occupy.

The Municipal Manager is also accountable for all the income and expenditure and all assets as well as the discharge of liabilities of the municipality including proper and diligent compliance with the Municipal Finance Management Act, 53 of 2003. Each Director who reports directly to the Municipal Manager are delegated the functions as may be deem necessary by the Municipal Manager as powers delegated to him by Council and relevant legislation.

The administration of the municipality is led by the municipal manager, Mr. L Seetile. The municipality has six (6) departments, including the office of the municipal manager.

The Municipal Manager and Directors form the senior management core and all directors are accountable to the Municipal Manager in terms of strategic management and oversight of their departments. All budget expenditures in each directorate are managed by the Director in order to ensure that service delivery matters are handled speedily.

In general, the administration is responsible for:

- **Implement** the lawful strategies, plans, policies, resolutions, and bylaws of the municipal council and the policies and laws of other spheres of government.
- **Advise** the council and all political structures and political office bearers;
- **Develop** administrative/operational policies;

- **Manage**, operate, and maintain the provision of services in a sustainable and equitable manner;
- **Administer** the affairs of the municipality;
- **Manage** the municipality's resources.

The head of administration, heads of departments and their functions are displayed in the table below:



Mr. Lebogang Seetile
Municipal Manager.

The Municipal Manager is the head of the administration in a municipality and serves as the accounting officer. Their responsibilities are set out in the Municipal Systems Act, the Municipal Finance Management Act (MFMA), and other relevant legislation in South Africa. The core functions of a Municipal Manager include:

1. Strategic Leadership and Management

- Overseeing the implementation of the municipality's Integrated Development Plan (IDP) and ensuring alignment with national and provincial priorities.
- Providing overall leadership and strategic direction for municipal operations.
- Managing the municipality's administration effectively and efficiently.



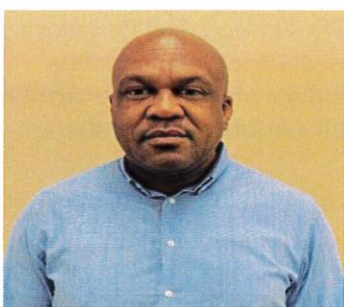
Mrs. Dimakatso Manamele
Acting Director Community Services

During the period under review, Mrs. Dimakatso Manamela was appointed as the Acting Director of the Community Service department is responsible for rendering integrated community services to enhance community development in general and promote a clean and safe environment.



Mr. Aobakwe Makoku
Chief Financial Officer

The Chief Financial Officer is responsible for managing and providing financial services in order to ensure financial viability, compliance, and reporting as prescribed by relevant legislation.



Mr Kabelo Appie
Acting Director Corporate Services

The position of Director Corporate Services became vacant soon after Mr. Lebogang Seetile was appointed the Municipal Manager on the 01st May 2023. During the period under review, Mr. Kabelo Appie was appointed the Acting Director of the Corporate Services Department is responsible for providing corporate services to the institution in support of efficient organizational and administrative processes



Mr. Gregory kannemeyer :

Acting Director Public Works and Basic Services

The employment contract of Mr. Kagiso Ositang ended on the 30th of June 2024 and since then Mr. Gregory Kannemeyer was appointed as head of the Public Works and Basic Services department and is responsible for managing infrastructure services provisioning to ensure the rendering of sustainable and affordable services to the community.



Ms. Thato Rapelang
Director Development and Town Planning

The head of Economic Development and Planning Department is responsible to manage spatial and land use planning, human settlement, building control, integrated development planning and environmental management services.

COMPONENT B: INTER-GOVERNMENTAL RELATIONS

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

Intergovernmental Relations is key to cooperate governance as it promotes collaboration between the different spheres of government in the provision of effective and efficient services. Through IGR, different government entities are able to work together to share information and ensure that the limited public resources are utilized optimally. Among others, Gamagara Local Municipality engages in the following activities with other government entities and municipalities:

- Planning and budgeting
- Consultations and meetings as well as information-sharing sessions
- Dispute resolutions
- Reporting
- Monitoring and evaluation

Engagements in the activities listed above occur through direct interaction of officials and forums established in the district and the province.

Examples of such forums are:

- Mayors' Forum
- Municipal Manager's Forum
- Chief Financial Officer's Forum
- IDP Forum
- Intergovernmental Relations Coordinating Committee
- SALGA

The municipality has fully participated in these forums during the 2023/24 financial year.

National Intergovernmental Structures

The Gamagara Local Municipality is a member of the South African Local Government Association (SALGA) both at the Provincial and National Levels. Elected Councilors are accordingly deployed into various working Committees of SALGA. Employees and Councilors participate in structures such as Pension Funds and Medical Aid bodies, wherein they ensure proper handling of the affairs affecting the Council and its employees.

Public Meetings						
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councilors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP and budget public consultation through local radio station	18/04/2024	Both Ward councilors for 1&6 conducted the meeting, Mayor and the Speaker	3 Directors MM, and 4 officials	21 community members	Yes	All issues that were of high importance were addressed
IDP and Budget public consultation in ward 7	18/04/2024	Mayor, Speaker and Ward 7 Councillor	4 Directors, MM and 4 officials	68 community members	Yes	Service delivery issues were addressed and commitments to the possible solutions were made
IDP and Budget public consultation in ward 5	23/04/2024	Mayor, Speaker and Ward 5 councillor	3 Directors, MM and 4 officials	90 community members	Yes	Service delivery issues and the role of the District municipality, the Mining houses on the needs of the Community
IDP and Budget public consultation in ward 4	16/04/2024	Mayor, Speaker Ward 4 councilors	4 Directors, MM and 4 officials	60 community members	Yes	Service delivery issues were addressed, and commitments were made.
IDP and Budget public consultation in ward 2&7	25/04/2024	Mayor, Speaker and Ward 2&7 Councilors	3 Directors, MM and 2 officials	118 community members	Yes	Service delivery issues were addressed
IDP and Budget public consultation in ward 3	25/04/2024	Mayor, Speaker and Ward 3 Councilor	4 Directors, MM and 3 officials	50 community members	Yes	Service delivery issues were addressed.

IDP and Budget public consultation Ward 8	24/04/2024	Mayor, Speaker and Ward 8 Councilor	4 Directors, MM and 2 officials.	74 community members	yes	Service delivery issues were addressed
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Provincial Intergovernmental Structures

The Mayor and the Municipal Manager represent and participate in the Intergovernmental Relations Coordinating Committee where issues affecting the Province and the Municipalities are discussed.

District Intergovernmental Structures

The Mayor, Municipal Manager and relevant Heads of Departments form part of the John Taolo Gaetsewe District Intergovernmental Forum. The role of the district intergovernmental forum is to strengthen municipalities with the implementation of IDP and Budget and it plays an oversight and supportive role to local municipalities.

COMPONENTS C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality continuously engages the public through regular public meetings and Imbizos. These meetings are used to inform the community about developments in the municipal area and to deal with issues raised by communities ranging from municipal services to government services in general. Ward Councilors are also required to convene public meetings in their respective wards once a quarter to address issues relevant to their wards.

In strengthening accountability and public participation, the Provincial Government has deployed Community Development Workers to our municipality to assist with dissemination of information and mobilisation of communities towards the programmes of Government.

2.3. Public Meetings

Communication, Participation and Forums

There are different platforms that the municipality uses like placing notices on public notice boards, in local newspapers and ward community meetings, as well as the Ward Committees. The municipality has established a customer service desk, which enables communities to directly contact the call center with their complaints and compliments. The municipality also extends its communication on social media platform, print and radio interviews.

The municipality has also consistently communicated with communities during the following processes:

- o Compilation of IDP
- o Compilation of Budget
- o Compilation of SDF and land use scheme

2.4. IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	No
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 of Municipal Systems Act 2000	T 2.5.1

Ward Committees

Ward Committees are an integral part of local government as they serve as instruments for community participation. The municipality has established Ward Committees in its seven wards. Each committee is made up of 10 members as required by regulations. The Ward Committees have been supported through training to effectively perform their functions in the respective wards.

An official based in the Office of the Speaker has been given the responsibility of managing the operation of the ward committees.

COMPONENT D: CORPORATE GOVERNANCE

2.5. Risk, Management Committee

Risks are managed through the identification, quantification, and mitigation in all municipal processes. All the identified risks are ranked in terms of priority and potential harm to the institution in the risk register which is tabled in management meetings. A Risk Management Committee has also been established to assist the municipality in the management of risks. The municipality has developed a risk management strategy which has been approved by the council.

2.6. Anti-Corruption and Fraud

Fraud and corruption represent a significant risk to the assets of the municipality which can result in poor or no service delivery. Therefore, a Fraud and Anti-corruption Policy has been developed and implemented by the municipality to rid the municipality of fraud and corruption. Members of the community are encouraged to report fraudulent and corrupt activities at the presidential hotline and the Gamagara Call Center.

2.7. Supply Chain Management

The Supply Chain Management (SCM) aim at supporting the strategic decision of the municipality thereby ensuring an efficient service delivery to its internal and external clients and also to ensure that purchasing and procurement of goods and services is done according to the prescribed legislation and Gamagara Municipality's Supply Chain Management Policy.

The unit has a staff compliment of seven (7), including the Manager SCM and report to the Chief Financial Officer. The SCM policy has been adopted by council and is reviewed on an annual basis to include any new reforms issued by National Treasury.

CHALLENGES AND REMEDIAL ACTION TO IMPROVE PERFORMANCE

Challenges	Impact	Remedial Action
Lack of document management	Loss of documents which leads to limitation of scope during auditing	A budget must be made available to acquire storage facilities and a document management system
Lack of Contract & performance Management	<ul style="list-style-type: none"> Possible over payment Late termination of expired services 	<ul style="list-style-type: none"> A contract management system to be implemented

	<ul style="list-style-type: none"> • Repetitive negative audit findings for non-compliance with legislation 	<ul style="list-style-type: none"> • All invoices must be accompanied by performance / progress reports
Non-adherence to procurement legislation / regulation	Growing irregular expenditure	Consequence management to be implemented

Success in the SCM

- Implementation of an electronic requisition management system (Collaborator)
- Formal quotations are now advertised for 7 days as per the SCM policy & regulation
- Approval and implementation of the preferential procurement policy
- implementation of CSD RFQ system to identify and invite suppliers to submit quotations online

Establishment and functioning of BID committees

All legislated bid committees have been appointed in writing by the Accounting Officer. The municipality has further split the bid specification into technical and non-technical to ensure proper specification, especially for infrastructure projects. This was done to enable technical bids to be specified and evaluated by people with the relevant skills.

For the year under review, the table below depicts the number of items considered, approved or referred back.

Bid Specification Committee scheduled meetings: Total

Number of meetings	30
Approved Specifications	24
Specifications Cancelled	3
Specifications Referred Back	3
No quorum Meetings	5

Bid Evaluation Committee

The BEC operates the same as the BSC above. The table below shows the number of meetings held, items considered, approved or referred back, etc. The recommended items are then submitted to the BAC for consideration and approval.

BEC scheduled meeting: Total

Recommended for Adjudication	24
Meetings continuing (BEC)	3
No quorum Meetings	0

Bid Adjudication Committee

The Bid Adjudication Committee (BAC) meets as and when there is submission from the BEC.

Meetings that were convened	25
Items Considered	24
Items referred back	2
Recommendations to Accounting officer	12

Bids awarded by the Accounting Officer

TENDER NUMBER	TENDER DESCRIPTION	SERVICE PROVIDER	COMMENTS
GM2023/30	APPOINTMENT OF SERVICE PROVIDER TO PERFORM VEHICLES MECHANICAL SERVICES FOR A PERIOD OF 36 MONTHS	N/A	Tender recalled
GM2023/69	APPOINTMENT OF FOUR (4) ELECTRICAL CONTRACTORS TO DO ELECTRICAL MAINTENANCE/ WORKS IN GAMAGARA AREA FOR A PERIOD OF THREE (3) YEARS	N/A	Tender validity expired. Extension was requested, however not all bidders responded on time.
GM2023/67	APPOINTMENT OF TWO (2) CONTRACTORS FOR A THREE (3) YEAR MAINTENANCE - MECHANICAL AND ELECTRICAL CONTRACTS FOR WATER AND SANITATION BULK PIPELINES AND PUMPSTATIONS	Praysa- C-PAC	The tender was initially prepared for the appointment of two (2) bidders, however only one bidder was compliant of the requirements of the tender
GM2023/50	APPLICATION FOR ADMISSION TO DATABASE OF ELECTRICAL PROFESSIONAL CONSULTANTS FOR GAMAGARA LOCAL MUNICIPALITY FOR A PERIOD OF THREE YEARS	N/A	Tender cancelled. Errors in the tender document.

GM2023/49	APPOINTMENT OF A PANEL OF CONSULTING ENGINEERING SERVICE PROVIDERS FOR THE PROVISION OF PROFESSIONAL CIVIL ENGINEERING SERVICES FOR A PERIOD OF THREE (3) YEARS AS AND WHEN REQUIRED	The panel listing is complete	
GM2023/54	APPOINTMENT OF TWO BIDDERS FOR SUPPLY, DELIVERY AND OFF-LOADING OF TOOLS AND MATERIALS A FOR PERIOD OF THREE YEARS AS AND WHEN REQUIRED	Not appointed	Tender recalled. The specifications to be divided as the current spec was a consolidation of many items.
GM2023/89	CONSULTANTS FOR PREPARATION AND/OR REVIEW OF FINANCIAL STATEMENTS, REVIEW OF STANDARD OPERATING PROCEDURES AND ASSETS MANAGEMENT FOR A PERIOD OF THREE (3) YEARS	N/A	Tender cancelled. Errors in the tender.
GM2023/104	BUDGET AND TREASURY DIRECTORATE –RENDERING OF CREDIT CONTROL SERVICES FOR GAMAGARA LOCAL MUNICIPALITY FOR A PERIOD OF THREE (3) YEARS.	Not appointed	Tender cancelled. Errors in the tender.
GM2023/105	REQUEST FOR PROPOSAL FOR SUPPLY, INSTALLATION AND MAINTENANCE OF AN INTEGRATED FINANCIAL MANAGEMENT FOR A PERIOD OF 60 MONTHS	Munsoft	
GM2023/106	PANEL OF CONSULTANTS FOR PREPARATION AND/OR REVIEW OF FINANCIAL STATEMENTS, REVIEW OF STANDARD OPERATING PROCEDURES AND ASSETS MANAGEMENT FOR A PERIOD OF THREE (3) YEARS	The panel listing is complete	
GM2023/109	PROVISION OF GENERAL VALUATION FOR GAMAGARA LOCAL MUNICIPALITY FOR A PERIOD OF 5 YEARS`	Fair Property Valuations	
GM2024/10	DIBENG BULK WATER AUGMENTATION: EQUIPING OF BOREHOLES AND ITS ANCILLARY WORKS	TSAATHEBE CONSTRUCTION	

GM2024/11	CONSTRUCTION OF DIBENG SEWER NETWORK PHASE 5	Not appointed	Tender to be readvertised. No responsive tenders
GM2024/04	SUPPLY AND DELIVERY OF NEW VEHICLES FOR A PERIOD OF THIRTY-SIX (36) MONTHS	KURA UONE	
GM2024/02	THE APPOINTMENT OF FOUR SERVICE PROVIDERS TO PROVIDE TEMPORARY WATER SUPPLY THROUGH MOBILE WATER TANKERS, SUPPLY AND CLEANING OF JOJO TANKS AS AND WHEN REQUIRED FOR A PERIOD OF THREE YEARS	Not appointed	
GM2024/05	APPLICATION FOR ADMISSION TO THE DATABASE OF ELECTRICAL PROFESSIONAL CONSULTANTS FOR A PERIOD OF THIRTY SIX MONTHS (RE-ADVERT)	Not appointed	Not done
GM2024/06	APPOINTMENT OF FOUR (4) ELECTRICAL CONTRACTORS TO DO ELECTRICAL MAINTENANCE/ WORKS IN GAMAGARA AREA FOR A PERIOD OF THREE (3) YEARS	Not appointed	readvert
GM2024/38	APPOINTMENT OF 1 OR 2 SERVICE PROVIDERS FOR PROVISION OF LOAD, HAULING, AND HANDLING OF GENERAL WASTE FOR A PERIOD OF THREE YEARS AS AND WHEN REQUIRED	1. Phatshimisa Setshaba 2. Selkaneng	
GM2024/46	APPOINTMENT OF FOUR (4) SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF ELECTRICAL MATERIALS FOR A PERIOD OF THREE YEARS AS AND WHEN REQUIRED	Intention to appoint letters issued to 4 bidders	Negotiations for averaging of prices of the appointed service providers in process
GM2024/48	APPOINTMENT OF FOUR (4) SERVICE PROVIDERS FOR THE SUPPLY AND DELIVERY OF PLUMBING MATERIALS, TOOLS AND EQUIPMENT FOR A PERIOD OF THREE YEARS AS AND WHEN REQUIRED	Not appointed	
GM2024/36	MEDICAL SURVEILLANCE AND EMPLOYEE WELLNESS SERVICES FOR A PERIOD OF THREE (3) YEARS	Not appointed	

GM2024/37	APPOINTMENT OF A SERVICE PROVIDER TO SUPPLY, INSTALL AND MAINTAIN THE PREPAID SMART WATER METERS FOR A PERIOD FOR THREE YEARS	Not appointed	Tender submitted to Accounting officer for consideration
GM2024/47	APPOINTMENT OF A PANEL OF PROFESSIONALS FOR TOWN PLANNING FOR A PERIOD OF THREE YEARS	Not appointed	Tender still at evaluation. An extension of validity has been requested from the service providers
GM2024/09	PROVISION OF SECURITY SERVICES FOR A PERIOD OF THREE YEARS	Not appointed	Not done

2.8. Legal Compliance and Administration Services

The purpose of Legal Compliance and Administration Services is to provide legal and compliance services to the institution to facilitate proficient administrative practices and procedures.

2.8.1. By-Laws

The by-laws for Gamagara local Municipality as amended and/or updated by council will be promulgated in terms of section 11, 12 and 13 of the local government; municipal systems Act, read with section 7 of rationalisation of local government affairs act. The by-laws will apply to the entire area with the Gamagara Municipality, thus binding to all residents. It should be noted that there was only one by law gazetted that is Gamagara Building Control Bylaw in March 2024.

2.9. Website

Gamagara Local municipality's website is used as an integral part of communication strategy to stakeholders and members of the public. The complies with all the requirements of section 75 of the MFMA. The council website address is www.gamagara.gov.za.

All Council's libraries have computers with free internet access through which the public has access to council's website and information at the following areas:

1. Kathu Main Office
2. Olifantshoek office and in the Welgelee township
3. Deben, and
4. At Municipal Youth Center

Website Functionality

Current Status:

The municipality is currently in the process of revamping and restructuring our website. As a result, many of the previously uploaded documents are yet to be reloaded and republished. Additionally, since the 15th of June 2023, we have been experiencing difficulties with uploading and publishing new information.

Challenges:

Despite the Municipal website being regarded as an integral part of our communication strategy for stakeholders and the public, the municipality has not yet established a working process, policy, and procedure for publishing the required information. This has led to a situation where any municipal employee can send information they believe should be published to the website, either directly to ICTHELPDESK for uploading, or ICT is requested to obtain the information from certain municipal employees. Unfortunately, in many cases, this information may not have been authorized by someone with the authority to make it public.

Recommendations:

1. The municipality should urgently establish and adopt a policy and procedure for publishing information to the public.
2. Collaboration with Communication Office: Strengthen the Communications Office as the primary source of approved information for the website. This office should work closely with relevant departments to gather accurate and up-to-date information for publication. By establishing a collaborative approach, the municipality can ensure consistency and reliability in the information presented on the website.

2.10 Public Satisfaction on Municipal Services

The Gamagara Integrated Call Centre have been in operation since 3rd of April 2023 as an integrated part of Gamagara Municipality's Customer Care Section. The Call Centre operate on a 24h basis and are very effective, in handling customer queries and receive many compliments from the public. The Call Centre was previously managed by a service provider. Customer Care been managed on a weekly basis, by assisting phone queries, as well as the public with "walk-in" assistance.

Satisfaction Surveys Undertaken during: Year -2022 and Year 2023				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:	N/A	N/A	N/A	N/A
(a) Municipality	N/A	N/A	N/A	N/A
(b) Municipal Service Delivery	N/A	N/A	N/A	N/A
(c) Mayor	N/A	N/A	N/A	N/A
Satisfaction with:	N/A	N/A	N/A	N/A
(a) Refuse Collection	Ticketing system	3/4 to 30/06/2023	29	75%
(b) Road Maintenance	Ticketing system	3/4 to 30/06/2024	18	82%
(c) Electricity Supply	Ticketing system	3/4 to 30/06/2025	431	95%
(d) Water Supply	Ticketing system	3/4 to 30/06/2026	426	71%
(e) Information supplied by municipality to the public	Customer care	3/4 to 30/06/2027	40	95%
(f) Opportunities for consultation on municipal affairs	N/A	N/A	N/A	N/A
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T 2.11.2

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CHAPTER 3: Service Delivery Performance Report

The Constitution of the Republic of South Africa, Schedule 4, Part B outlines the functions of the municipality and therefore define its responsibility towards members of the public

Component A: Basic Services

The report serves to provide progress on basic services such as water, sanitation, electricity, solid waste management and housing services.

3.1 WATER PROVISION

Gamagara Local Municipality is a Water Services Authority (WSA) and Water Services Provider (WSP) which means is responsible for the supply, operation and maintenance of water distribution including bulk storage reservoirs and elevated towers/tanks, reticulation network systems and the water treatment works/softener plant.

The municipality have three sources of water and that is the boreholes (Dibeng, Kathu and Sesheng/Mapoteng), secondly the dewatering from the mine (Kathu only), and thirdly bulk supply from Vaal Central Water Board (Olifantshoek area).

The demand for portal water within the Municipality is rapidly increasing due to the influx of job seekers outside the municipality trying to get accommodation closer to the mines.

Water Service Infrastructure Supply Level Profile

Service at households level	Households	%
Piped water inside the dwelling/house	11 821	59,1%
Piped water inside yard	5 783	28,9%
Piped water distance <200m	1 577	7,9%
Piped water distance >201m	79	0,4%
Borehole in yard	243	1,2%
Rain-water tank in yard	19	0,1%
Water vendor-carrier/tanker	126	0,6%
Stagnant water - dam/pool	215	1,1%
Flowing water/spring/stream/river	-	-

Water Other	137	0,7%
Total	20 000	

Source: DWS: 5-year water and sanitation reliability service delivery implementation plan 2023

Dibeng Water Supply

The Municipality solely supplies Dibeng area through boreholes with chlorine dosing plant which disinfect water in the distribution system to remove harmful contaminants. The source of water is from aquifers which then abstracted through boreholes, transported to water reservoirs then distributed through the water reticulation network to households and businesses.

The Municipality solely supplies Dibeng area through boreholes with chlorine dosing plant which disinfect water in the distribution system to remove harmful contaminants. The source of water is from aquifers abstracted through boreholes, transported to water reservoirs then distributed through the water reticulation network to households and the businesses.

Dibeng's current bulk water supply is 1153.5 kℓ/day or 0.421 million m³/annum calculated for a 12h day. A total of eight production boreholes, with a combined yield of 0.779 million m³/annum supply the bulk water is required for Dibeng. To ensure a 48hr bulk storage buffer, 2590 kl is required now and 5101 kl required from 2033.

Sesheng/Mapoteng Water Supply

There are two sources of water supply, namely; boreholes and Kumba Mine dewatering. Currently, the supply is mainly through Kumba Mine dewatering and the boreholes are augmenting the supply on occasional basis.

The scheme comprises of 3.0 Mℓ concrete reservoir and 0.3 Mℓ elevated tower, an additional 1.5 ML elevated steel tank is reserved for adjacent development. The storage capacity is sufficient to service the existing area. An additional total storage capacity of 7.08 Mℓ is required to service the future Sishen development area, comprising of a 1.08 Mℓ elevated tower and 6 Mℓ reservoir at ground level. Municipality's proposal submitted for funding suggest that a 6 Mℓ ground reservoir should be constructed in phases with a 3.0 Mℓ reservoir constructed in Phase 1 and a 3.0 Mℓ reservoir constructed in a future phase.

Olifantshoek Water Supply

Vaal Central Water is the main bulk water supplier in this area through Vaal Gamagara Water Scheme. Olifantshoek is currently serviced by one 7 Mℓ concrete reservoir connected to 15 municipal boreholes with a potential combined total yield of 34.90 ℓ/s augmenting the main supply from Vaal Central Water Board bulk pipeline.

The current Total Average Annual Daily Demand of water for Olifantshoek is 3.3 Mega Litres and is expected to reach 5 Mega litres by 2045. Vaal Gamagara water scheme can only provide an average of 1 Mega Litres water per to Olifantshoek. The 15 boreholes supply a potential combined daily abstraction of 1.5 Mega Litres (12 hours pumping/day). Bringing the current available bulk supply total to 2.5Ml resulting in a daily deficit supply of 0.8 Mega Litres to meet the current water demand. Water trucks are used to further augment the water supply deficit. Municipality is exploring various options to sustainably address the water shortage in the area to ensure that the current and future water demand of 5 Mega litres is met by 2045.

Kathu Water Supply

There are two sources of water supply, namely; boreholes and Kumba Mine Dewatering. About 90% of water is supplied from the mine dewatering process while the boreholes can only supply the remaining 10%. Vaal Central Water bulk water supply point is additional source that can be used as a back-up. The two water sources mentioned above, supply water to municipal reservoirs then distributed through different water networks to the households via pre-paid/conventional meters.

Municipality has 4.5 Ml/day softener plant to treat the raw water from the mine's dewatering activities.

There available bulk storage comprises of 6.8 Ml ground level potable water reservoir with a 1.4 Ml elevated tower divided into two 0.7 kl compartments for raw and potable water, a 250 kl balancing reservoir and pump station used to supply raw water to the golf course, a 14 Ml ground level potable water reservoir with a 2.5 Ml elevated tower

Babatas Water Supply

The Babatas water supply system entails the abstraction of water from the boreholes and transportation through 6km bulk water pipeline to the 68kl ground water balancing tank and the 305kl elevated steel tank. The water is distributed through the 4.5km reticulation water pipeline to feed the house connection taps and 10 JoJo tanks that act as communal standpipes.

Area	Household	Yard Connection	Stand Pipes
Olifantshoek	3952	2773	1179
Kathu	10323	10323	0
Sesheng/Mapoteng	2649	1384	0
Dibeng	3465	2830	0
Babatas	525	300	225
TOTALS	20914	17610	1404

Table: Water Provision Per Household

Water Projects currently implemented in 2023/24 FY

Municipality have implemented the following projects in attempt to resolve basic services backlog.

Construction of 2 × 4,5ML reservoir and 1.8 ML Elevated tower in Mapoteng /Sesheng (RBIG) – (Kumba SLP)

The project is at planning stage to complete the Implementation Readiness Study (IRS) and was on hold due to lack of internal funding and will be budgeted in the next financial year. The project planning entails the construction of 2 x 4,5ML concrete reservoir and 1,8ML concrete tower, the equipping the boreholes and construction of the bulk link line for the boreholes to the constructed reservoirs. The Technical Feasibility Study (2A Report) financed through Kumba SLP was approved by the Department of Water and Sanitation. Phase 2 of the planning will be budgeted and completed in the next year.

Construction of Bulk-water Link-line from 4 Boreholes to 7 ml Reservoir in Olfantshoek Phase 3 (WSIG)

The project was a multi-year project and was completed in 2023-24 financial year. The project scope comprised of equipping of four boreholes, construction of 3615m pumping main pipeline (3615m), construction of pump houses including security features and electric supply for the pumps. 12 work opportunities were realised during construction. On completion of the project 2,6l/s water was added to the network.

Installation of two boreholes and connections with bulk line to 7ML reservoir – Olfantshoek – Phase 2B (Afrimat SLP)

The project was a multi-year project and was completed in 2023-24 financial year. The project scope comprised of equipping of two boreholes, construction of 2300m pumping main pipeline, construction of 2 x pump houses including security features and electric supply for the pumps. 12 work opportunities were realised during construction. On completion of the project 7,27l/s water was added to the network.

Dibeng Bulk-Water Augmentation, Equipping Of Boreholes and its Ancillary works (WSIG)

The project is a multi-year project. The scope of works entails equipping of 3 x new boreholes and refurbishment of one existing borehole, construct pumping main pipeline, construct pump houses for four borehole pumps with security features and supply the pumps with electricity. 30% of work done on construction of bulk water augmentation equipping of 3 boreholes in Dibeng to be achieved by 30 June 2024. The project entails;

Yield and Quality testing of 4 boreholes, refurbishment of 1 x existing borehole and equipping of 3 x new boreholes, installation and electrification of 4 pump houses, new security fencing, installation of 2300 pumping mains and Refurbishment of the existing 520kl elevated steel tank

Provision of internal Services for 5700 sites development in Kathu (COGHSTA)

The project commenced in August 2019 and was a multi-year project. The project scope entails installation of water, sewer internal services and gravel street road for 5125 stands in Extensions 6,7,8,9 and 10 in Kath West. The project is completed and was handed over to Municipality by the Premier of Northern Cape Honourable Dr Zamani. The bulk services (water, sewer and electricity) is still outstanding on the project.

Babatas CPA bulk water supply – (SIOC)

The project is completed. The scope included construction 6km bulk pipeline and 4,5km reticulation pipeline, installation of 68kl ground water balancing tank, 305kl elevated steel tank and installation of 300 yard connections. 27 work opportunities were created. On completion of the project more than 525 households with their livestock were impacted.

Refurbish of the Reservoir Pumpstation in Mapoteng (Kumba SLP)

The scope for the refurbishment of the Reservoir Pumpstation in Mapoteng entails:

Pumpstation building refurbishment, Supply and install one duty and one standby pump/motor combination, Supply and install four butterfly valves, two wafer type non return valves and one double purpose air release valve, Supply and install all GMS pipes, fittings and pipe specials, Supply and install all electrical switches, cabling, cable trunking and cable racks, Supply and install motor control centre panel including all cabling, protection and switchgear, Security fencing including flood lights, The project is completed. The pumpstations has been refurbished and is operational

Gamagara Water programme (SLP KHUMANI)

The programme's objective is to provide an integrated solution to the water challenges around Gamagara Municipality. The appointment of the professional service provider is finalised. The project is implemented by Kumba mine.

Water Meter Audit Programme

The project is a multi-year project that municipality through the Expanded Public Works Programme Integrate Grant to conduct meter and electric audit around the Gamagara towns. The programme objective is to identify metering challenges like by-passes, leakages, faults which when addressed will increase reduce water loss. 26 work opportunities are created through this programme

Exploration of underground water and drilling of boreholes in Olifantshoek

The groundwater source verification of two existing boreholes was conducted in Kathu to determine the sustainable yields and water quality status and suitability for human consumption long term use. The project scope entailed, Desktop study and literature review, Site assessment and boreholes verification, Borehole and aquifer pumping test of two (2) existing boreholes, Hydrochemical analysis of the successfully tested boreholes and compare the water quality against the SANS 241:2015 standards,

Preparation of boreholes management recommendations; and Compilation of the investigation technical report. Request for funding to equip the boreholes is submitted to various funders.

Olifantshoek: Bulk Water Infrastructure Assessment

The project entailed assessment of the current borehole configuration and explore avenues to optimize the bulk water supply to the reservoir and reduce losses in the system. A 350ML balancing reservoir between the boreholes and reservoir was prioritized as the preferred option to best prevent overexertion of the boreholes pumps and ensure a reliable supply of the water to the reservoir. The proposal is submitted to funding.

Challenges: Water Provision

The following challenges have been encountered during the financial year of 2023/24 on provision of water:

1. Rapid influx of people which increases the water demand.
2. Inadequate bulk water storage in Dibeng town.
3. High water demand due to the perennial in-migration of job-seekers
4. Legacy sub-standard works by private developers resulting in pipe bursts and reduction of the infrastructure life span.
5. High water distribution losses due to ageing infrastructure and surge pressures to pipes
6. Shortage of material and vehicles to repair leaking pipes
7. Vandalism and stealing of water infrastructure assets (mostly cable theft)
8. Intermittent supply of water to Olifantshoek area by Vaal Central Water Board
9. Inadequate budget to cover the required water supply requirements
10. Drying up of existing boreholes
11. Blue drop compliance challenges

It should be noted that the municipality experienced illegal land grabs which put pressure on provision of unplanned services for Water -Sanitation -Waste –Electricity.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic(m ³)	Unaccountable water losses(m ³)
Year 2019/20				6 746 949	1 918 131
Year 2020/21				6 289 005	2 549 033
Year 2021/22				5 101 510	
Year 2022/23				6 828 559	4 395 546
Year 2023/24					3 838 937
				T 3.1.2	

Water Service Delivery Levels				
Households				
Description	Year 2020/21 Actual No.('000)	Year 2021/22 Actual No.('000)	Year 2022/23 Actual No.('000)	Year 2023/24 Actual No.('000)
<u>Water:</u> (above minimal level)				
Piped water inside dwelling	12.874	12.874	12.874	12.874
Piped water inside yard (but not in dwelling)	16.836	16.836	16.836	16.836
Using public tap (within 200m from dwelling)	2.444	2.444	2.444	2.444
Other water supply (within 200m)	0	0	0	0
<i>Minimum Service Level and Above sub-total</i>	32.154	32.154	32.154	32.154
<i>Minimum Service Level and Above Percentage</i>	99%	99%	99%	99%
<u>Water:</u> (below min level)				
Using public tap (more than 200m from dwelling)				
Other water supply (more than 200m from dwelling)	2	2	2	2
No water supply				
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	1%	1%	1%	1%
Total number of households*	34.154	34.154	34.154	34.154
* - To include informal settlements			T 3.1.3	T 3.1.3

It should be noted that however, the municipality experienced illegal land grabs which put pressure on provision of these unplanned services. Water -Sanitation -Waste -Electricity - High number of backyard dwellers also put a lot pressure on the internal infrastructure services.

Access to Water			
	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
Year 2020/21	19730	19730	1160
Year 2021/22	19730	19730	1160
Year 2022/23	19730	19730	1160
Year 2023/24			
			T 3.1.5
* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute			
# 6,000 litres of potable water supplied per formal connection per month			

Employees: Water and Wastewater Services, Millwright & PMU					
Job Level	Year -2022/23	Year 2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	59	60	47	13	22%
7 - 9	7	16	6	10	63%
10 - 12	22	26	22	4	15%
13 - 15	5	2	1	1	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	0%
Total	94	105	77	28	27%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.1.7

Table: Staff Compliment

Water and Wastewater treatment services are under Public Works & Basic Services Directorate joined as one unit because the size of the municipality is small to have these functional areas separate and the purpose is the enhance effective and efficient service delivery to communities. There have been a decline in the numbers of employees due to terminations. e.g. resignations, death and dismissals.

Financial Performance 2023/24: Water Services					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	52 160 179	72 612 970	72 612 970	61 353 231	-18%
Expenditure:					
Employees	19 549 965	27 553 427,00	23 421 281	21 681 423	-27%
Repairs and Maintenance	3 768 823	3 300 000,00	8 960 000	5 660 000	42%
Other	42 115 033	42 302 369,00	65 893 136	53 691 515	21%
Total Operational Expenditure	65 433 821	73 155 796,00	98 274 417	81 032 938	10%
Net Operational Expenditure	13 273 642	542 826	25 661 447	19 679 707	97%

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

T 3.1.8

Capital Expenditure 2023/24: Water Services					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	14 225 000	16 839 010	11 119 635	22%	
Construction of bulk water link line from 3 boreholes to 7ML	14 225 000	4 480 459	4 760 532	67%	
Dibeng Bulk Water Augmentation: Equipping of boreholes and its ancillary works	-	9 744 541	4 659 496	52%	
Installation of Pre-Paid Water Meters	-	500 000	75 040	85%	
UPGRADING OF MAPOTENG RESERVOIR PUMPSTATION	-	2 114 010,00	1 624 566,74	23%	
				#DIV/0!	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T 3.1.9

3.2 SANITATION SERVICES

Gamagara Local Municipality is responsible for providing sanitation services to all the households in its jurisdiction area. The municipality has the following types of sanitation services; waterborne system, septic tank and VIP toilets system. Gamagara local municipality is currently operating three types of treatment works system namely, oxidation ponds in Olifantshoek, bio-filtration (anaerobic) in Dibeng and an activated sludge in Kathu.

All formal household in the municipality are serviced with not less than the basic level of service as described by sector departments. The municipal backlog is only in the new developments and the informal settlements where people have occupied land illegally. It is the intention of the municipality to service all household with a flushing toilet system, however the obstacles to achieve this are funding and the illegal grabbing of land.

The government grants only made provision for basic level of service whilst the municipality is providing a higher level above the government standard and is something the municipality is very proud of.

Area	Household	Flush Toilets	VIP	Septic Tanks
Olifantshoek	3952	2291	462	329
Kathu	10323	8661	-	25
Mapoteng	2649	1883	611	3
Dibeng	3465	1608	1326	428
Babatus	525	0	0	0
TOTALS =	20914	14443	2399	785

Table: Provision of Sanitation Service

Description	2021/22	2022/23	2023/24
	No.	No.	No.
Sanitation/sewerage:(above minimum level)			
Flush toilet (connected to sewerage)	14443	14443	14443
Flush toilet (with septic tank)	785	785	785
Chemical toilet	0	0	0
Pit toilet (ventilated)	2399	2399	2399
Other toilet provisions (above min.service level)	-	-	-
Minimum Service Level and Above sub-total	17,627	17,627	17,627
Minimum Service Level and Above Percentage	84%	84%	84%
Sanitation/sewerage:(below minimum level)			
Bucket toilet	0	0	0
Other toilet provisions (below min.service level)	0	0	0
No toilet provisions	1167	1167	3251
Below Minimum Service Level sub-total			
Below Minimum Service Level Percentage	5.7%	5.7%	16%
Total households	18406	18406	20914
		T 3.2.3	

Sanitation Projects Implemented in 2023-24 FY

Construction of Dibeng Sewer Network – Phase 4 – (MIG, GLM and Kumba SLP)

The project was scheduled to be implemented over two financial years and it encountered challenges at the implementation due the excessive rock on site and stoppages of the works by the community business forum. The project overall progress is 85 % and project will be completed in September 2024. The Local business forum have disrupted the subcontracting works and that will lead to further extension of time claims by the Contractor. The scope of works for the full waterborne sewerage for the 797 households entails:

310 meters of 250mm diameter 400kPa uPVC main outfall sewer pipelines, 2 200 meters of 200mm diameter 400kPa uPVC outfall sewer pipelines, 7 605 meters of 160mm

diameter 400kPa uPVC reticulation network, 7 100 meters of 110mm diameter 400kPa uPVC pipelines for erf connections to the 797 stands and 237 precast concrete manholes, 26 participants are employed in the project

Construction of Dibeng Sewer Network – Phase 5

The project was scheduled to be implemented over two financial years and it encountered challenges in that bids were deemed to be non-responsive and as result the project implementation had to be rescheduled to the next financial year. The scope of works for the full water reticulation network and the waterborne sewage for the 529 households entails: 435 meters of 250mm diameter 400kPa uPVC outfall sewer pipelines, 727 meters of 200mm diameter 400kPa uPVC outfall sewer pipelines, 4 488 meters of 160mm diameter 400kPa uPVC pipelines, 4 761 meters of 110mm diameter 400kPa uPVC pipelines for erf connections to 529 sites and 101 precast manholes

Provision of internal Services for 5700 sites development in Kathu (COGHSTA)

The project commenced in August 2019 and was a multi-year project. The project scope entails installation of water, sewer internal services and gravel street road for 5125 stands in Extensions 6,7,8,9 and 10 in Kath West. The project is completed and was handed over to Municipality by the Premier of Northern Cape Honourable Dr Zamani. The bulk services (water, sewer and electricity) is still outstanding on the project.

Refurbishment of the Old Kathu Waste Water Treatment Works

The project scope entailed:

The Replace mechanical screens and inlet works, Refurbish Control room wiring, lighting, pumps, etc, Replace grit separator pumps and motors, ,Replace mechanical pumps at basins of the reactors, Repair and replace clarifiers components not working, Maintenance of existing valves and pumps at the plant, Refurbish and upgrading of sludge drying beds, Repair manholes, Service, repair and replace biological reactor components.

Practical completion was achieved on 19th December 2023. There were delays to obtain the motor which was not available locally and had to be source abroad. All the snag-list items have been attended to. Final Handover was done in April 2024.

Replacement of existing manhole covers with lockable manholes

The project is discontinued due to lack of funding.

Challenges: Sanitation Services

- a) Foreign objects thrown on sewer lines result in complex blockages which result in overflow of sewage.
- b) Vandalism, break-ins and stealing of pumpstation electrical cables and pump items Inconveniences the community and is costly for the municipality.
- c) Blockages due to oil and fats thrown by business on the sewer system.

- d) Shortage of staff and maintenance vehicles
- e) Shortage of tools and materials.
- f) Loadshedding is causing overflow of sewer and the municipality does not have power backup.
- g) Green drop compliance challenges

One employee resigned for the financial year at hand, once the decrease in the number of employees within the unit

Employees: Sanitation Services					
Job Level	Year -2022/23	Year 2023/24			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	22	27	22	5	19%
7 - 9	4	7	4	3	43%
10 - 12	6	9	6	3	33%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	0%
Total	33	44	33	11	25%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.2.7					

Financial Performance 2023/24: Sanitation Services					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	42 643 167	55 823 427	55 823 427	42 442 800	76%
Expenditure:					
Employees	10 944 264	19 032 948	15 896 471	12 968 476	68%
Repairs and Maintenance	787 300	2 000 000	5 450 000	3 951 117	198%
Other	17 766 099	16 945 186	14 724 436	11 069 463	65%
Total Operational Expenditure	29 497 663	37 978 134	36 070 907	27 989 056	74%
Net Operational Expenditure	13 145 504	17 845 293	19 752 520	14 453 744	81%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.2.8

Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	13 285 000	12 396 000	2 619 717	80%	
Construction of Internal Sewer Network (529)_ Phase 5 Dibeng	5 285 000	10 396 000	865 284	84%	
Construction of internal sewer network (797) phase 4 _ Diben	8 000 000	2 000 000	1 754 433	78%	
	-		-		
<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

3.3 Roads and Storm Water Provision

Gamagara Local Municipality is responsible for provision of roads and storm water infrastructure in all the areas for the socio-economic development of its community. The municipality is also responsible for repairs and maintenance of different types of roads; surfaced, gravel, block paving and the stormwater infrastructure. The municipality is responsible to ensure that no one build houses or structures in the flood plain areas.

The objectives of roads and stormwater infrastructure are as follows:

1. To provide safe and quality road infrastructure for all areas of Gamagara Local Municipality.
2. To provide stormwater channels in residential, industrial areas and schools
3. To provide a healthy and safe environment for our communities.

There is no formal existing stormwater infrastructure were designed to utilize roads surface as drainage system. The existing drainage systems do not follow the rational design principles. The stormwater infrastructure in Olifantshoek was poorly design and is not well maintained, the community members continuously dumps rubbles into the existing concrete stormwater channels. Municipality has in the past years clear the debris and rubbles which prevented flooding during raining season. Community awareness were done to educate the community on the risk of dumping rubbles in the stormwater channels.

The roads and stormwater master plan recommendations is incorporated in the IDP priority projects. Implementation of the set priority list is limited by funding constraints.

The Municipality is continuously maintaining roads and stormwater channels, road edge breaks and potholes with its limited budget.

Table: Classes of roads and street infrastructure

Towns	Surfaced road (KM)		Block Paving (KM)		Gravel Road (km)	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Kathu	170,359	170,359	1.005	1.005	12,153	12,153
Mapoteng	27,377	27,377	0	0	2,797	2,797
Dibeng	3,752	3,752	1,960	1,960	45,334	45,334
Olifantshoek	13,145	13,145	0,138	0,138	33,872	33,872
Total	214,633	214,633	3.103	3.103	95,156	94,156

As of 2023/24 financial year, Gamagara local Municipality's road network was 311,892 km, which includes 214,633 of surfaced road and 3.103 km of Block Paving and 94,156 km of Gravel Road. The condition of roads is relatively good. However, due to lack of capital/funds to reseal roads conditions are slowly deteriorating. The 5700 Development project was handed to municipality in the 2023-24 financial year. Gravel roads has been completed for the Development and will be added to the RRAMS.

Municipality planned to upgrade three roads in the between 2023-24 and 2024-25 through the Khuman and Kumba SLPs.

Projects Implemented in 2023-24 FY

Resurfacing of internal roads in Kathu (Kumba SLP)

The completed scope was as follow:

- Frikkie Meyer Street comprising of 0,710km long dual carriageway and 2 lanes per direction (total 1.42km)
- Bel Alberts Street comprising 1,420km long, dual carriageway and 2 lanes per direction (total 2.84km)
- And Kareelaan street comprising 0,760km long, single carriageway and 1 lane per direction (total 0.76km)
-

Upgrading of internal roads in Dibeng (Khumani SLP)

The project is at tender stage, Designs are completed, The project is implemented by Khumani Iron Mine. Construction is planned for the 2024-25 financial year.

Upgrading of internal roads in Mapoteng (Khumani SLP)

The project is at tender stage, Designs are completed, The project is implemented by Khumani Iron Mine. Construction is planned for the 2024-25 financial year.

Challenges: Roads and Stormwater

- Shortage of equipment, vehicles and staff
- Budget constraints
- Dumping of solid waste on stormwater channels especially in Olifantshoek.
- Pipe burst in the Roads reserve
- Sanitation flow on the roads
- Fiber system installation not following the method statement.
- Lack of loading and off-loading parking for heavy duty vehicles in industrial areas;
- No parking facilities for busses
- No walk-ways for commuters
- Municipality required to maintain roads not hand-over completed by the Mines and other developments

Employees: Road and Storm Water Services					
Job Level	Year -2022 -2023	Year 2023 -2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	10	29	10	19	66%
7 - 9	4	7	3	4	57%
10 - 12	0	3	0	3	100%
13 - 15	1	0	1	0	#DIV/0!
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	15	39	14	26	67%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					

Table: Staff Compliment

Roads and Stormwater is placed under the directorate Public Works and Basic Services the two sections were joint together for purpose of rendering more effective and efficient services to the communities by ensuring the raods and stormwater is planned properly and create good quality roads in Gamagara Local Municipality.

Financial Performance 2023/24: Road Services					
					R'000
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	923 230	950 000	950 000	950 000	0%
Expenditure:					
Employees	4 970 289	9 421 174	8 330 258	6 370 538	-48%
Repairs and Maintenance	2 229 951	1 900 000	963 642	1 074 680	-77%
Other	8 406 964	16 238 467	14 271 575	9 408 208	-73%
Total Operational Expenditure	15 607 204,15	27 559 641,00	23 565 475,00	16 853 425,44	-64%
Net Operational Expenditure	14 683 973,82	26 609 641,00	22 615 475,00	15 903 425,44	-67%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.7.8

3.4. ELECTRICITY

The municipality is responsible for managing the electricity distribution operations and maintenance of electrical infrastructure in its area of jurisdiction. Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

Gamagara Municipality is licensed to purchase electricity from Eskom and then distribute the electricity via its 11kV and low voltage electrical network. The Municipality has three bulk 11kV electricity supply points from Eskom, namely: Kathu Main Substation; Kathu West Substation and Olifantshoek Substation. Although Dibeng and Olifantshoek is demarcated into the Gamagara Municipality municipal area, Eskom is licensed to distribute electricity in the entire Dibeng and small part of Olifantshoek namely Ditloulou, Skerpdraai and Diepkloof.

Electrification remains a challenge due to continuous growth of informal settlements and inadequate funding. Electrical infrastructure and electrification cannot be installed in informal settlements prior to township development. The Municipality is unable to service electricity to new developments in Olifantshoek and Dibeng due to shortage of electricity capacity from the Eskom Bulk intake point. Negotiations between Eskom; Department of Energy and the Municipality is on-going to resolve this problem.

Other major challenges regarding electricity are loadshedding causing vandalism and copper theft, especially in Kathu and Olifantshoek area. The theft leads to equipment damage, electricity supply interruptions and possible fatalities to municipal employees and members of the public.

Project Highlights: Electricity

Electrification of 146 stands Olifantshoek Ditloulou Extension Phase 2. Original plan

For 2024/25 a total 146 stands are planned for electrification. The shortage owes to a legal dispute and delay involving a civil contractor that prevents site access by the electrical contractor until the matter is resolved in court. Unfortunately, R12.5M funding for the current financial year for Mapoteng was reversed because the electrification work could not be undertaken. The balance 1265 stands in Mapoteng will be electrified in the new financial year pending adequate budget allocation. The Olifantshoek and Dittloung Extension (Phase 1) 300 stands was electrified at end of July 2023 and the project for phase 2 is 40% construction work done. The total transfer is R4m and total expenditure is standing at R2,5m, there is short fall of 1.8M that the Municipality will have to pay the contractor out of internal funds because the department did not approve request for additional funds R 1.8m.

The total budget for the electrification of the 146 stands is R4.85M funded by Department Energy. The electrification of the Mapoteng 500 stands could not be realised because the project depended on the civil services unit to complete their part first.

Notably, the Municipality was part of a few selected Municipalities in the country that participated in the Energy Efficiency Demand Side Management programme, funded by national Department of Energy, to assist Municipal Infrastructure to reduce electricity consumption. A total of R4.0m was allocated to the Municipality for the replacement of old streetlights with new LED-type streetlights which ensures that own consumption of electricity gets reduced whilst increasing visibility on the roads to help decrease crime. A total of 800 old streetlights were not replaced due to the contractor refusal to obey to the municipality standards with Low Wattage LED Lights and more lights will be replaced in future based on fund allocations from the Department of Energy. Huge negative feedback was received from communities regarding the lights that were not replaced.

Streetlights poles

A total of 50 damaged streetlights poles were replaced in the 2023/24 financial year.

CHALLENGES: ELECTRICITY

Hundreds of households within the municipality are not electrified due to lack of electrical capacity from Eskom, especially in Olifantshoek.

No of households not electrified:

Olifantshoek: 300

Kathu: 1265 – Planned to be electrified in coming years as funds is available.

Kathu Ext 6-10: 5500 - These areas will be included in futures allocations of funds.

Other challenges also experienced by the Municipality are:

- Distribution losses
- Lack of vehicles
- Ageing infrastructure
- Shortage of High voltage electricians and electrical assistants
- Limited funding to maintain and improve the existing infrastructure
- Mushrooming of informal settlements and settlements in private lands
- Electricity theft and damaging of Municipal properties, especially streetlight poles mainly along the main roads.

COMPLAINTS: ELECTRICITY

Daily electricity complaints are received by the Municipal Call Centre which include households/businesses without electricity, faulty electricity meters, cable faults and streetlights not working. The average amount of complaints received from Call Centre monthly is between 100 – 150 and are attended to on a daily basis with an average response time of between 1 - 3 hours, depending on the type of complaint.

Streetlight complaints are addressed and lights repaired within 2 days as only one streetlight attendant is available and responsible for the maintenance of about 4500 streetlights within the Municipal area.

Two electricians with assistants are on standby daily, 1 in Kathu and another in Olifantshoek to ensure speedy responses after hours when complaints are received.

THEFT OF ELECTRICITY

A total number 30 households mainly in Kathu were caught stealing electricity and penalised for a total amount of R850 000. People caught stealing pay penalties, are charged for a new meter and an average monthly consumption amount calculated and charged pro-rata. The three costs are then added together for the customer to pay before electricity can be reconnected. New homeowners are advised to immediately report any act of theft to the municipality when occupying their houses because once caught the unpaid consumption of the previous owner will rest with them.

Customers: Electricity

Prepaid Customers

Type of Customer	Number
Residential	12 000
Commercial	300
Industrial	80
Agricultural	25
Municipality	0
Total	12 405

Conventional Customers

Type of Customer	Number
Residential	800
Commercial	200
Industrial	40
Agricultural	35
Municipality	170
Total	1245

Total number of Municipal electricity customers is 23 000.

Employees: Electricity Services					
Job Level	Year -2022 -2023	Year 2023 -2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	1	0	#DIV/0!
4 - 6	3	9	3	6	67%
7 - 9	2	3	3	0	0%
10 - 12	6	12	6	6	50%
13 - 15	1	2	2	0	0%
16 - 18	0	1	1	1	100%
19 - 20	0	0	0	0	0%
Total	12	27	16	13	48%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.3.6

The municipality provide both high and low voltage electricity to the communities and there has been a slight increase in the number of employees from the previous financial year

Financial Performance 2023/24: Electricity Services					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	213 785 196	241 529 341	241 529 341	237 852 310	-2%
Expenditure:					
Employees	11 792 450	22 508 196	15 291 256	13 801 598	-63%
Repairs and Maintenance	5 837 735	3 461 987	4 561 987	2 114 180	-64%
Other	180 421 941	211 167 692	232 159 593	213 700 019	1%
Total Operational Expenditure	198 052 126	237 137 875	252 012 836	229 615 796	-3%
Net Operational Expenditure	-15 733 070	-4 391 466	10 483 495	-8 236 514	47%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.3.7

Capital Expenditure 2023/24 Electricity Services					
Capital Projects	2023/24				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	4 000 000	6 700 000	2 236 744	44%	
Electrification of Dittloung Ext _ Olifantshoek	-	2 300 000	2 226 493	#DIV/0!	
Installation of Pre-Paid Electricity Meters	-	400 000	10 251	#DIV/0!	
Energy Efficiency	4 000 000	4 000 000		100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.3.8

3.4. Waste Management Including Refuse Removal

Solid Waste Removal services are rendered to all the communities, but Babatas Village and the farms which form a small proportion of all the households in Gamagara municipality is not serviced by Gamagara. Waste removal service is also available for Reitzhof small holdings but serviced by private entity. Solid waste removal is done weekly at all households and is collected via street/curb side collection. Business premises are services 2/3 x per week and Industrial and commercial premises 1 x week.

Waste Generation volumes remain a challenge due to high consumer driven tendencies of residents as well as the population growth and influx in Gamagara, thus production of waste is far more than the average household in similar local authorities in the Northern Cape province as well as other provinces for that matter.

Both sites in Deben and Olifantshoek waste landfill sites are licensed and Kathu Transfer station is permitted (permit expiring April 2029), but the management thereof remain challenging due to high waste volumes, the high transport cost and distances for the recycled materials to the recyclers. Possibility exist that a private entity will be able to handle a big percentage of all the different waste streams soon. Overall, given all the challenges regarding finances, equipment, and personnel the Solid Waste Section is delivering an 100% solid waste removal services of a high standard with minimal service interruptions.

Remedial Actions:

- ❖ a Contractor on site at Kathu Transfer station for handling, loading, and hauling of waste to the Deben land fill site is available during working hours weekly.
- ❖ Appointed and placed Security personnel control access to the Kathu transfer station.
- ❖ a recycling company do waste minimisation and recycling strategy at our Olifantshoek landfill site. The recycler is on a 12-month contract.
- ❖ As part of our 5-year plan, we have commissioned preparation of an Integrated Waste Management plan and the IWMP has been submitted to the department for approval and finalization of the plan.
- ❖ Numerous mining houses have procured three additional compactors as an addition to our current refuse removal fleet, which influence additional expense.

Attached is the Solid Waste data for both waste landfill sites for the past year to show the high volumes of waste that is handled every month and annually.

HOUSEHOLD AND BUSINESS WASTE VOLUMES HANDLED AT BOTH WASTE LANDFILL SITES: TOTALS MEASURED IN M³

MONTHS	HOUSEHOLD REFUSE	BUSINESS REFUSE
July	2 742.4	825
August	3 593.6	1 508.4
September	2 713.8	1 279.2
October	2 427.8	2 069
November	2 248	1 519.6
December	1 544.6	2 132
January	2 876.4	2 275
February	1 803,2	296
March	2 570.6	760.4
April	4 651.6	1 961,4
May	4 853.2	1 461.9
June	4 809,4	1 553,4
Total	36 834.6 cub m	17 641.3cub m

Total m³ household and business waste handled at both facilities for the year: 54 475,9m³

Employees: Solid Waste Magement Services						
Job Level	Year -2021 - 2022		Year 2022 - 2023			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)	
	No.	No.	No.	No.	%	
0 - 3	0	0	0	0	#DIV/0!	
4 - 6	31	53	31	22	42%	
7 - 9	9	20	9	11	55%	
10 - 12	1	2	1	1	50%	
13 - 15	1	2	1	1	50%	
16 - 18	0	0	0	0	#DIV/0!	
19 - 20	0	0	0	0	#DIV/0!	
Total	42	77	42	35	45%	

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.
 *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.4.5

solid waste management is in the main rendered by removing household refuse from businesses and communities and there has been no movement in employees in terms of appointments in the section for the financial year under review.

Financial Performance 2023/24: Solid Waste Management Services					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	37 453 329	49 585 574	49 585 574	51 836 866	4%
Expenditure:					
Employees	16 238 481	24 721 399	17 759 662	15 246 230	-62%
Repairs and Maintenance	-	-	-	-	#DIV/0!
Other	5 252 913	7 279 129	7 267 062	12 626 644	42%
Total Operational Expenditure	21 491 394	32 000 528	25 026 724	27 872 874	-15%
Net Operational Expenditure	-15 961 935	-17 585 046	-24 558 850	-23 963 992	27%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.4.7

3.7. FREE BASIC SERVICES

Gamagara Local municipality had 1619 people registered as indigents as per the indigent register for 2022/2023 financial year, and for the financial year at hand the register was standing at 1233. There is a decrease of 386 compared to the past financial year 2022/23. Requirements to qualify for indigent is that you must have an income of R4500 or less, be the owner of one house. The consumer who qualifies will receive 50kwh electricity, 6kl water, 6kl and basic charge on sewer charge, 100% refuse and 100% on property rates. All the deceased houses are now eligible to qualify for indigent and municipality will assist this property to transfer the properties to nominated person.

Free Basic Services To Low Income Households									
	Number of households								
	Households earning less than R4500 per month								
	Total	Free Water	Basic	Free Sanitation	Basic	Free Electricity	Basic	Free Basic Refuse	
	Total	Access	%	Access	%	Access	%	Access	%
Year 2018/19		1010	100%	1010	100%	70%	1010	1010	100%
Year 2019/20		1222	100%	1222	100%	1222	100%	1222	100%
Year 2020/21		873	100%	873	100%	873	100%	873	100%

Year 2021/22			1258	100%	1258	100%	1258	100%	1258	100%
Year 2022/23			1619	100%	1619	100%	1619	100%	1619	100%
Year 2023/24			1233	100%	1233	100%	1233	100%	1233	100%

Gross Outstanding Debtors per service

Financial Year	Rates	Trading services			
		Electricity & Water	Sanitation & Refuse	Other	Total
		(R'000)			
<u>2018/2019</u>	R 110 608	R 153 678	R55 667	R27 912	347 865
<u>2019/2020</u>	R168 341	R180 195	R 46 523	R 28 339	R 423 398
<u>2020/2021</u>	R94 975	R 127 719	R78 128	R3 807	R304 629
<u>2021/2022</u>	R98 655	R149 592	R79 117	R19 705	R347 069
<u>2022/2023</u>	101 237	173 392	119 546	5 667	399 842
<u>2023/2024</u>	R123 545	R192 146	117 830	R580	R434 101

The outstanding service debtors in total increased by 8% due to low collection rate due to other lack of collection mechanisms and since most of our meters are tampered with. Debtors also increased due to the annual increases in tariffs. The leading contributor to outstanding d

The effective implementation of Credit control Policy in areas where Eskom is a supplier (Deben and part of Olifantshoek) of electricity is playing a major role in escalation of services debtors. Council has approved the installation of prepaid water meters in those areas to assist in preventing the escalation of water debt.

Financial Performance 2023/24: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2021/22	2022/23			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	926 125	754 560	754 560	1 293 000	-71%
Waste Water (Sanitation)	2 348 188	1 928 320	1 928 320	3 361 280	-74%
Electricity	4 926	5 001	5 001	5 123	-2%
Waste Management (Solid Waste)	2 449 512	1 975 480	1 975 480	3 645 812	-85%
Total	5 728 752	4 663 361	4 663 361	8 305 216	-78%
					T 3.6.4

3.8 Component C: Economic Development and Planning

Town Planning, IDP and Building Control Services have been combined for reporting purposes. Town Planning, IDP and Building Control Services have been combined for reporting purposes. And no appointment has been made for the year under review.

3.9. Town Planning and Building Control

Town planning section mostly deals with Spatial Planning and Land Use Management of Gamagara Local Municipality that aims to bring enhanced and coordinated developments that take into consideration the economic, social, physical and environmental aspects into consideration.

OPPORTUNITIES

The municipality Developed Spatial Development Framework and Land Use Management Scheme which are Spatial Planning and Land Use Management Act compliant. Gamagara municipal Council approved Gamagara Spatial Development Framework and Land Use Management Scheme which were gazetted on the 23 August 2021. A CIMF is a framework for capital investment decision-making that provides direction for improved linkages between spatial planning, infrastructure and services provision and the budgeting and financing process. The Capital investment Framework on the Approved SDF indicates the area of opportunities in Gamagara municipal jurisdictions.

Due to some challenges experienced during the implementation of SDF and LUS, Council took a resolution to review both land use scheme and SDF. The development progress is explained below.

The municipality allocated budget for rezoning, subdivision, and registration of servitudes on Portion of Farm 736, Kathu for extension of Industrial sites. The development is intended to cater for light Industrial sites. The sites will be disposed through Gamagara Supply Chain policies after the installation of services as Gamagara may decides.

CHALLENGES

Illegal developments and land use management remains a challenge within the municipal area whereby residents amend land uses without following town planning procedures. There is misalignment of 2003 Land Use scheme and 2021 Land Use Scheme which results in disputes regarding land use rights.

MUNICIPAL PLANNING TRIBUNAL

Spatial Planning and Land Use Management Act, 2013. (SPLUMA) provides three options of Municipal Planning Tribunal (MPT) namely, standalone MPT, Joint MPT and District MPT. In terms of the assessment that was done in line with Regulation 2 of the Regulations, the District Municipal Planning Tribunal (DMPT) was the most viable option for all the three municipalities within John Taolo Gaetsewe District Municipality for a period of five years which lapsed on 30th of September 2020.

The council approved the establishment of standalone municipal planning tribunal and further approved the structure of the municipal planning tribunal. The structure is composed of 6 internal members and 3 external members. A Notice to call for nominations for persons to be appointed as members of the Gamagara Municipal Planning Tribunal was published on the 31st July 2021 in the Municipal Website and Kathu Gazette.

As per council resolution 2022126/14 guided by the provision of section 36 (1) of the SPLUMA, Gamagara Municipal council appointed the following members to serve in

the Municipal Planning Tribunal. The commencement notice for municipal planning tribunal was advertised on the 14 March 2022 at Northern Cape Provincial gazette. The commencement notice for municipal planning tribunal was advertised on the 14 March 2022 at Northern Cape Provincial gazette.

Gamagara municipal planning tribunal members

No	Member	Position	Municipality
Internal Members			
1.	Director: Development & Town Planning	Chairperson	Gamagara LM
2.	Director: Infrastructure & Basic Services	Member	Gamagara LM
3.	Manager: Electrical Engineer	Member	Gamagara LM
4.	Senior Technician (Roads and Storm Water)	Member	Gamagara LM
5.	Project Manager	Member	Gamagara LM
6.	Senior Town Planner	Member	Gamagara LM
External Members			
7.	Thabelo Troy Mulaudzi	Deputy Chairperson	Professional Town Planner
8.	Kwindla Handy Nobaza	Member	Environmental science
9.	Victor Paulo Tjikunga	Member	Lawyer/Attorney

Council appointed the Chairperson and Deputy Chairperson of the Tribunal in terms of section 36 of SPLUMA. Manager Town Planning (Ms. N Nkhanedzeni) was appointed as a Designated Official to decide on category 2 applications. The "Term of office of member of Municipal Planning Tribunal is five years from February 2022 until 31 January 2027.

All the Tribunal Members embrace the requirement of SPLUMA Section 33(1) which states that all the land development applications should be done at the municipal level which give effect to the functioning of the Tribunal as it is required to receive and process applications for the municipality.

Municipal Planning Tribunal Progress update

The MPT had four meetings for 2023/24 financial year which were successful. MPT members are committed to the annual schedule of MPT meetings.

No.	Date of MPT	Number of applications tabled	Procedure manual
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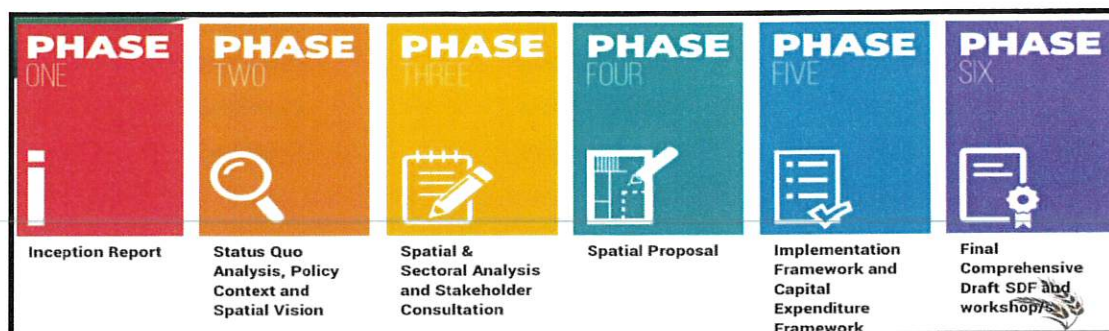
1.	15 September 2023	10 applications	Complied
2.	11 December 2023	03 applications	Complied
3.	27 March 2024	06 applications	Complied
4.	13 June 2024	13 applications	Complied

Service Delivery Priorities		
Opportunities	Challenges	Measures taken to improve
Enforcement of Gamagara Land Use Scheme, 2021	<p>Involvement of political office when issuing contravention letters.</p> <p>Misalignment of 2021 LUS and 2003 LUS.</p> <p>Non involvement of legal section to assist with Law enforcement</p>	<p>Monthly Report submission including challenges of Political involvement.</p> <p>The municipality took a resolution to review 2021 LUS</p> <p>Municipality appointed legal firm to assist with law enforcement</p>
Implementation of SDF and LUMS	The misalignment of 2003 and 2021 Land Use Scheme resulted in property owners losing some primary land use rights while others gaining more rights.	Municipal council approved the Review of Land use Management Scheme in February 2023. MCPP is assisting with the process while capacitating the municipal officials in the process.
Formalisation of portion of Farm 736 Kathu	Delays in procurement process	Appointment of panel of professional must be done as soon as possible so that land use application process can unfold.

SDF REVIEW PROGRESS

The resolution (**Resolution Number: 20230202/8.7**) was taken by council to approve the process of reviewing the SDF to ensure consistency between the Gamagara Land Use Scheme, Integrated Development Plan and Spatial development Framework.

The following are the phases as prescribed by the SDF review guidelines:



In terms of the above project phases the Municipality has completed phase 1 and 2:

Phase 1

Meetings	Deliverables	Current Status
07/02/2024 (Project management meeting) 08/02/2024 (PSC meeting) 13/02/2024 (Rural development presentation on guidelines) 19/02/2024 (Inception report with Project management team)	Inception report	The Report will be taken to PSC members for adoption on the 02/05/2024

Phase 2

Meetings	Deliverables	Current status
28/09/2023 (technical team meeting)	Status quo analysis, policy context and spatial vision report	the Report will be taken to PSC members for adoption on the 02/05/2024
02/05/2024 (SPC meeting)	Status quo analysis, policy context and spatial vision report	The report was adopted by the committee members with proposed amendments.

LAND USE SCHEME REVIEW

The resolution (**Resolution Number: 20230202/8.7**) was taken by council to approve the process of reviewing the Gamagara Land Use Scheme (LUS) to ensure that development is regulated and aligned with the Integrated Development Plan and Spatial development Framework.

It was resolved that the that Town Planning section with help of Municipal Capability and Partnership Programme review the LUS. The below was discussed and reviewed:

Meetings	Deliverables	Current status
22/02/2024 (technical team meeting on MS teams)	<p>Discussing the reviews and amendments on the zoning categories and land use rights:</p> <p>Residential 1</p> <ul style="list-style-type: none"> Proposals were accepted. Day care definition to be number limited. <p>Residential 2</p> <ul style="list-style-type: none"> Proposals accepted. Residential building still to be checked. <p>Residential 3</p> <ul style="list-style-type: none"> Institution definition to be checked. <p>Residential 4</p> <ul style="list-style-type: none"> Proposal accepted. <p>Business 1</p> <ul style="list-style-type: none"> Include veterinary clinic as a consent. <p>Business 2</p> <ul style="list-style-type: none"> Remove veterinary hospital. <p>Business 3</p> <ul style="list-style-type: none"> Added to accommodate filling station. <p>Commercial</p> <ul style="list-style-type: none"> Accepted but shop should be removed from primary. <p>Institutional 1 & 2, Conservation, Agriculture, Recreation, Open space, Transportation, and Government utilities</p> <ul style="list-style-type: none"> All proposals accepted. <p>Mining and Quarrying</p> <ul style="list-style-type: none"> Mining must be researched again for more information and understanding. 	Zoning categories were reviewed and amendments. Awaiting amendments to the definitions.
02/05/2024 (technical team meeting on MS teams)	<p>Draft Definitions</p> <p>Amendments were proposed to various land uses.</p> <p>The following were new Def:</p> <p>Private Open Space: means land and buildings owned by an entity other than the Municipality, not designated as Public Open Space and that is used primarily as a private site for inter alia sports and recreation, play, rest, or as a park, botanical garden, nature conservation area or urban agriculture; including ancillary buildings and public land</p>	Definitions

	that is or will be leased on a long-term basis; but excludes Shops and restaurants.	
	Veterinary Hospital: means land and buildings for the purpose of providing medical treatment to and care of animals and includes the boarding of animals incidental to the hospital use for an extended period.	

SERVICE STATISTICS FOR PLANNING

Development Planning and Building Control

Details	Built Environment			
	2021/2022 Total (0)	2021/2022 Total (75)	2022/2023 Total (99)	2023/2024 Total (130)
Planning application received	No Township establishment in year 2021/2022	1. Rezoning (22) 2. Consent use (7) 3. Subdivision (5) 4. consolidation (2) 5. Departure from the provision of Land Use Scheme (17) 6. Removal of Title deed restrictive condition (6) 7. Relaxation of building (18) 8. Closer of street (1) 9. Closer of Public Space (1) 10.Registration of servitude (1)	1. Rezoning (22) 2. Consent use (22) 3. Subdivision (9) 4. consolidation (2) 5. Departure from the provision of Land Use Scheme (36) 6. Removal of Title deed restrictive condition (6) 7. Relaxation of building (18) 8. Closer of street (0) 9. Closer of Public Space (1) 10.Registration of servitude (2)	1. Rezoning (31) 2. Consent use (18) 3. Subdivision (5) 4. consolidation (1) 5. Departure from the provision of Land Use Scheme (29) 6. Removal of Title deed restrictive condition (9) 7. Relaxation of building (33) 8. Closer of street (0) 9. Closer of Public Space (0) 10.Registration of servitude (4)
determination made in year of receipt	2	33	40	64
Determination made in following year	Approximately (1)	Approximately (16)	Approximately (95)	Approximately (130)
Applications withdrawn	None	Rezoning (2) Subdivision (0) Removal of title deed condition (0)	0	Rezoning (1) Subdivision (0) Removal of title deed condition (1) Departure (1)

Applications outstanding at year end	None	30 application outstanding at year end.	89 applications	66 applications
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ANNUAL GENERATED FUNDS

The town planning section annual generated funds per votes.

20601005027	Land-Use application	R 445 950,74
20601005035	Land-Use Inspection	R 57 129,60
20601001003	Fines, Penalties and Forfeits	R 136 956,54
Total		R 640 036,88

Introduction to building control.

The unit is responsible for enforcing the National Building Regulations and Building Standards Act 103 of 1977, by promoting uniformity in the law relating to the erection of buildings in the areas of jurisdiction of Gamagara Local Municipality through prescribed building standards and encompassing other related legislations.

1. Responsibilities of Building Control Officials:

- To make recommendations to the local authority, regarding any plans, specifications, documents and information submitted to local authority in accordance prescribed Act.
- Inspect the erection of a building and any activities in respect of which approval was granted.
- Report to the local authority regarding non-compliance with any condition on which approval was granted.
- Ensure that any instruction given in terms of this Act by the local authority in question be carried out.
- Ensure that persons found to be guilty of non-compliance or in contraventions of this act are convicted.

2. CHALLENGES AND REMEDIAL ACTIONS

- I. Limited resources to implement Building Control Regulations which is caused by interpretation and implementation of Human Resource Policies
- II. Community continues with transgressions despite the municipality conducting awareness campaign 4 times in the year.
- III. Staff capacity due to institutional financial constraints.
- IV. Political interference of administration.
- V. Changes to the organogram without proper consultation by management.

3. Service statistics for building control

3.1 Estimated Income

Summary	2023/2024
Plan Applications	R2 127 081,95
Contravention Fines	R99 533,54
Building Rubble	R66 987,81
Total Income	R2 293 603,30

3.2 Applications

Summary	2023/2024
Proposed New - Residential	198
Proposed Extension – Residential	67
Proposed New – Warehouse and offices	01
Proposed Extension – Industrial Warehouse	01
Proposed New – Security gate and office	01
Proposed New – Church	01
Proposed New - School	01
Total Number of Applications	270

3.3 Approvals

Summary	2023/2024
New Applications	217
Residential	214

Business – offices	01
Church	01
Commercial	01
Extension	38
Residential	37
As-built residential	01
Total Approvals	<u>255</u>

3.4 Occupancies

Summary	2023/2024
New - Residentials	75
New - Business	01
Total Occupancy Issued	<u>76</u>

3.5

Inspections conducted	Kathu	Dibeng	Olifantshoek
Pre - Site Inspection	184		
Site clearance and Earthwork	185	2	1
Superstructure and beam filling	235	2	
Roofing trusses and coverings	258		
Windows and doors	02		
Plumbing and drainage test	187		
Electrical	256		
Completion	204		
Occupancy Inspection	77		
Contravention Inspection	377	46	80
TOTAL = 2096	1965	50	81

3.6 Non-compliance Notices issued

Contraventions Issued	Kathu	Dibeng	Olifantshoek
Stop Notice	03	01	
Notice 1	232	17	18
Notice 2	166		
Notice 3	43		
Final Notice	24		
Matters referred	01		
Total Notices Issued = 503	467	18	18

Employees: Town Planning, IDP and Building Control Services					
Job Level	Year -2022 -2023	Year 2023 -2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	#DIV/0!
7 - 9	1	2	2	1	50%
10 - 12	3	6	6	1	17%
13 - 15	2	6	3	2	33%
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	0%
Total	6	14	11	4	29%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T 3.10.4</p>					

The three sections are placed under Development and Town Planning directorate and there has been an increase in the employment of staff from the previous financial year

Financial Performance 2023/24: Planning Services		
Details	2022/23	2023/24

	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2 525 785	3 891 038	3 891 038	2 674 403	-45%
Expenditure:					
Employees	16 575 943	4 744 046	4 809 451	4 325 060	-10%
Repairs and Maintenance	-	-	150 000	-	0%
Other	721 213	230 833	162 809	49 161	-370%
Total Operational Expenditure	17 297 156	4 974 879	5 122 260	4 374 222	-14%
Net Operational Expenditure	14 771 371	1 083 841	1 231 222	1 699 818	36%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.10.5

3.10. Local Economic Development (LED)

The economic state of Gamagara Local Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, John Taolo Gaetsewe District Municipality, Northern Cape Province and South Africa. The Gamagara Local Municipality does not function in isolation from John Taolo Gaetsewe, Northern Cape Province, South Africa and the world and now, more than ever, it is crucial to have reliable information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

GROSS DOMESTIC PRODUCT (GDP) - GAMAGARA, JOHN TAOLO GAETSEWE, NORTHERN CAPE AND NATIONAL TOTAL, 2013-2023 [R BILLIONS, CURRENT PRICES]

	Gamagara	Gamagara as % of district municipality	Gamagara as % of province	Gamagara as % of national
2013	3.9	33.2%	4.7%	0.10%
2014	4.1	32.9%	4.6%	0.10%
2015	4.1	32.3%	4.4%	0.09%
2016	4.2	31.7%	4.1%	0.09%
2017	4.5	31.6%	4.2%	0.09%
2018	4.7	31.4%	4.2%	0.09%
2019	5.0	31.3%	4.2%	0.09%
2020	5.3	31.3%	4.3%	0.10%
2021	6.5	31.7%	4.6%	0.10%
2022	6.7	31.2%	4.4%	0.10%
2023	6.5	30.6%	4.1%	0.09%

Source: South Africa Regional eXplorer v2571

With a GDP of R 6.5 billion in 2023 (up from R 3.88 billion in 2013), the Gamagara Local Municipality contributed 30.56% to the John Taolo Gaetsewe District Municipality GDP of R 21.3 billion in 2023 increasing in the share of the John Taolo Gaetsewe from 33.15% in 2013. The Gamagara Local Municipality contributes 4.11% to the GDP of Northern Cape Province and 0.09% the GDP of South Africa which had a total GDP of R 7.02 trillion in 2023 (as measured in nominal or current prices). Its contribution to the national economy stayed similar in importance from 2013 when it contributed 0.10% to South Africa, but it is lower than the peak of 0.10% in 2021

3.10.1 Historical Economic Growth

For the period 2022 and 2012, the GVA in the mining sector had the highest average annual growth rate in Gamagara at -0.45%. The industry with the second highest average annual growth rate is the agriculture sector averaging at -1.69% per year. The trade sector had an average annual growth rate of -6.57%, while the construction sector had the lowest average annual growth of -8.70%. Overall, a negative growth existed for all the industries in 2022 with an annual growth rate of -1.52% since 2021.

GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - GAMAGARA LOCAL MUNICIPALITY, 2012, 2017 AND 2022 [R MILLIONS, 2010 CONSTANT PRICES]

	2013	2018	2023	Average Annual growth
Agriculture	96.6	106.5	82.7	-1.54%
Mining	2,295.0	2,640.0	2,391.4	0.41%
Manufacturing	65.7	57.7	40.6	-4.71%
Electricity	42.0	39.1	34.5	-1.96%
Construction	48.4	41.7	21.3	-7.86%
Trade	159.6	144.1	83.8	-6.23%
Transport	140.5	135.6	89.4	-4.41%
Finance	201.4	209.0	168.8	-1.75%
Community services	462.3	448.1	306.7	-4.02%
Total Industries	3,511.5	3,821.7	3,219.2	-0.87%

Source: South Africa Regional eXplorer v2571

The primary sector contributes the most to the Gross Value Added within the Gamagara Local Municipality at 81.7%. This is significantly higher than the national economy (10.0%). The tertiary sector contributed a total of 15.5% (ranking second), while the secondary sector contributed the least at 2.8%

3.10.2 Labour

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

WORKING AGE POPULATION IN GAMAGARA, JOHN TAOLO GAETSEWE, NORTHERN CAPE AND NATIONAL TOTAL, 2012 AND 2022 [NUMBER]

	Gamagara		Northern Cape		National Total	
	2013	2023	2013	2023	2013	2023
15-19	2,710	1,850	100,000	119,000	4,800,000	5,620,000
20-24	4,470	2,060	112,000	101,000	5,540,000	4,750,000
25-29	5,260	2,420	110,000	101,000	5,490,000	4,990,000
30-34	4,230	3,400	91,700	113,000	4,480,000	5,730,000
35-39	3,000	3,340	75,600	109,000	3,660,000	5,500,000
40-44	2,270	2,530	66,300	90,800	3,120,000	4,340,000
45-49	1,910	1,710	60,000	73,500	2,710,000	3,450,000
50-54	1,650	1,260	53,200	63,100	2,320,000	2,880,000
55-59	1,290	994	45,600	56,000	1,910,000	2,450,000
60-64	857	883	36,200	48,200	1,510,000	2,040,000
Total	27,700	20,400	751,000	875,000	35,500,000	41,800,000

Source: South Africa Regional eXplorer v2571

The working age population in Gamagara in 2023 was 20 400, decreasing at an average annual rate of -2.97% since 2013. For the same period the working age population for John Taolo Gaetsewe District Municipality increased at 2.66% annually, while that of Northern Cape Province increased at 1.54% annually. South Africa's working age population has increased annually by 1.62% from 35.5 million in 2013 to 41.8 million in 2023.

The graph below combines all the facets of the labour force in the Gamagara Local Municipality into one compact view. The chart is divided into "place of residence" on the left, which is measured from the population side, and "place of work" on the right, which is measured from the business side.

3.10.3 EMPLOYMENT

In 2022 the Trade sector recorded the highest number of informally employed, with a total of 240 employees or 32.27% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Construction sector has the lowest informal employment with 42.1 and only contributes 5.66% to total informal employment.

FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - GAMAGARA LOCAL MUNICIPALITY, 2021 [NUMBERS]

Sector	Formal employment	Informal employment
Agriculture	594	N/A
Mining	3,860	N/A
Manufacturing	347	63
Electricity	23	N/A
Construction	423	35
Trade	1,360	199
Transport	205	45
Finance	705	72
Community services	2,280	179
Households	678	N/A

Source: South Africa Regional eXplorer v2571

The informal sector is vital for the areas with very high unemployment and very low labour participation rates. Unemployed people see participating in the informal sector as a survival strategy. The most desirable situation would be to get a stable formal job. But because the formal economy is not growing fast enough to generate adequate jobs, the informal sector is used as a survival mechanism.

Jobs Created during Year 2023/24 by LED Initiatives				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
		Initiative A (2023/24)		
EPWP-Road and Storm water catchment Project	30	0	30	Employment contracts
SANRAL -Training of workers on Road Repairs	12	0	12	Employment contract

3.10.4 Key economic Opportunities and Potentials

- Construction of a luxurious Entrepreneur Business Hub and envisage shopping mall at Deben.
- Provide other areas with increased levels of economic activity throughout the entire municipality.
- Revitalization of potential areas in the Olifantshoek in terms of Tourism because they have dilapidated buildings that negatively affect investment.
- Construction of physical Markets and Service Facilities such as abattoirs, tanneries etc. to support rural development.
- Development of Mining supply park to establish a one-stop shop for all the mines around the municipality as well as the district.
- To establish markets for Farmers in other areas to ensure that the produce within rural finds consumers. The specifications of the market will be informed by the unique characteristics of the feeds and crops they produce.
- Establishment of a dry Logistics hub - One-stop site catering for all logistical requirements that includes a truck stop/inn.

3.10.5 CHALLENGES

- Lack of a shared conceptual understanding of what LED is.
- Lack of integration of sector plans as part of LED planning and implementation.
- Limited funding and financing for municipal LED programs.
- Lack of an integrated approach in LED implementation.
- Uncoordinated project approach to developing local economies.
- Skills deficit, human resource challenges
- Mushrooming of community forums with different agendas

Employees: Local Economic Development Services					
Job Level	Year -2022 -2023		Year 2023 -2024		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	3	3	3	0	0%
7 - 9	0	2	1	1	0%
10 - 12	3	2	2	0	0%
13 - 15	1	1	1	1	100%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	8	7	2	25%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.11.8

Financial Performance 2023/24: Local Economic Development Services					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	0%
Expenditure:					
Employees	3 110 315	5 237 326	3 858 382	2 912 898	-80%
Repairs and Maintenance	-	-	-	-	0%
Other	3 158 539	1 028 215	570 715	32 321	-3081%
Total Operational Expenditure	6 268 854	6 265 541	4 429 097	2 945 220	-113%
Net Operational Expenditure	6 268 854	6 265 541	4 429 097	2 945 220	-113%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.11.9

Component D: Community and Social Services

The purpose of the department is responsible for rendering integrated community services to enhance community development in general and promote a clean and safe environment.

3.11. Libraries, Archives, Museums, Galleries, Community Facilities, Others

Gamagara Local Municipality is providing library services in an agency basis for the Northern Cape department of Sports, Arts and Culture. The main objective is to provide and improve library infrastructure and services to our communities. Improve staff capacity in our libraries in order to respond to community knowledge and information. To promote reading and making libraries accessible to communities.

Library services is accessible to all the towns within Gamagara Local Municipality. Library Services are accessible weekdays. The Gamagara Community Libraries provide resources and facilities that meet different individuals and group needs of its communities. The libraries organize, interpret and guide users in the use of these resources to ensure that they are easily, freely, and equally available to all members of the community. The municipality had entered into an agreement with DSAC (department of sports arts and culture) with primary objective of facilitating the running of this function within its facilities whereas is NOT the municipal primary function.

The objective of this agreement is to ensure the transformation and development of urban, semi-urban and rural community library infrastructure, facilities, and services through a recapitalized program at Provincial level in support of Local Government initiatives.

The agreement entails but NOT limited to:

- Improved co-ordination and collaboration between National, Provincial, District and Local Government on Library Services.
- Equitable access to transformed Library and information services delivered to all rural, semi-urban and urban communities.
- Improved Library infrastructure and services that reflect the specific needs of the communities they serve.
- Improved staff capacity at urban, semi-urban and rural libraries to respond appropriately to community knowledge and information needs.
- Improved culture of reading through marketing, advocacy, outreach and collaborations.
- Collectively striving towards the establishment of a reading nation and a social cohesive nation.

The agreement runs on an annual basis with quarterly reports that the municipality need to submit to access their conditional grant of running the full function of library services to the broader communities.

The provision of libraries services is rendered in partnership with the Northern Cape Department of Sports, Arts and Culture by way of grant funding on an annual basis. The services are accessible to all towns of Gamagara municipality.

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year -2022 -2023		Year 2023 -2024		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	13	47	41	6	13%
7 - 9	2	2	2	1	0%
10 - 12	7	12	7	3	25%
13 - 15	1	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	23	63	52	8	13%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T 3.12.4</p>					

Financial Performance 2023/24: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	728 207	3 144	3 144	2 026	-55%
Expenditure:					
Employees	4 650 115	7 810 740	7 855 004	6 484 779	-20%
Repairs and Maintenance	-	-	-	-	#DIV/0!
Other	39 580	223 264	223 264	154 049	-45%
Total Operational Expenditure	4 689 695	8 034 004	8 078 268	6 638 828	-21%
Net Operational Expenditure	3 961 487	8 030 860	8 075 124	6 636 802	-21%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.12.5

3.11.1. Cemeteries and Crematoriums

The section's main focus is to provide cemetery services to Gamagara Local municipality by ensuring that graves are readily available in well maintained cemeteries and provide conducive and environmentally compliant cemetery services.

GAMAGARA LOCAL MUNICIPALITY HAS RESPONSIBILITY TO:

- ❖ Maintain and upgrade cemeteries' current system to ensure services to the communities.
- ❖ Ensure that cemeteries are well maintained.
- ❖ To continuously update and keep records of cemetery register.

There are currently 9 cemeteries in Gamagara Local Municipality, 5 active and 4 inactive. The municipality does not have any crematorium.

The main challenges faced are vandalism, theft of fences and cemetery administration. The municipality does not have resources to effectively deal with these issues due to lack of funds to deploy security in our cemeteries. Regular inspections are done to decrease the rate of vandalism and theft. The booking system and cemetery administration has improved through monitoring and monthly reports.

The cemetery registers are updated regularly. The cemeteries do not have staff that is allocated for them. We are using Parks employees to dig the graves and also CWP assisting in cleaning and maintaining cemeteries in Kathu, Olifantshoek and Dibeng.

COMMENT ON THE PERFORMANCE OF THE CEMETERIES.

The municipality's cemeteries are well managed and maintained even though vandalism and theft are increasingly problematic in some of the cemeteries. The cemetery administration has improved. Payment system still requires improvement according to the approved tariff and submission of supporting document as per booking of a burial. The tariff to obtain graves for indigent funerals is guided by the tariffs policy.

CEMETERIES STATISTICS 2023/24

BURIALS

2023/24													
Grave site location	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APRI	MAY	JUNE	Total burials per area
Kathu	3	3	2	3	5	2	4	3	3	4	2	1	35
Olifantshoek	4	3	5	6	17	7	9	7	7	9	5	2	81
Deben	8	11	7	6	17	13	8	8	8	10	13	11	120
Total overall burials graves for all areas													236

Reserve graves

2023/24													
Grave site location	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APRI	MAY	JUNE	Total reserved
Kathu	1	-	-	-	1	-	1	-	1	-	-	-	4
Olifantshoek	-	-	-	-	-	-	-	-	-	-	-	-	0
Deben	-	-	-	-	-	-	-	-	-	-	-	-	0
Total overall reserved graves for all areas													4

INCOME GENERATED FROM CEMETERIES 2023/24

GRAVE SITE LOCATION	Income generated from burials	Income generated from reserved graves
Kathu	21 620.40	8 082.90
Olifantshoek	14 638.30	0
Deben	17 067.70	0
Total income generated from burials & reserved graves	53 326.40	8 082.90
Total income generated from cemeteries	61 409.30	

Financial Performance 2022/23 Cemeteries and Crematoriums					
Details	2021/22	Original Budget	2022/23		
	Actual		Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	64 059	84 364	84 364	45 683	-85%
Expenditure:					
Employees	-	-	-	-	
Repairs and Maintenance	15 425	70 000	70 000	13 500	-419%
Other	-	10 000	10 000	-	
Total Operational Expenditure	15 425	80 000	80 000	13 500	-493%
Net Operational Expenditure	- 48 634	- 4 364	- 4 364	- 32 183	86%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.13.5

3.11.2. Health Inspections

JTG District Municipality took over the whole function with all the associated responsibilities and Gamagara have ceased to render Environmental Health Services. Gamagara is now rendering environmental control function only.

HEALTH INSPECTION					
Job Level	Year -2021 -2022		Year 2022 -2023		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0%
4 – 6	0	0	0	0	0%
7 – 9	0	0	0	0	0%
10 - 12	0	0	0	0	#DIV/0!
13 - 15	2	2	2	0	0%

16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.19.4

Environmental Health Services is under Community Services directorate though this service though it supposed to be a shared service and the competency of the district municipality, but the municipality deem it fit to keep the services due to the growing nature of the municipality.

Financial Performance 2023/24 Health Inspection and Etc					
					R'000
Details	2022/23	2023/24			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2 299	-	-	-	#DIV/0!
Expenditure:					
Employees	-	-	-	-	#DIV/0!
Repairs and Maintenance	-	-	-	-	#DIV/0!
Other	-	-	-	-	#DIV/0!
Total Operational Expenditure	-	-	-	-	#DIV/0!
Net Operational Expenditure	- 2 299	-	-	-	#DIV/0!
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.19.5

3.11.3 Environmental Control

The main function of this section comprises the following:

- Inspection for compliance of submitted EIA's, BAR and scoping reports as well as approval and comments on EIA's. Inspections of residential, commercial and industrial premises and all other premises which may cause/pose a risk of soil, air or water pollution.
- Control and sampling of potable water sources and distribution and sewage effluent compliances with SANS 241 and National Standards. Advice Technical Services department and all other relevant stakeholders and officials of non-compliance issues and steps to be taken to rectify the non-compliance issues.

- Building control – compliance of plans with SANS 204 including efficiency and general environmental health control compliance which include ventilation, lighting, waste management, etc.

Fortunately, for the financial year under review, Gamagara did not part take in the Greenest Town competition. The results are for last mentioned have not been given. This paragraph must be removed.

5.11.4 Traffic and Road Safety

The aim of the traffic and Security Services is to promote road safety, conducting school campaigns and public education, pro-active traffic policing, roadblocks and to ensure sound financial matters by collecting fine revenue. Gamagara Local municipality is rendering these services on an agency basis with the Northern Cape Department of Roads, Transport, safety and Liaison

Traffic service statistics

Details	2019/20	2020/21	2021/22	2022/23
Number of road traffic accidents during the year	305	191	506	404
Number of by-law infringements attended	10	25	12	10
Number of traffic officers in the field on an average day	3	2	2	2
Number of traffic officers on duty on an average day	6	8	8	8

Traffic Violations Summonses Issued	2019/20	2020/21	2022/22	2022/23
Section 56 Summonses	1041	1444	904	1700
Speed	228	340	78	99
Other	30	55	106	122
Robot	30	37	30	39
Violation of Traffic law	45	46	10	30
Violation of traffic signs	65	21	46	88
TOTAL	1439	1943	1204	2078

Total income from Traffic Court	2019/20	2020/21	2021/22	2022/23
Bail Money	0	0	0	0
Admission of Guilt paid (Criminal)	0	0	0	0
Contempt of Court	0	0	0	0
Warrants of Arrest	275	169	258	152

Arrests (Driving under the influence of intoxicating liquor)	2019/20	2020/21	2021/22	2022/23
Males	12	18	4	6
Females	3	2	0	0

Others		3	9	3	10
TOTAL		18	29	4	16
Escorts		45	55	28	24

	2019/20	2020/2021	2021/22	2022/23
Senior Public Prosecutor withdrew cases as a result of	14	24	26	38
Representations	Court	Court	Court	Court
Section 56 Summonses	11	mentioned	Mentioned	Mentioned
Section 431 Notices	0	0	0	0
Camera Cases	0	0	0	0
TOTAL	25	24	28	38

CHALLENGES

- The section is critically understaffed insofar as law – enforcement officers are concerned. The law – enforcement component currently comprises only two field officers. The above-mentioned section will serve its purpose or function optimally with at least six additional officers.
- The Olifantshoek DLTC, which currently comprises one examiner of driver's licence and one cashier, also calls for urgent staff enhancement.
- Concerning the sectional revenue enhancement strategy, acquiring the previously presented SYNTELL Digital Vehicle would be advisable.
- Speed apparatus not calibrated (cost containment issues appear to be the hiccup).
- The absence of 24/7 speed camera systems remain a burning issue.

Employees: Traffic Services					
Job Level	Year -2022 -2023		Year 2023 -2024		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	5	5	5	0	0%
7 - 9	3	4	3	1	0%
10 - 12	9	13	9	4	31%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%

Total	19	24	19	5	21%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T 3.21.4</p>					

3.11.5. Disaster Management

The local municipality is responsible for coordination in consultation with the John Taolo Gaetsewe District Municipality.

Gamagara Local Municipality in line with Disaster Management Act 57 have established the Disaster Management Unit, with the intention of providing a well-coordinated disaster management policy that focuses on preventing or reducing the risk of disaster, mitigating the severity of disaster, emergency preparedness, rapid and effective response to disaster and post disaster recovery.

During 2023/2024 financial year no disasters declared in Gamagara, However we are still experiencing incidents like house fires especially in informal settlement.

CHALLENGES TO EFFICIENT SERVICE DELIVERY

- No accommodation for affected and dislodged families, but the item has been submitted to council to establish a disaster centre.
- Long travel distances to structural and informal structural fire hampers the service delivery.
- Fire vehicles are busy on incidents when other emergencies are received. Further engagement is required from Department of Health for assistance of ambulance services.
- Informal settlements fire NO proper excess roads, informal houses are built next to each other with any proper road structure excess and decent fire hydrant refilling points.
- Fire Hydrants are being vandalized and these have a serious influence on fire suppression for refilling emergency vehicles making the turnaround time much more.

Highlights

- Disaster advisory forum has been established and is functional, it is comprised of all sector departments, mining houses and non- profit organisations that meet on quarterly basis.

REMEDIAL ACTION

- Continuous awareness programmes about acts of disasters and how to avoid man-made disaster
- Establishment of Dibeng Satellite Station is in progress, currently busy with renovation of Gemsbok old building.

• TYPE OF INCIDENTS	• NUMBER OF INCIDENTS 2022/23	• NUMBER OF INCIDENTS 2023/24
informal structural fires total	• 31	• 26
formal structure fires	• 13	• 21
vehicle fires	• 9	• 11
wildland fires	• 517	• 559
motor vehicle accidents	• 152	• 117
medical incidents attended	• 138	• 37
suicides attended	• 11	• 0
drownings	• 0	• 0
hazmat incidents	• 2	• 0
road safety visibility campaigns	• 37	• 20

Gamagara Local municipality has establishment disaster unit since 2022 and its operational. Currently we conducted awareness and respond to all fire incident in all areas of gamagara.

Employees: Fire Services					
Job Level	Year -2022 -2023	Year 2023 -2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	19	19	19	0	0%
10 - 12	6	6	6	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	26	26	26	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.21.4

Fire services were provided by a outside service provider and this section is one of the service that the municipality institutionalise into its permanent staff establishment

Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Job Level	Year -2022 -2023		Year 2023 -2024		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	1	1	1	100%
13 - 15	0	1	1	1	100%
16 - 18	0	1	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	3	2	2	67%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

T 3.22.4

Disaster Management Unit is a new unit under Community Service Directorate and it is fairly understaff

Financial Performance 2022/23: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	0%
Expenditure:					
Employees	12 108 667	13 032 482	14 811 126	14 434 361	10%
Repairs and Maintenance	-	-	-	-	0%
Other	197 319	967 214	848 362	183 961	-426%
Total Operational Expenditure	12 305 986	13 999 696	15 659 488	14 618 323	4%
Net Operational Expenditure	12 305 986	13 999 696	15 659 488	14 618 323	4%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.22.5

3.11.6. Sports and Recreation

Introduction to Sports and Recreation

The Sports and Recreation Section is responsible to establish a positive attitude in the community towards sports and recreation and to encourage community involvement and interest in sports and recreation.

Main service delivery programmes include:

- Ensuring good sports administration and management
- The provision of high standard sport facilities of a good quality to encourage their use by the community

Highlights

- Currently in practice are is an Aerobics and Running Club that operates Monday to Thursday, which accommodates 80% employees and 20% of community members.
- The municipality managed to launch Local REC Club structure (SAMSRA) under the following sporting code:
 - ✓ Soccer
 - ✓ Netball
 - ✓ Volleyball
 - ✓ Pool
 - ✓ Darts
 - ✓ Table tennis
 - ✓ Long tennis
 - ✓ Tug of war

Challenges

- Financial constraints
 - The participating municipal officials could not attend the SAMSRA games due to cost containment.
 - Municipal participants use their own resources to attend meetings .
- Facilities and equipment's

Remedial actions

- Budget for sports and recreation to Increase the level of participation in sport and recreation activities.
- Develop a policy framework.
- Make sport and recreation accessible to all people in the local areas.

- Priorities sports and recreation as it can contribute to lower tension, fatigue and general anxiety in the workplace and increasing productivity.

Employees: Sport and Recreation					
Job Level	Year -2022 -2023	Year 2023 -2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	#DIV/0!
7 - 9	0	0	0	0	#DIV/0!
10 - 12	0	0	0	0	#DIV/0!
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	0	0	0	0	#DIV/0!
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T 3.23.3					

The Municipality does not have a sport and recreation section and/or department, However, Facilities Management section provides maintenance and repairs services to municipal owned facilities and building such as community halls, sports grounds, workshops and municipal offices. These services are rendered in all towns of Kathu, Mapoteng, Siyathemba, Olifantshoek and Dibeng on a continuous basis.

Financial Performance 2022/23: Sport and Recreation					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	#DIV/0!
Expenditure:					
Employees	27 878 563	29 180 671	33 867 685	31 249 071	7%
Repairs and Maintenance	49 405	100 000	160 000	40 117	-149%
Other	5 304 870	3 957 734	3 681 515	5 055 718	22%
Total Operational Expenditure	33 232 838	33 238 405	37 709 200	36 344 906	9%

Net Operational Expenditure	33 232 838	33 238 405	37 709 200	36 344 906	9%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.23.4

3.12. Executive and Council

Employees: The Executive and Council						
Job Level	Year -2021 -2022		Year 2022 -2023			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)		Vacancies (as a % of total posts)
	No.	No.	No.	No.		%
0 - 3	0	0	0	0		#DIV/0!
4 - 6	0	0	0	0		#DIV/0!
7 - 9	8	5	5	4		80%
10 - 12	7	9	8	1		11%
13 - 15	2	6	3	3		50%
16 - 18	0	1	0	0		0%
19 - 20	0	0	0	0		#DIV/0!
Total	17	21	16	8		38%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.						

the staff in the executive and council provides administrative support by ensuring that both the Political Office Bearers and Municipal Managers Offices is effectively and Efficient manage. Due to the transition of councilors after Local Government Election the numbers of employees will from time to time fluctuate hence for the financial year under review there has a decrease in the staff compliment.

Financial Performance 2022/23: The Executive and Council					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	85 996 602	54 419 256	54 419 256	90 184 193	40%
Expenditure:					
Employees	7 667 483	10 212 288	10 854 354	9 457 690	-8%
Repairs and Maintenance	-	-	-	-	#DIV/0!
Other	17 063 672	11 887 739	17 600 943	13 151 682	10%
Total Operational Expenditure	24 731 156	22 100 027	28 455 297	22 609 372	2%

Net Operational Expenditure	- 61 265 447	- 32 319 229	- 25 963 959	- 67 574 821	52%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.24.5

3.13. Financial Services

Introduction to Financial Services

The department is responsible for the administration of finance in accordance to MFMA and GRAP Standards and consist of the following units, Income & Revenue, Expenditure, Asset Management, Supply Chain Management, Account and Reporting -AFS, Valuation and Payroll and financial staff provide administrative, financial compliance and ensure the financial viability of the municipality

3.13.1 Asset Management

The asset management unit is responsible for management of all municipal assets, including the safeguarding, updating, recording, barcoding, and maintaining a GRAP compliant fixed asset register. As delegated by the accounting officer, the asset management unit must take all reasonable steps to ensure that the municipality has and maintains –

- A management, accounting and information system that accounts for proper asset management of the municipal assets,
- An internal control asset management system, including an asset register, as may be prescribed, and
- Proper Internal control processes to ensure that all assets are insured and accounted for.

The unit has a staff compliment of 2, comprising of the Manager and senior accountant. The manager is responsible for planning, monitoring, and evaluation in the unit and reports to the Chief Financial Officer. This includes amongst others, policy reviews and implementation.

Challenges And Remedial Action To Improve Performance

Challenges	Impact	Remedial Action
Lack of a proper internal control system.	Inaccurate calculation of depreciation monthly.	Procurement of an integrated financial management system.

Lack of capacity/staff	Lack of segregation of duties, leading to audit findings (completeness, valuation, review, and existence deficiency). Late updates on the FAR.	Budget and appoint full staff compliment. Staff training (Month-end procedures and GRAP updates).
Internal control deficiency	Late submission of reports and capturing updates on the asset register. Loss of municipal assets.	Development of a procedure manual/internal control processes to ensure all municipal assets are returned during retirement, resignation, allocation of new assets and the FAR is updated timeously.

Success in the Asset Management Unit

- Compilation of a GRAP compliant Fixed Asset Register, with an unqualified audit opinion from the Auditor General.
- Compliant to the Municipal Finance Management Act and GRAP standards.
- Implementation of Council resolution – Asset disposal.
- Timeous update of the Work-in-Progress register (WIP).

3.13.2 Budget and Treasury Office

The Budget Unit aims at ensuring that the budget as a planning, monitoring and the reporting element of the municipality thereby ensuring optimal use and accounting for resources of the municipality and also to ensure that the expending of the resources is done line with the prescribed legislation, mSCOA and the relevant budget policies.

The unit has a staff compliment of 3, including the Manager Budget and report to the Chief Financial Officer. The Budget related policies have been adopted by council and is reviewed on an annual basis to include any new reforms issued by National Treasury.

CHALLENGES AND REMEDIAL ACTION TO IMPROVE PERFORMANCE

Challenges	Impact	Remedial Action
The budget is unfunded	This affects the financial viability of the municipality.	A credible funding plan has been developed and now to be implemented and monitored.
Difficulty of enforcement of the cost containment measures.	Lack of cooperation and also achieving a balance between service delivery and cost cutting.	A cost containment review done by management and assessed on a regular basis.

Success in the Budget Unit

- The compliance with set Schedule of Key Deadline of the budget process.
- Timeous and compliant reporting.

3.13.3 Income and Revenue Management

The Revenue unit of the municipality aims at maximising municipal revenue by ensuring that the billing of all municipal services is done and collects revenue primarily from property rates, electricity, water, and sanitation.

Revenue Management office is divided into the following categories:

1. Billing section
2. Clearance certificates
3. Credit control and debt collection
4. Indigent Management

1. The billing unit Revenue division has a staff compliment of 12, including the Manager Revenue and the Senior Manager accountable to the Chief Financial Officer. The Unit is primarily responsible for the following:

- (i) Meter reading
- (ii) Billing and distribution of consumer accounts
- (iii) Implementation of the valuation roll and issuing of clearance certificates.
- (iv) Receipting or collection of cash from customers

The municipality has managed to improve the collection rate to 91% on average for 2022/23 financial year.

The section has adopted the policies approved by Council to guide the processes in the Revenue Divisions and all Revenue related policies are review annually. The following Policies have been developed and approved by Council:

- (i) Tariff Policy
- (ii) Property Rates Policy

CHALLENGES AND REMEDIAL ACTION TO IMPROVE PERFORMANCE

Challenges	Impact	Remedial Action
Inadequate Billing dues to meters that are not replaced or not replaced on time	Revenue and Cashflow	Replacement of meters be prioritized, and the process plan be developed.

Poor implementation of policies	Revenue and Cashflow of the municipality	Policies should be workshopped immediately after approval by Council
Lack of Capacity in Revenue section	Reporting- Tasks not completed on time	Appointment of critical positions
Lack of job descriptions	Employee performance	Speed up the development of job descriptions

Success in Revenue division

- The section with its shortage of staff has managed to comply with the Billing Schedule except where there was a delay on month end closure.

2. Credit Control and Debt Collection

The Credit and Debt collection unit aims at collecting outstanding monies billed by effectively and efficiently dealing with defaulters in accordance with the terms and conditions of the credit control and debt collection policy. The credit control and debt collection division is also responsible to promote a culture of payment and instil a sense of responsibility towards the payment of municipal accounts and reduction of municipal debt

The core responsibilities of the section is to;

- Inform customers about the outstanding payments on their accounts.
- Concludes arrangements for customers on their outstanding accounts.
- Disconnect services of customers for non-payments
- Hand over the accounts to Debt Collectors for collection

Credit Control and Debt collection has staff compliment of seven (7) including the Senior Accountant reporting directly to the Manager Revenue. The following policies are used to guide the processes in the Credit control and Debt Collection unit:

- Credit Control and Debt Collection Policy
- Indigent Management Policy

CHALLENGES AND REMEDIAL ACTION TO IMPROVE PERFORMANCE

Challenges	Impact	Remedial Action
No Debt Collectors appointed to handover accounts to.	Cashflow and non-compliance to the policy	Management to speed up the appointment of debt collectors.
Poor implementation of policies	Revenue and Cashflow of the municipality	Policies should be workshopped immediately after approval by Council

Lack of collection strategies	Cashflow	Regular trainings and new strategies to be deployed regularly
Lack of job descriptions	Employee performance	Speed up the development of job descriptions

Success in Credit Control and Debt Collection

- (i) Enable to disconnect services monthly for nonpaying consumers.
- (ii) Managed to improve the collection of the municipality to 91% for 2022/23 Financial year.

3. Indigent Management

The indigent management unit is responsible for the management of the indigent's customers within the revenue section. The unit is responsible to assist the customers from the start of the application until the approval of the subsidy and ensure that the register is maintained.

There are 1200 registered indigents as per the municipality's indigent register and the municipality is anticipating increasing this number. The municipality is intending to achieve this by continuing to conduct roadshows to educate and register indigent customers.

The unit had developed Indigent Management Policy, which is approved by Council on a yearly basis. Every process undertaken in the unit is guided by this policy.

There is only one (1) employee in indigent unit reporting to the Manager Revenue.

CHALLENGES AND REMEDIAL ACTION TO IMPROVE PERFORMANCE

Challenges	Impact	Remedial Action
Failure by customers to renew the subsidy	Reduction in number of registered indigents	Increase number of roadshows per annum.
Poor implementation of indigent policy	Indigent register, cashflow and equitable share	Policies should be workshopped immediately after approval by Council
Lack of job descriptions	Employee performance	Speed up the development of job descriptions

3.13.4 Expenditure Management

The expenditure division of the municipality is divided into two units:

- (i) **Creditors section**

The Creditors section is responsible for all payments of creditors of the municipality including bulk purchases payments.

The unit has staff compliment of three (3) including the Senior Accountant who is directly reporting to the Manager Expenditure and salaries which is currently vacant.

(ii) Payroll/Salaries

The salary unit is responsible for the payment of salaries by end of the month which is the 25th. The unit has two(2) employees which one is the Senior Accountant Salaries reporting to Manager Expenditure and Salaries which is vacant

CHALLENGES AND REMEDIAL ACTION TO IMPROVE PERFORMANCE

Challenges	Impact	Remedial Action
Lack Capacity	Unable to deal with timeliness or pressured to meet the deadlines	Appoint all positions in those divisions
Unable to complete tasks on time due the dependent on other sections' information	Unable to meet deadlines on time.	Procedure manual to be drafted
Lack of job descriptions	Employee performance	Speed up the development of job descriptions

Debt Recovery							
Details of the types of account raised and recovered	Year -2020/21		2021/22			Year 2022/23	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates						162 126 413	65%
Electricity - B						905 655	65%
Electricity - C						201 523 908	65%
Water – B						28 296 000	65%
Water – C						37 211 254	65%
Sanitation						49 688 824	65%
Refuse						40 992 520	65%
Other						172 490 121	100%
<i>B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.</i>							T 3.25.2

Employees: Financial Services					
Job Level	Year -2021 -2022		Year 2022 -2023		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	9	4	4	0	0%
7 - 9	6	11	11	0	0%
10 - 12	10	13	12	1	8%
13 - 15	13	17	14	3	18%
16 - 18	3	2	2	0	0%
19 - 20	0	0	0	0	#DIV/0!
Total	41	47	43	4	9%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					
T 3.25.4					

Financial Performance 2022/23 Financial Services					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 264 855	2 831 492	2 831 492	25 731 116	89%
Expenditure:					
Employees	31 088 719	28 618 840	29 188 396	47 625 337	40%
Repairs and Maintenance	2 596 982	3 570 463	4 079 424	4 943 753	28%
Other	35 236 497	45 416 151	63 086 885	113 889 071	60%
Total Operational Expenditure	8 922 197	77 605 454	96 354 705	166 458 160	53%
Net Operational Expenditure	67 657 342	74 773 962	93 523 213	140 727 044	47%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.25.5

3.14. Human Resources Services

Human Resource Unit consist of the following sections/units Labour Relations, Employee Wellness, Leave and Payrol Administration, Skill Development, Occupational Health and Safety and Employee Benefits. The purpose of this division is to administer, implement and manage the human capital and conditions of services effectively and efficiently in line with all pieces of legislations.

Employees: Human Resource Services					
Job Level	Year -2022 -2023	Year 2023 -2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	7	7	6	1	14%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	8	8	7	1	13%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;">T3.26.4</p>					

Financial Performance 2022/23 Human Resource Services					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	#DIV/0!
Expenditure:					
Employees	8 866 558	7 230 434	8 262 574	9 351 396	23%
Repairs and Maintenance	-	-	-	-	#DIV/0!
Other	5 632 049	16 369 289	9 823 863	4 316 591	-279%
Total Operational Expenditure	14 498 607	23 599 723	18 086 437	13 667 987	-73%
Net Operational Expenditure	14 498 607	23 599 723	18 086 437	13 667 987	-73%
<p><i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i></p>					T 3.26.5

3.15. Information and Communication Technology

The ICT services provide an advisory, strategic, developmental and management service in the municipality in order to maintain and control the information systems, communication network and technology resources for the Municipality. Thus to ensure compliance, availability, continuity, integrity and security of the Municipality's data and services. The Municipality has identified ICT as an enabler to the delivery of the IDP delivering on its mandate. The ICT infrastructure, comprising hardware, software, networks, and cloud services, is largely outdated and dilapidated, which presents a heightened risk of potential downtime and data loss. Key ICT systems such as email, domains, the website, and financial systems are grappling with challenges related to insufficient support, integration gaps, and a dearth of competent internal expertise.

In essence, the Municipality faces notable disparities in ICT governance, infrastructure, and systems. These disparities lead to operational inefficiencies and expose the organisation to significant threats, including system failures, security breaches, and potential harm to its reputation. Urgent measures are necessary, including the swift implementation of a robust ICT governance framework, the modernisation of infrastructure and systems, the cultivation of internal ICT proficiency, and a meticulous oversight of ICT service providers.

By addressing these pressing concerns, the Municipality can harness the power of ICT to effectively deliver services and fulfil its strategic objectives. For the financial year under review the municipality appointed a service provider to develop the "ICT Framework, ICT Strategic Plan, ICT Disaster Recovery Plan and ICT Continuity Plan and an ICT assessment survey were conducted..

Employees: ICT Services					
Job Level	Year -2022 -2023		Year 2023 -2024		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	4	4	4	0	0%
13 - 15	2	3	2	1	33%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	6	7	6	1	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					
T3.27.4					

Employees: ICT Services					
Job Level	Year -2021 -2022		Year 2022 -2023		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	4	4	4	0	0%
13 - 15	2	3	2	1	33%

16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	6	7	6	1	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.27.4

Financial Performance Year 2022/23: ICT Services					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	#DIV/0!
Expenditure:					
Employees	3 580 147	3 292 882	3 569 915	3 856 903	15%
Repairs and Maintenance	-				#DIV/0!
Other	523 772	12 688 835	9 253 079	7 406 806	-71%
Total Operational Expenditure	4 103 918	15 981 717	12 822 994	11 263 710	-42%
Net Operational Expenditure	4 103 918	15 981 717	12 822 994	11 263 710	-42%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T 3.27.5

Capital Expenditure 2022/23: ICT Services					
Capital Projects	2022/23				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	1 250 000	1 118 185	100%	
Desktop UPSes	-	50 000	47 250	100%	
Computer Equipment - IT	-	1 200 000	1 070 935	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.27.6

3.16 Legal and Compliance Management

Mainly, the Legal and Compliance Management Unit is tasked with speedily facilitating and acting as a liaison office between the municipality and parties engaging in matters of legal action. The office also serves as the legal and advisory body to Council pertaining to any legal and/or illegal activities taking place throughout the financial year and how to resolve them amicably.

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year -2022 -2023	Year 2023 -2024			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.		%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	#DIV/0!
7 - 9	0	0	0	0	#DIV/0!
10 - 12	0	0	0	0	#DIV/0!
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	0%
Total	0	1	1	0	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					

The Legal, Risk Management unit it deals with all the municipal litigations against the municipality by ensuring that they are successfully processes through the legal instruments. The municipality developed a litigation register which is managed by the Manager Legal and Compliance in order to monitor, track and report progress to council on the status of all cas

Financial Performance 2022/23: Property; Legal; Risk Management and Procurement Services					
Details	2021/22	2022/23			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	142 082 585	156 634 894	157 300 894	145 249 910	-8%
Expenditure:					#DIV/0!
Employees	-	-	-	1 129 924	100%
Repairs and Maintenance	-	-	-	-	#DIV/0!
Other	2 903 822	2 096 000	5 196 000	6 252 315	66%
Total Operational Expenditure	2 903 822	2 096 000	5 196 000	7 382 239	72%

Net Operational Expenditure	-139 178 763	- 154 538 894	- 152 104 894	- 137 867 671	-12%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T 3.28.5

CHAPTER 4: ORGANIZATIONAL DEVELOPMENT PERFORMANCE

4.1 Annual Performance Report

The section is compiled as in accordance to Municipal Systems Act (MSA). 32 of 200, section 146(1) and (2) as well as the MFMA Circular 11 of the annual reporting. It covers the performance information from 1 July 2022 to 30 June 2023 and focuses on the implementation of the service Delivery and Budget Implementation Plan (SDBIP). In relation to the objectives as encapsulated in the municipality's integrated Development Plan (IDP) for the year under review. It further reflects the actual performance of the municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2023/24.

In line with the strategic priorities of local government, the municipality's performance for the 2023/24 financial year has been arranged to the following key Performance Area (KPA):

- Basic service delivery and infrastructure development
- Municipal financial viability and management
- Spatial development and transformation
- Good governance and public participation
- Municipal transformation and institution development
- Public safety and substance environment
- Social and Local economic Development

The full analysis of the municipality's performance against its commitments set in the Service Delivery Budget Implementation Plan (SDBIP) for the 2023/24 financial year, see attachment on chapter 6.

In measuring and reporting on the performance of the municipality, all departments were requested to prepare their performance reports supported by the portfolio of evidence to prove that the set targets were met and where targets were not met reasons for not achieving the set targets were provided. Again, the corrective measures to improve the situation or a plan that will ensure that the targets are achieved in the coming quarter are prepared.

2 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Municipal Transformation and Organizational Development is linked to the National Key Performance indicator as required in terms of Local Government: Municipal Planning and Performance Management Regulations of 2001.

4.3 INTRODUCTION TO MUNICIPAL WORKFORCE

The financial year under review, the Department of Cooperative Governance and Traditional Affairs promulgated the Local Government: Staff Regulation in 2021 which required municipalities to undertake a review on a number of statutory and organizational requirement in order to ensure alignment with the regulations and amongst other reviews under taken were: Organizational Structure review, Human Resource Policies, Performance Management Policies. The municipal workforce is managed through proper human resource processes and procedures, aligned to section 67 of the Municipal Systems Act 32 of 2000 and the Local Government: Staff Regulations 2021, which ensures compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration. The Council adopted the Recruitment, Selection and Appointment policy, which guide all the recruitment, selection, and appointment processes.

The total number of positions within the organizational structure as per approved budget for 2022/2023 and vacant funded position for the year under review was standing 570 of which 417 where existing filled positions and 55 for vacant funded position and as the figures indicate in the table T4.1.1 that 167 post were vacant this is an illustration of the total vacant position as planned to be filled over the medium term to long term. The financial year under review there has been an underperformance in the filling of vacant funded position due to cash flow challenges that led to unfunded budget.

The workforce profile is a well-balanced and diverse according to the population demographics of the municipality, province and national as guided by the Employment Equity plan of the municipality.

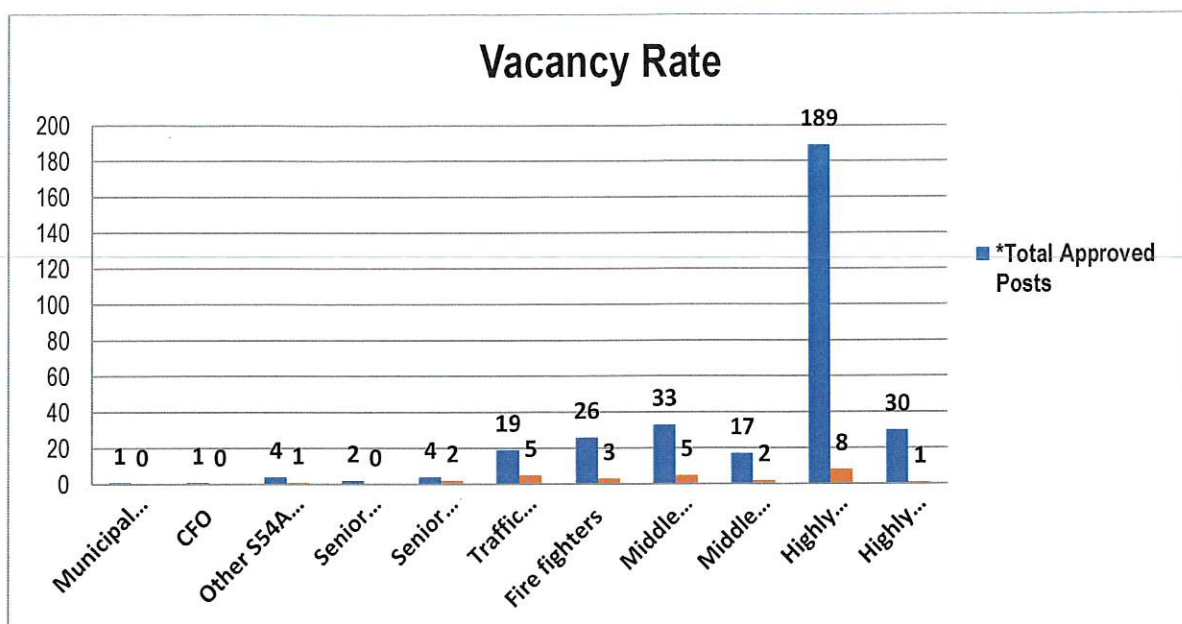
4.3.1 Employment Equity

The Employment Equity Act number 56 of 1998 states that affirmative action measures are designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer.

4.3.2 Vacancies Rate

The vacancy rate for the financial year under review stand at 8.28 % a slight high than the previous years due to the increase of prioritized and budget positions but could not be filled due to financial constraints.

Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0,00
CFO	1	0	0,00
Other S54A Managers (excluding Finance Posts)	4	1	25,00
Senior Managers: Levels 16-17 (Finance posts)	2	0	0,00
Senior Managers: Levels 16-17 (Excluding Finance posts)	4	2	50,00
Traffic officers	19	5	26,32
Fire fighters	26	3	11,54
Middle management: Levels 13-15 (excluding Finance Posts)	33	5	15,15
Middle management: Levels 13-15 (Finance posts)	17	2	11,76
Highly skilled supervision: levels 9-12 (excluding Finance posts)	189	8	4,23
Highly skilled supervision: levels 9-12 (Finance posts)	30	1	3,33
Total	326	27	8,28
<i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>			T 4.1.2



4.3.2 Turnover Rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.	No.	
Year -2022/23	456	23	5%
Year 2023/24	467	17	4%
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			T 4.1.3

The 2024/25 financial year the municipality lost most critical scarce and technical skills in a short period of less than three month due to resignations to other employers both private and public sector.

4.4 MANAGING THE MUNICIPAL WORKFORCE

In terms of Local Government: Municipal Systems Act 32 of 2000, section 67 the municipality should ensure compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration. The municipal council approve and review Human Resource policies continuously for the purposes of managing municipal workforce.

Employees					
Description	Year -2022 -2023	Year 2023 -2024			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water and Wastewater Services, Millwright & PMU	94	105	77	28	27%
Sanitation Services	33	44	33	11	25%
Electricity Services	12	27	16	13	48%
Solid Waste Magement Services	42	77	42	35	45%
Waste Disposal and Other Services	91	111	91	20	18%
Road and Storm Water Services	15	39	14	26	67%
Fleet Services	2	2	2	0	0%
Housing	2	4	2	4	100%
Town Planning, IDP and Building Control Services	6	14	11	4	29%
Local Economic Development	7	8	7	2	25%
Health Inspection and Etc	2	2	2	0	0%
Traffic Services	19	24	19	5	21%
Fire Services	26	26	26	0	0%
Disater Management, Animal Licencing and Control, Control of Public Nuisances, Etc	0	3	2	2	67%
The Executive and Council	17	21	16	8	38%
Financial Services	41	47	43	4	9%
Human Resource Services	8	8	7	1	13%
ICT Services	6	7	6	1	0%
Property; Legal; Risk Management; and Procurement Services	0	1	1	0	0%
Totals	423	570	417	164	0
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.					T 4.1.1

The workforce managed through proper human resource processes and procedures, aligned to section 67 of the Municipal Systems Act 32 of 2000, staff Regulations which ensures compliance with the development and adoption of appropriate systems and procedures to ensure fair, efficient, effective, and transparent personnel administration. The Council adopted the Recruitment, Selection and Appointment policy, which guide all the recruitment, selection, and appointment processes.

The total number of positions within the organizational structure as per approved budget for 2022/2023 and vacant funded position for the year under review was standing 570 of which 417 where existing filled positions and 165 for vacant funded position. The limited

total number of vacant funded position for the outer years is limited and informed by cash flow challenges that led to unfunded budget.

The workforce profile is a well-balanced and diverse according to the population demographics of the municipality, province and national as guided by the Employment Equity plan of the municipality.

4.4.1 Injuries

The main objective of the Compensation for Occupational Injuries and Disease Act (COID Act) is to facilitate a process which provides for payment of medical treatment and compensation for disablement caused by occupational injuries and diseases sustained by employees in the course of their employment, or for death resulting from such injuries or diseases; and to provide for matters connected therewith.

Section 22(2) stipulates that no "periodical payments" shall be made in respect of temporary total disablement or temporary partial disablement which lasts for 3 days or less. In other words when an employee is booked off due to an injury on duty (IOD) for 3 days or less, the Compensation Fund does not pay compensation. The injury on duty table below indicates the number and costs of injuries for the year 2023/24 financial year remains the same as the previous year 2022/23.

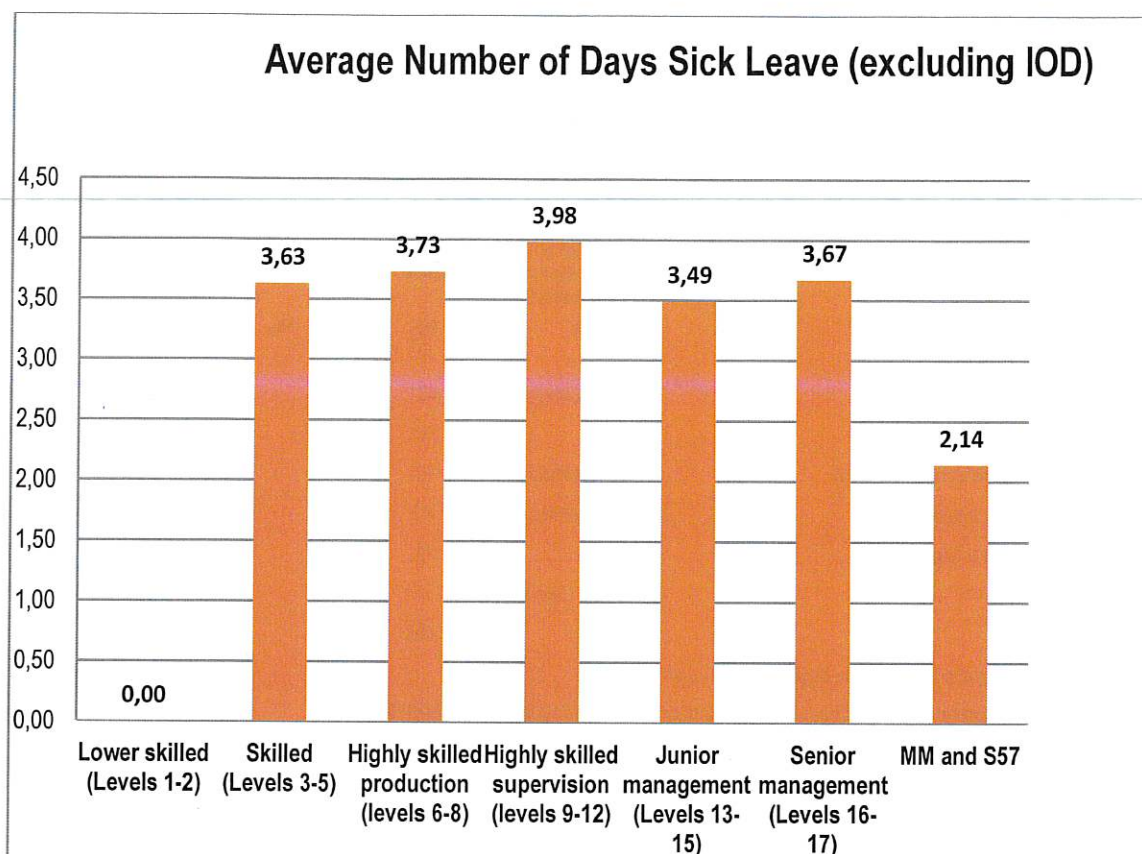
Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	12	6	50%	2	60
Temporary total disablement	0	0	0%	0	
Permanent disablement	0	0	0%	0	0
Fatal					
Total	12	6	50%	2	60
					T 4.3.1

4.4.2 Sick Leave

The Sick leave taken by employees during the financial year have an impact in terms of service delivery and it is costly to the municipality. The abuse of sick leave is identified and monitored through patterns for each individual employee and dealt with according to the labour relation policy and relevant regulations and legislation. The average number of sick leave days taken for 2022/23 financial year is standing at 6.12 The total costs is estimated at R 2 228 856

The table below indicated the number of days and costs of sick leave according to the different salary band.

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	0		0			0
Skilled (Levels 3-5)	758	0.17% (2days)	331		3,63	536995
Highly skilled production (levels 6-8)	162		63		3,73	166915
Highly skilled supervision (levels 9-12)	120	3.23% (5days)	155		3,98	640754
Junior management (Levels 13-15)	73	4.65% (2days)	43		3,49	246423
Senior management (Levels 16-17)	17		6		3,67	56461
MM and S57	30	13.33% (2days)	7		2,14	40341
Total	1160		605		3,71	1687889
* - Number of employees in post at the beginning of the year						T 4.3.2
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						



4.4.3 Human Resource Policies

The Human Resource Management Function strives to provide a support service to the Gamgara Local Municipality in terms of its Human Capital. The Human Resource section provide a support function relating to the Recruitment and Selection, Labour Relations, Occupational Health and Safety and Employee Wellness, Training and Development and Administration and Development aspects to the management and employees of the Gamgara Local Municipality.

The Human Resource Section strives to keep Policies and processes updated and relevant and its employee component updated of the aforementioned

The municipality reviewed 31 Human resource polices aligned to the Local Staff Regulations 2021 on the 30 March 2023 for the purposes of managing municipal workforce in a standard and uniform approach and fair and consistent treatment of each individual employee.

The table below shows a list of available human resource policies currently in use and reviewed from time to time

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Working Hours And Punctuality Policy	100%	100%	30-Mar-23
2	Travel Allowance Policy	100%	100%	30-Mar-23
3	Staff Establishment Policy	100%	100%	30-Mar-23
4	Smoking Policy	100%	100%	30-Mar-23
5	Skills Development Policy	100%	100%	30-Mar-23
6	Remuneration Policy	100%	100%	30-Mar-23
7	Recruitment, Selection And Appointment Policy	100%	100%	30-Mar-23
8	Promotion, Transfer, Secondment And Acting Appointment Policy	100%	100%	30-Mar-23
9	Private Work And Declaration Of Interests Policy	100%	100%	30-Mar-23
10	Placement And Redeployment Policy	100%	100%	30-Mar-23
11	Performance Management Policy	100%	100%	30-Mar-23
12	Overtime Allowance Policy	100%	100%	30-Mar-23
13	Occupational Health And Safety Policy	100%	100%	30-Mar-23
14	Legal Aid Policy	100%	100%	30-Mar-23
15	Leave Policy	100%	100%	30-Mar-23
16	Job Evaluation Policy	100%	100%	30-Mar-23
17	Intoxicating Substances Abuse Policy	100%	100%	30-Mar-23
18	Internal Bursary Policy	100%	100%	30-Mar-23
19	Incapacity Due To Poor Work Performance Policy	100%	100%	30-Mar-23
20	Incapacity Due To Operational Requirements Policy	100%	100%	30-Mar-23
21	Incapacity Due To Ill Health / Injury Policy	100%	100%	30-Mar-23
22	Human Resources Communication Policy	100%	100%	30-Mar-23
23	Hiv/Aids Policy	100%	100%	30-Mar-23
24	Harassment Policy	100%	100%	30-Mar-23
25	Grievance Resolution Policy	100%	100%	30-Mar-23
26	Employment Equity Policy	100%	100%	30-Mar-23
27	Employee Wellness Programme Policy	100%	100%	30-Mar-23
28	Electronic Communication And Information Security Policy	100%	100%	30-Mar-23
29	Discipline Policy	100%	100%	30-Mar-23
30	Advances And Reimbursable Expenses Policy	100%	100%	30-Mar-23
Use name of local policies if different from above and at any other HR policies not listed.				T 4.2.1

4.4.4 Disciplinary Action Taken on Cases of Financial Misconduct

There is no reported cases of financial misconduct reported during 2023/24 financial year.

4.4.5 Number and period of suspension

For the financial year under review no employee were suspended because the misconduct cases reported did not warrant any suspension

4.5. CAPACITATING THE MUNICIPAL WORKFORCE

In terms of Local Government: Municipal Systems Act number 32 of 2000, section 68 (1) a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way and for this purpose, the human resource capacity of a municipality must comply with Skills Development Act number 81 of 1998 and the Skills Development Levies Act number 28 of 1999.

4.5.1 Skills Matrix

The municipality has been able to spend a total of R907 210,27 of R1 522 489,00 from the one (1) percent of the employee related costs budget earmarked for training and development by June 2023. A total of 88 employees received training in various training categories and functional areas across functional areas. The total expenditure excluding expenditure on bursaries for municipal employees. A total of 23 employees were granted a study bursary for the financial year under review of which R1 500 000.00 has been budgeted for bursaries and a total of R689 194,28 was allocated for employee bursaries.

The table below indicates the number of employees who received training for 2022/23 financial year

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2023/24	Number of skilled employees required and actual as at 30 June Year 2024											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year - 2020/2021	Actual: End of Year 2021/2022	Actual: End of Year - 2022/23	Actual: End of Year 2023/24	Actual: End of Year - 2020/2021	Actual: End of Year 2021/2022	Actual: End of Year 2022/23	Actual: End of Year - 2023/24	Actual: End of Year 2024/25	Actual: End of Year - 2025/26	Actual: End of Year 2026/27	Actual: End of Year - 2027/28
MM and s57	Female	1	5				0	0		0	0		1	
	Male	5	5				0	0		2	0		7	
Councillors, senior officials and managers	Female	9	2				0	3		4	0		16	
	Male	17	3				2	3		12	0		44	
Technicians and associate	Female	0	4				1	0		0	0		1	
	Male	6	8				2	0		1	0		9	

professionals*														
Professionals	Female	3	8				0	0		0	0		3	
	Male	6	6				0	0		1	0		7	
Sub total	Female	13	19				0	0		0	0		0	
	Male	32	22				0	0		0	0		0	
Total		92	82	0	0	0	5	6	0	1	0	0	88	0
*Registered with professional Associate Body e.g CA (SA)														T 4. 5. 1

The municipality has a competent, skillful and qualified staff compliment in which the municipality appointed 8 professionals registered with professional bodies

4.5.2 MFMA COMPETENCIES

In terms of section 83 and 107 of the MFMA, The Accounting Officer, senior manager, any Chief Finance Officer and all other financial officials of a municipality municipal entity must meet the prescribed financial management competency levels. Section 119 of the MFMA also requires the Accounting Officer and all other officials of the municipality involved in the implementation of the supply chain management policy to meet the prescribed minimum competency levels. National Treasury has prescribed such financial management competencies in Government Gazette number 493 of 15 June 2007.

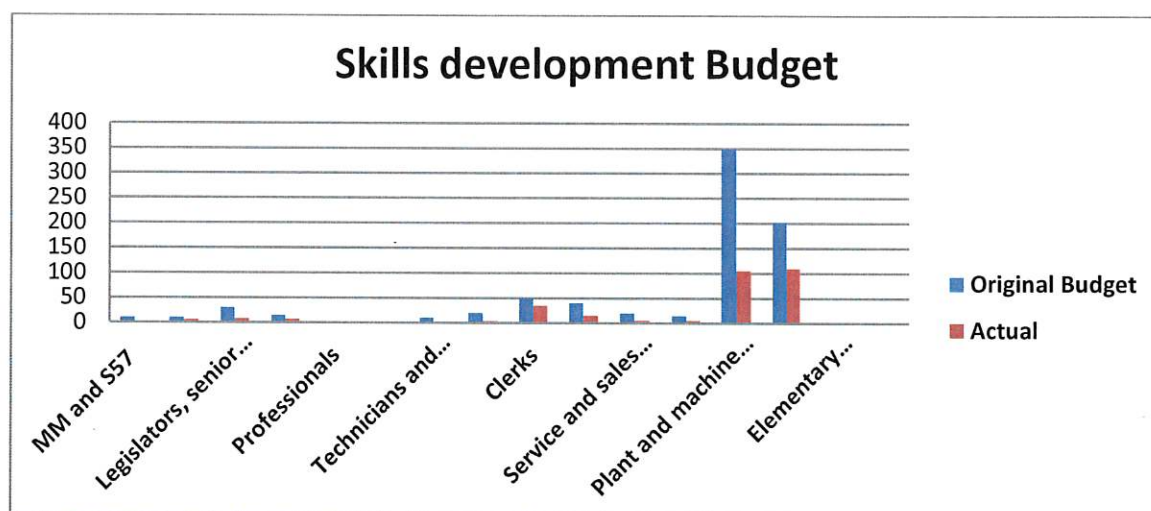
There are municipal official who still have to complete the required unit standard. The main challenge emanates from the issuing of South African Qualifications Authority issuing of accredited certificate to individual employees. The municipality has on the other hand made provision within the budget for training of additional officials on the program related to this legislative requirement.

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	1	1	1
Senior managers	4	0	4	2	2	4

Any other financial officials	0	0	0	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	0	0	0
Supply chain management senior managers	1	0	1	1	0	0
TOTAL	8	0	8	5	4	6
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T 4.5.2

Skills Development Expenditure											
										R'000	
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1								
			Learnerships		Skills programmes & other short courses		Other forms of training		Total		
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	
MM and S57	Female							10	1	10	1
	Male							10	6	10	6
Legislators, senior officials and managers	Female							30	8	30	8
	Male							15	7	15	7
Professionals	Female										
	Male										
Technicians and associate professionals	Female							10	3	10	3
	Male							20	4	20	4
Clerks	Female							50	35	50	35
	Male							40	15	40	15
Service and sales workers	Female							20	5	20	5
	Male							15	5	15	5
Plant and machine operators and assemblers	Female							350	105	350	105
	Male							202	110	202	110
Elementary occupations	Female										
	Male										
Sub total	Female							120	52	120	52
	Male							100	37	100	37

Total	0	0	0	0	0
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.					%* *R
					T4.5.3



4.5.3 Placement of Employees

Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	4
	Male	3
Highly skilled production (Levels 6-8)	Female	1
	Male	5
Highly skilled supervision (Levels 9-12)	Female	3
	Male	4
Senior management (Levels 13-16)	Female	0
	Male	1
MM and S 57	Female	0
	Male	0

Total	21
<i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i>	T 4.6.2

The municipality conducted a benchmark processes of which after the benchmark employees in various section and departments submitted grievances on their placements e.g. plumbing section were promoted from general assistant to Assistant plumbers as the most perform the plumbing work and other employees lodged grievances on their placements which took the to the next task grade after the grievance process.

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
Community Services	T15		1-Jan-00	The employee was move from Dev & Town Planning as LED Manager to Manager Library
				T 4.6.4

The employee's Doctor recommended that the employee be moved from the Local Economic Development unit to another department due to his health conditions and he was moved to the library services as manager libraries

Chapter 5: Municipal Financial Performance

Financial Summary							R' 000
Description	2022/23	2023/24		2022/23 Variance			
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Financial Performance							
Property rates	140 699	169 260	169 260	154 195	8,90%	8,90%	
Service charges	301 603	389 185	389 185	350 046	10,06%	10,06%	
Investment revenue	–	–	–	–	#DIV/0!	#DIV/0!	
Transfers recognised - operational	60 358	65 636	65 636	104 060	-58,54%	-58,54%	
Other own revenue	71 783	78 984	78 984	65 130	17,54%	17,54%	
Total Revenue (excluding capital transfers and contributions)	574 443	703 065	703 065	673 432	4,21%	4,21%	
Employee costs	212 445	326 720	273 671	242 467	25,79%	11,40%	
Remuneration of councillors	6 099	6 098	6 098	6 957	-14,09%	-14,09%	
Debt Impairment	46 741	19 082	23 382	31 851	-66,92%	-36,22%	
Depreciation & asset impairment	54 717	67 148	67 148	63 220	5,85%	5,85%	
Finance charges	40 905	12 896	44 696	19 975	-54,90%	55,31%	
Materials and bulk purchases	164 499	205 442	194 283	193 588	5,77%	0,36%	
Transfers and grants	71	420	420	43	89,66%	89,66%	
Other expenditure	153 924	161 645	194 527	174 433	-7,91%	10,33%	
Total Expenditure	679 400	799 449	804 224	732 535	8,37%	8,91%	
Surplus/(Deficit)	(104 957)	(96 384)	(101 158)	(59 103)	38,68%	41,57%	
Transfers recognised - capital	27 712	31 510	30 621	12 955	58,88%	57,69%	
Contributions recognised - capital & contributed assets	–	–	–	–	#DIV/0!	#DIV/0!	
Surplus/(Deficit) after capital transfers & contributions	(77 245)	(64 874)	(70 537)	(46 148)	28,87%	34,58%	

Share of surplus/ (deficit) of associate	-								
Surplus/(Deficit) for the year	(77 245)	(64 874)	(70 537)	(46 148)				#DIV/0!	#DIV/0!
<u>Capital expenditure & funds sources</u>									
Capital expenditure	33 330	31 510	36 690	8 561				72,83%	76,67%
Transfers recognised - capital	29 920	31 510	30 621	5 534				82,44%	81,93%
Public contributions & donations	-	-	-	-				#DIV/0!	#DIV/0!
Borrowing	-	-	-	-				#DIV/0!	#DIV/0!
Internally generated funds	3 409	-	6 069	3 026				#DIV/0!	50,13%
Total sources of capital funds	33 330	31 510	36 690	8 561				72,83%	76,67%
<u>Financial position</u>									
Total current assets	12 734 005	734 076	502 083	502 083				31,60%	0,00%
Total non current assets	1 502 623	1 446 398	1 472 478	1 472 478				-1,80%	0,00%
Total current liabilities	12 942 342	1 007 537	722 834	722 834				28,26%	0,00%
Total non current liabilities	160 405	164 277	160 405	160 405				2,36%	0,00%
Community wealth/Equity	1 133 881	1 008 659	1 091 321	1 091 321				-8,20%	0,00%
								#DIV/0!	#DIV/0!
<u>Cash flows</u>									
Net cash from (used) operating	-	(69 722)	(31 089)	(31 089)				55,41%	0,00%
Net cash from (used) investing	-	(31 510)	(36 960)	(36 960)				-17,30%	0,00%
Net cash from (used) financing	-	-	-	-				#DIV/0!	#DIV/0!
Cash/cash equivalents at the year end	-	(84 549)	(54 859)	(54 859)				35,12%	0,00%
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	13 191	(42 756)	(54 661)	(54 661)				-27,84%	0,00%
Application of cash and investments	570 683	604 683	394 178	394 178				34,81%	0,00%
Balance - surplus (shortfall)	(557 492)	(647 439)	(448 839)	-				100,00%	100,00%
								#DIV/0!	#DIV/0!
<u>Asset management</u>									
Asset register summary (WDV)	-	1 418 940	1 302 812	1 302 812				8,18%	0,00%
Depreciation & asset impairment	-	67 148	67 148	67 148				0,00%	0,00%

Renewal of Existing Assets	6 321	17 285	29 155	29 155	-68,67%	0,00%
Repairs and Maintenance	-	40 609	61 627	61 627	-51,76%	0,00%
Free services					#DIV/0!	#DIV/0!
Cost of Free Basic Services provided	-	4 663	4 663	4 663	0,00%	0,00%
Revenue cost of free services provided	8 710	2 845	2 845	2 845	0,00%	0,00%
Households below minimum service level					#DIV/0!	#DIV/0!
Water:	-	-	-	-	#DIV/0!	#DIV/0!
Sanitation/sewerage:	-	-	-	-	#DIV/0!	#DIV/0!
Energy:	-	-	-	-	#DIV/0!	#DIV/0!
Refuse:	-	-	-	-	#DIV/0!	#DIV/0!
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						
						T 5.1.1

Financial Performance of Operational Services							R '000
Description	2022/23		2023/24		2023/24 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost							
Water	(8 349)	2 757	(16 701)	(16 400)	694,80%		1,81%
Waste Water (Sanitation)	15 734	17 845	19 753	14 459	18,98%		26,80%
Electricity	7 015	7 853	(5 922)	10 351	-31,80%		274,80%
Waste Management	4 778	17 585	24 559	23 964	-36,27%		2,42%
Housing	(1 484)	(3 035)	(2 337)	(1 758)	42,07%		24,75%
Component A: sub-total	17 694	43 006	19 352	30 616	28,81%		-58,21%
Waste Water (Stormwater Drainage)	-	-	-	-	#DIV/0!		#DIV/0!
Roads	(16 452)	(24 710)	(21 652)	(14 829)	39,99%		31,51%
Transport	-	-	-	-	#DIV/0!		#DIV/0!
Component B: sub-total	(16 452)	(24 710)	(21 652)	(14 829)	39,99%		31,51%

Planning						#DIV/0!	#DIV/0!
Local Economic Development	-	-	-	-	-	#DIV/0!	#DIV/0!
Component B: sub-total	-	-	-	-	-	#DIV/0!	#DIV/0!
Planning (Strategic & Regulatory)	(6 213)	(15 115)	(9 415)	(7 884)	(7 884)	47,84%	16,26%
Local Economic Development	(3 660)	(6 266)	(4 429)	(2 945)	(2 945)	52,99%	33,50%
Component C: sub-total	(9 873)	(21 380)	(13 844)	(10 829)	(10 829)	49,35%	21,78%
Community & Social Services	(41 511)	(58 474)	(62 231)	(51 018)	(51 018)	12,75%	18,02%
Environmental Protection	-	-	-	-	-	#DIV/0!	#DIV/0!
Health	-	-	-	-	-	#DIV/0!	#DIV/0!
Security and Safety	(8 870)	(17 340)	(10 755)	(9 144)	(9 144)	47,27%	14,98%
Sport and Recreation	(36 345)	(57 097)	(39 700)	(35 208)	(35 208)	38,34%	11,31%
Corporate Policy Offices and Other	(12 932)	39 611	27 672	31 309	31 309	20,96%	-13,15%
Component D: sub-total	(99 658)	(93 300)	(85 014)	(64 062)	(64 062)	31,34%	24,65%
Total Expenditure	(108 289)	(96 384)	(101 158)	(59 103)	(59 103)	38,68%	41,57%
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.							

Grant Performance

R' 000

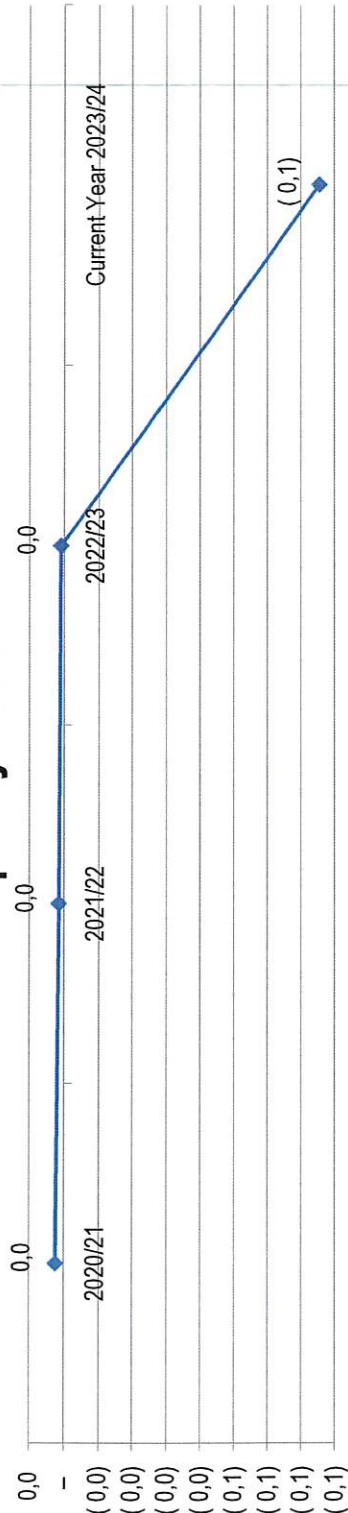
Description	2022/23		2023/24		2023/24 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
<u>Operating Transfers and Grants</u>							
National Government:	54 869	63 784	63 784	63 784	0%	0%	
Equitable share	53 715	61 684	61 684	61 684	0%	0%	

Finance Management Grnat (FMG)	643	2 100	2 100	2 100	0%	0%
Environmental	-	-	-	-	#DIV/0!	#DIV/0!
Municipal Disaster Relief Grant	511	-	-	-	#DIV/0!	#DIV/0!
Energy Efficiency and Demand Side Management Grant	-	-	-	-	#DIV/0!	#DIV/0!
Provincial Government:	4 283	950	950	1 993	-110%	-110%
EPWP	1 073	950	950	950	0%	0%
Library	3 210	-	-	1 043	#DIV/0!	#DIV/0!
District Municipality:	-	-	-	-	#DIV/0!	#DIV/0!
[insert description]					#DIV/0!	#DIV/0!
Other grant providers:	1 206	902	902	38 283	-4144%	-4144%
SETA	356	302	302	177	42%	42%
Mining Companies -Kumba SLP	850	600	600	38 107	-6251%	-6251%
Total Operating Transfers and Grants	60 358	65 636	65 636	104 060	-59%	-59%
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

Repair and Maintenance Expenditure: 2023/24

R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	1 6 806 987,00	27 384 629,00	18 975 385,14	-13%
				T 5.3.4

Liquidity Ratio

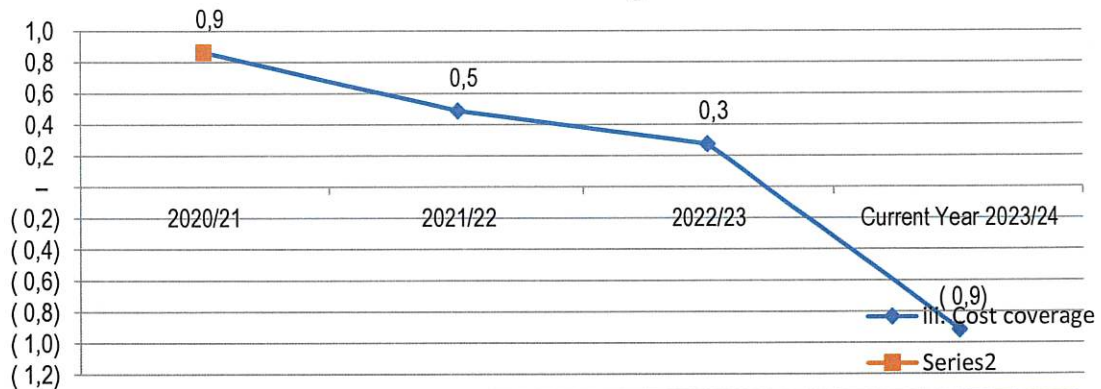


Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

The municipality's liquidity ratio increased during the 2021/22 financial year, due to a 14% increase in current assets which was higher than the 1% increase in current liabilities.

Data used from MBRR SA8

Cost Coverage

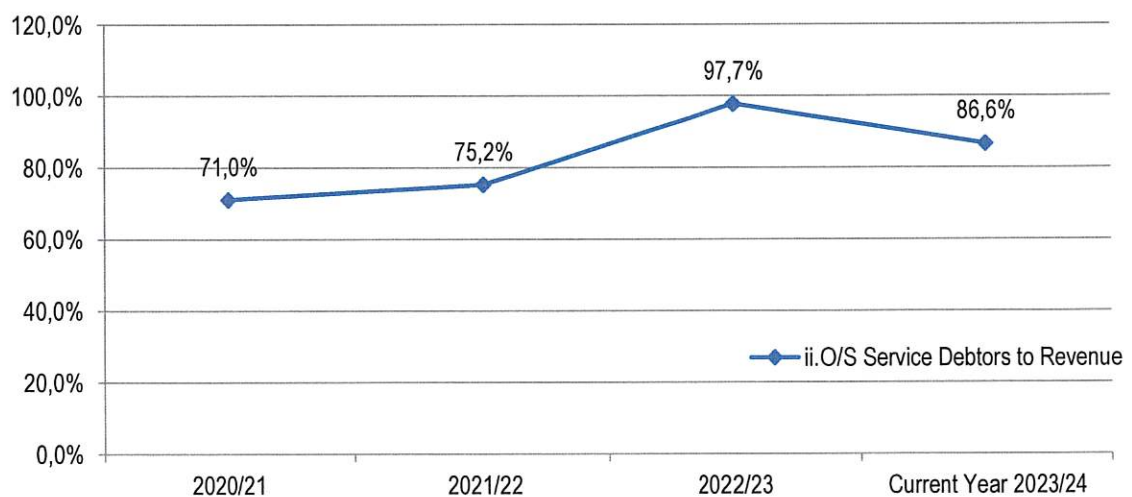


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

The municipality has seen a decrease in the cost coverage ratio compared to the prior year, which is as a result of the increase in operational expenditure and the decrease in cash and cash equivalents.

Data used from MBRR SA8

Total Outstanding Service Debtors

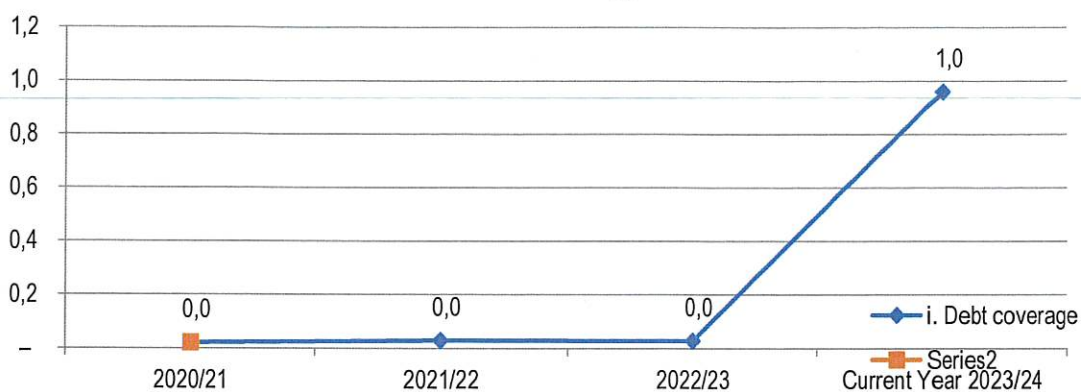


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower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

The debt coverage decreased from the prior year due to the increase in receivables from exchange transactions as compared to the prior year.

Data used from MBRR SA8

Debt Coverage

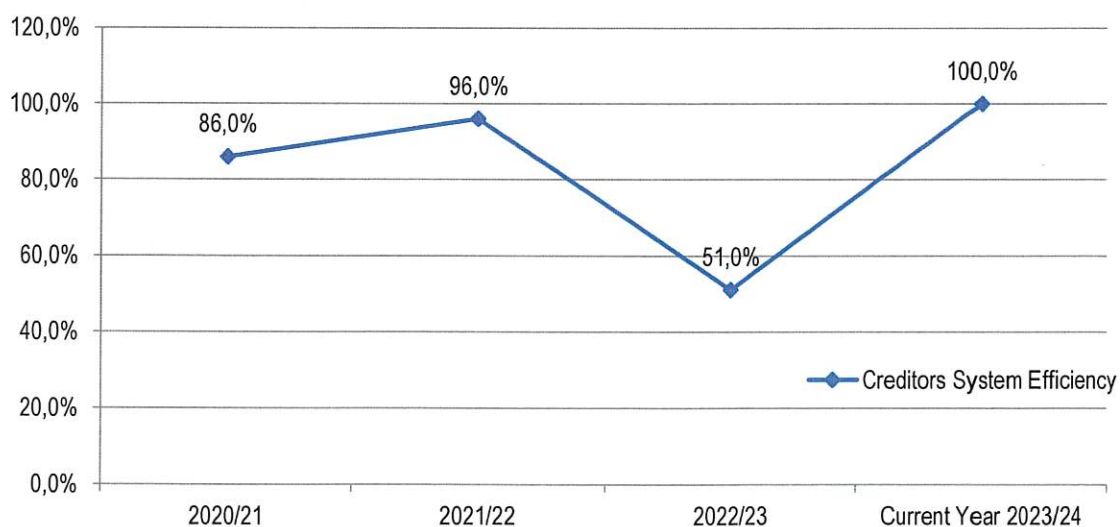


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality.

The municipality's debt coverage has increased, as the dependency on operational grants has been reduced due to the decrease in grant allocation and the increase in own revenue.

Data used from MBRR SA8

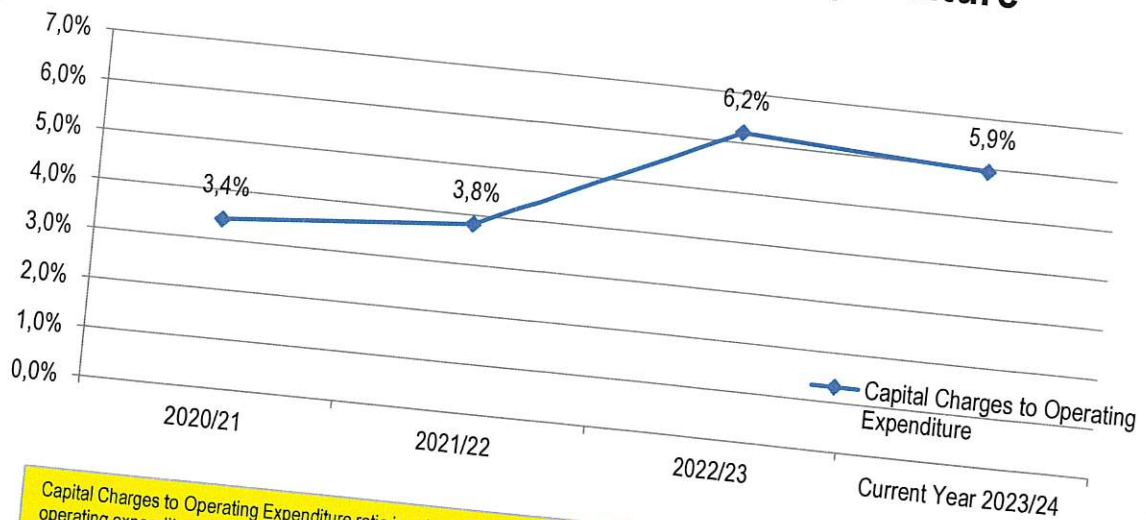
Creditors System Efficiency



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

The creditor system efficiency decreased with 5% compared to the prior as a result of the increase in creditors.

Capital Charges to Operating Expenditure

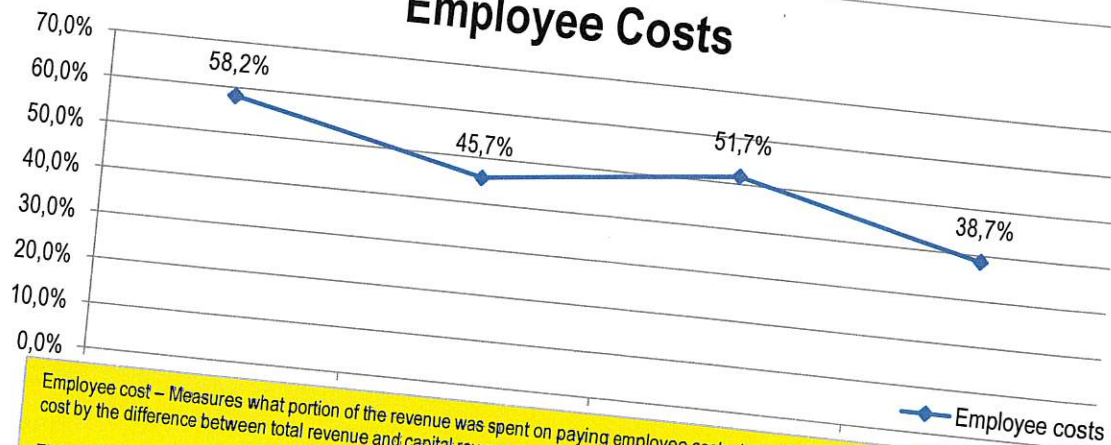


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

There was a 0,5% increase in capital charges to operating expenditure ratio, as a result of the increase in finance charges.

Data used from MBRR SA8

Employee Costs

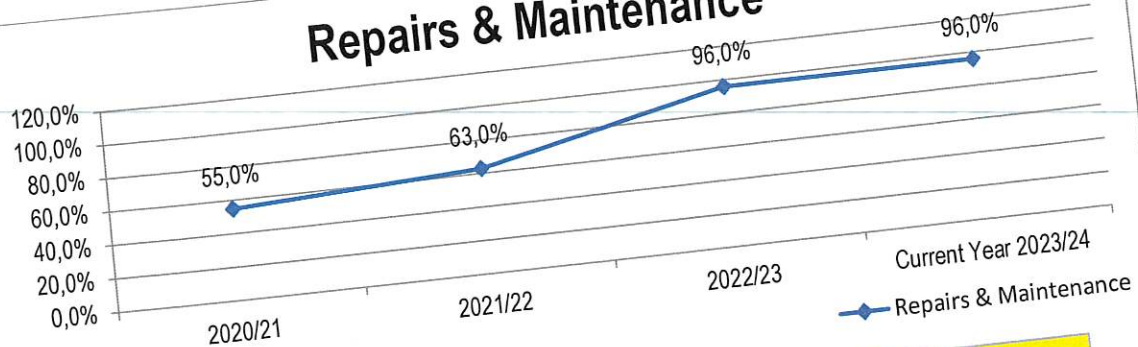


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

The employee cost ratio decreased by 8,8% compared to the prior year, despite the fact that there was an increase in the employee cost, the increase in revenue was more significant causing the decrease in the employee cost ratio.

Data used from MBRR SA8

Repairs & Maintenance



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

There was a decrease in repairs and maintenance due to the decrease in repairs performed in the current financial year.

Data used from MBRR SA8

R million	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Capital Expenditure	32	37	9	72,8%	76,7%
	32	37	9	72,8%	76,7%
Operating Expenditure	799	804	733	8,4%	8,9%
	799	804	733	8,4%	8,9%
Total expenditure	831	841	741	10,8%	11,9%
Water and sanitation	108	125	106	1,9%	15,7%
Electricity	234	247	228	2,6%	8,1%
Housing	3	2	2	42,1%	24,8%
Roads, Pavements, Bridges and storm water	26	23	16	38,5%	30,2%
Other	429	406	382	11,1%	6,1%
	799	804	733	8,4%	8,9%
External Loans	–	–	–		50,1%
Internal contributions	–	6	3	82,4%	81,9%
Grants and subsidies	32	31	6		

Other	-	-	-		
	32	37	9	72,8%	76,7%
External Loans	-	-	-		
Grants and subsidies	97	96	110	-12,8%	-13,9%
Investments Redeemed	-	-	-		
Statutory Receipts (including VAT)	-	-	-		
Other Receipts	637	637	569	10,7%	10,7%
	735	734	679	7,6%	7,5%
Salaries, wages and allowances	333	280	249	25,1%	10,8%
Cash and creditor payments	-	-	-		
Capital payments	32	37	9	72,8%	76,7%
Investments made	-	-	-		
External loans repaid	-	-	-		
Statutory Payments (including VAT)	-	-	-		
Other payments	467	524	483	-3,5%	7,9%
	831	841	741	10,8%	11,9%
	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget variance	Adjusted Budget Variance
Property rates	169	169	154	8,9%	8,9%
Service charges	389	389	350	10,1%	10,1%
Other own revenue	145	145	169	-17,0%	-17,0%
	703	703	673	4,2%	4,2%
Employee related costs	333	280	249	25,1%	10,8%
Provision for working capital	-	-	-		
Repairs and maintenance	17	27	19	-12,9%	30,7%
Bulk purchases	180	170	174	3,6%	-2,4%
Other expenditure	270	328	291	-7,7%	11,3%
	799	804	733	8,4%	8,9%
Service charges: Electricity	233	233	217	6,9%	6,9%
Grants & subsidies: Electricity	4	4	-	100,0%	100,0%
Other revenue: Electricity	9	9	21	-145,5%	-145,5%
	246	246	238	3,1%	3,1%
Employee related costs: Electricity	23	15	14	38,7%	9,7%

Provision for working capital: Electricity	-	-	-		
Repairs and maintenance: Electricity	3	5	2	38,9%	53,7%
Bulk purchases: Electricity	180	170	174	3,6%	-2,4%
Other expenditure: Electricity	28	58	38	-37,5%	34,5%
	234	247	228	2,6%	8,1%
Service charges: Water	66	66	53	18,5%	18,5%
Grants & subsidies: Water	28	27	13	52,9%	51,3%
Other revenue: Water	7	7	8	-12,1%	-12,1%
	100	99	74	25,8%	25,1%
Employee related costs: Water	28	23	22	21,3%	7,4%
Provision for working capital: Water	-	-	-		
Repairs and maintenance: Water	3	9	4	-23,7%	54,4%
Bulk purchases: Water	-	-	-		
Other expenditure: Water	39	57	52	-33,3%	8,7%
	70	89	78	-11,3%	12,9%
					Txxx

Capital Expenditure - Funding Sources: 2022/23 to 2023/24							
Details		2022/23	2023/24				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	-	-	-	-	#DIV/0!	#DIV/0!
	Public contributions and donations	-	-	-	-	#DIV/0!	#DIV/0!
	Grants and subsidies	29 920 412	31 510 000	30 621 000	5 534 315	-2,82%	-82,44%
	Other	3 409 093	-	6 069 010	3 026 391	#DIV/0!	#DIV/0!
Total		33 329 505	31 510 000	36 690 010	8 560 705	#DIV/0!	#DIV/0!
Percentage of finance							
	External loans	0,0%	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
	Public contributions and donations	0,0%	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
	Grants and subsidies	89,8%	100,0%	83,5%	64,6%	#DIV/0!	#DIV/0!
	Other	10,2%	0,0%	16,5%	35,4%	#DIV/0!	#DIV/0!
Capital expenditure							
	Water and sanitation	16 513 990	27 510 000	2 963 010	14 602 641	-89,23%	-46,92%

	Electricity	10 974 993	4 000 000	6 700 000	-6 495 179	67,50%	-262,38%
	Housing	-	-	-	-	#DIV/0!	#DIV/0!
	Roads and storm water	4 573 184	-	-	-	#DIV/0!	#DIV/0!
	Other	1 267 338	-	-	-	#DIV/0!	#DIV/0!
Total		33 329 505	31 510 000	27 027 000	453 243	#DIV/0!	#DIV/0!
Percentage of expenditure				36 690 010	8 560 705	#DIV/0!	#DIV/0!
	Water and sanitation	49,5%	87,3%	8,1%	170,6%	#DIV/0!	#DIV/0!
	Electricity	32,9%	12,7%	18,3%	-75,9%	#DIV/0!	#DIV/0!
	Housing	0,0%	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
	Roads and storm water	13,7%	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
	Other	3,8%	0,0%	0,0%	0,0%	#DIV/0!	#DIV/0!
				73,7%	5,3%	#DIV/0!	#DIV/0!
							T 5.6.1

Capital Expenditure of 5 largest projects*					
Name of Project	Current: 2023/24			Variance: Current 2023/24	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A-Dibeng Bulk Water Augmentation: Equipping of boreholes and its ancillary works	-	9 744 541	4 659 496	#DIV/0!	52%
B-Installation of Pre-Paid Water Meters	-	500 000	938 330	#DIV/0!	-88%
C-Construction of internal sewer network (797) phase 4 _ Diben	8 000 000	2 000 000	1 754 433	78%	12%
D-Construction of bulk water link line from 3 boreholes to 7ML	14 225 000	4 480 459	4 760 532	67%	-6%
E-UPGRADING OF MAPOTENG RESERVOIR PUMPSTATION	-	2 114 010	1 624 567	#DIV/0!	23%

Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjust-ments Budget
Infrastructure - Road transport					
Roads, Pavements & Bridges				%	%
Storm water				%	%
Infrastructure - Electricity				%	%
Generation				%	%
Transmission & Reticulation				%	%
Street Lighting				%	%
Infrastructure - Water				%	%

				%	%
Dams & Reservoirs				%	%
Water purification				%	%
Reticulation				%	%
Infrastructure - Sanitation			2 619 717	80%	79%
Reticulation	13 285 000	12 369 000		%	%
Sewerage purification				%	%
Infrastructure - Other				%	%
Waste Management				%	%
Transportation				%	%
Gas				%	%
Other Specify:				%	%
				%	%
				%	%
Total					

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

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5.8.3

Actual Borrowings: 2021/22 to 2023/24				R'000
Instrument	2021/22	2022/23	2023/24	
Municipality				
Long-Term Loans (annuity/reducing balance)	47 786	49 516	42 995	
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	47 786	49 516	42 995	
Municipality Total				
Municipal Entities				
Long-Term Loans (annuity/reducing balance)				
Long-Term Loans (non-annuity)				
Local registered stock				
Instalment Credit				
Financial Leases				
PPP liabilities				
Finance Granted By Cap Equipment Supplier				

Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0
			T 5.10.2

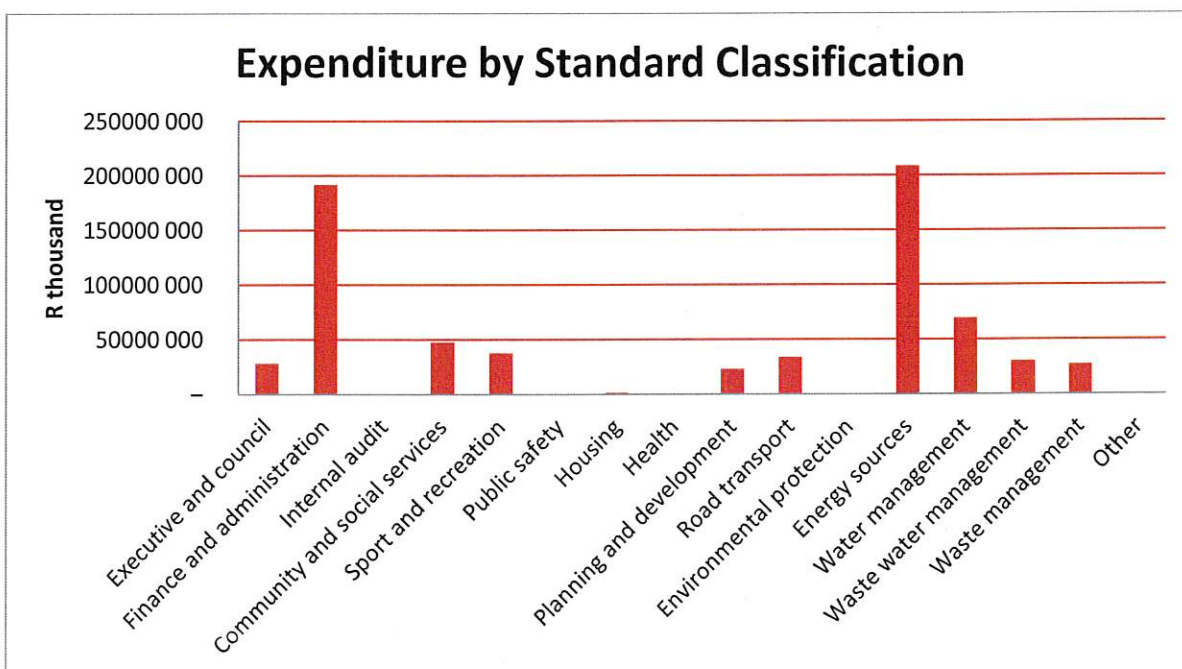
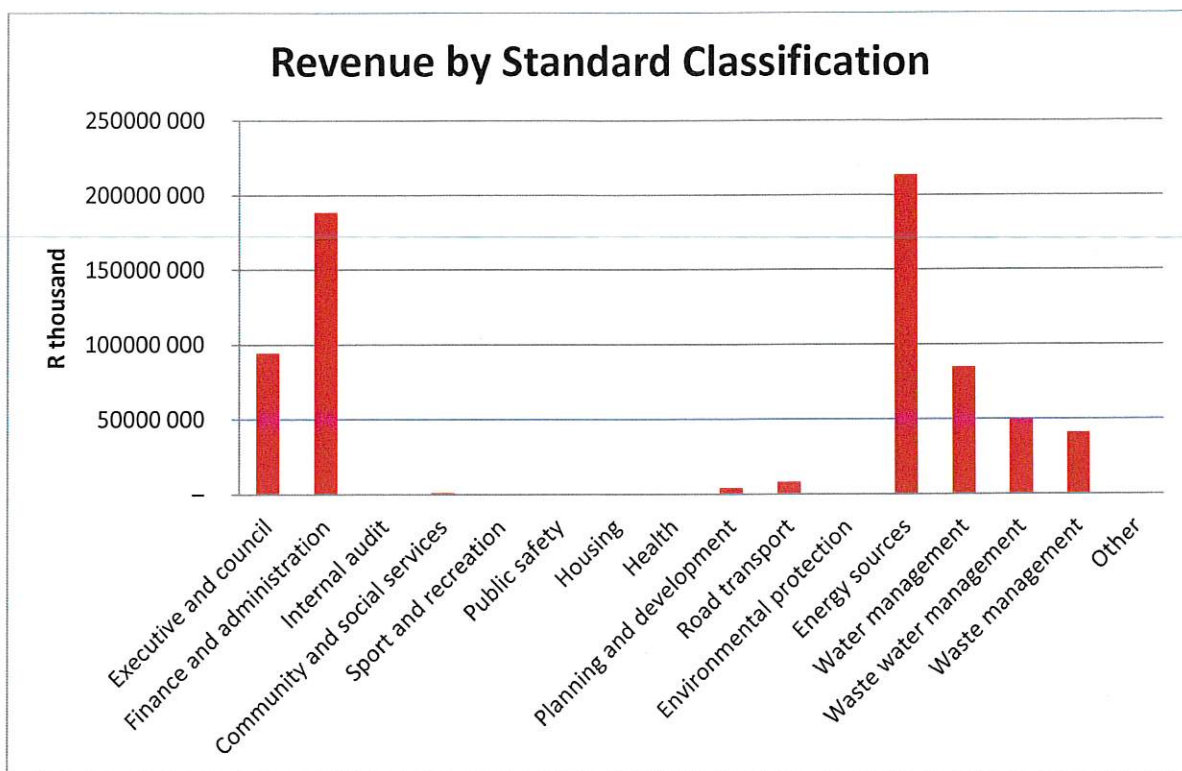
Municipal and Entity Investments			
	R' 000		
Investment* type	2021/22	2022/23	2023/24
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank	126	132	137
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements – Banks			
Municipal Bonds			
Other			
Municipality sub-total	126	132	137
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements – Banks			
Other			
Entities sub-total	-	-	-
Consolidated total:	126	132	137
			T 5.10.4

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Finance Management	2 100	2 100	643	69%	69%	
EPWP	1 073	1 073	1 073	0%	0%	
Sports & Recreation: Library	1 000	1 000	3 210	-221%	-221%	
Energy Efficiency and Demand Management	4 000	4 000	4 000	0%	0%	
WSIG	5 000	5 000	4 000	20%	20%	
INEP	18 500	6 000	6 000	68%	0%	
Municipal Disaster Relief Grant		4 765	4 765	#DIV/0!	0%	
Other Specify:						
Mining Companies -Kumba SLP	600	600	-	100%	100%	
SETA	286	286	356	-24%	-24%	
Total	32 559	24 824	24 047	26%	3%	
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.						T L

NC453_Gamagara Local Municipality - Table A1 Financial Summary

R' 000													
Description	2023/24 Medium Term Revenue & Expenditure Framework				Current Year 2022/23				2021/22				
	Audited Outcome	2020/21	Audited Outcome	2021/22	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26		
<u>Financial Performance</u>													
Property rates	117 576	122 997	138 856	162 126	162 126		162 126	140 699	169 260	176 877	185 190		
Service charges	225 087	246 013	335 566	358 618	358 618		358 618	274 318	389 185	408 255	427 443		
Investment revenue	509	346	492	597	597		597	472	597	627	656		
Transfers recognised – operational	134 941	59 258	68 604	58 774	59 285		59 285	59 508	65 636	73 317	83 778		
Other own revenue	34 867	25 945	48 094	72 711	72 711		72 711	99 089	78 387	82 228	86 093		
Total Revenue (excluding capital transfers and contributions)	512 980	454 559	591 612	652 826	653 337		653 337	574 086	703 065	741 304	783 160		
Employee costs	170 876	199 362	204 583	212 361	234 144		234 144	219 376	326 720	342 704	358 788		
Remuneration of councillors	5 531	5 351	5 741	6 098	6 098		6 098	6 099	6 098	6 396	6 697		
Depreciation & asset impairment	51 876	61 102	52 617	51 587	52 519		52 519	51 686	67 148	70 438	73 749		
Finance charges	24 666	15 938	20 644	19 000	24 600		24 600	47 696	12 896	13 528	14 164		
Materials and bulk purchases	123 578	131 969	158 207	179 565	177 898		177 898	150 840	205 442	229 551	262 658		
Transfers and grants	-	-	-	420	420		420	-	420	441	461		
Other expenditure	137 056	70 950	117 188	176 933	202 889		202 889	211 735	180 726	190 902	197 727		
Total Expenditure	513 583	484 672	558 980	645 964	698 568		698 568	687 432	799 450	853 960	914 244		
Surplus/(Deficit)	(603)	(30 113)	32 632	6 862	(45 231)		(45 231)	(113 345)	(96 385)	(112 656)	(131 084)		
Transfers recognised – capital	41 315	60 914	13 495	40 408	32 162		32 162	27 712	31 510	98 897	55 440		
Contributed assets	-	-	-	-	-		-		-	-	-		
Surplus/(Deficit) after capital transfers & contributions	40 712	30 801	46 127	47 270	(13 069)		(13 069)	(85 634)	(64 875)	(13 759)	(75 644)		

Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-
	40 712	30 801	46 127	47 270	(13 069)	(13 069)	(13 069)	(85 634)	(64 875)	(13 759)	(75 644)	
<u>Capital expenditure & funds sources</u>												
Capital expenditure	31 447	53 082	129 199	40 408	37 430	37 430	37 430	31 758	31 510	98 897	55 440	
Transfers recognised – capital	31 447	43 862	66 210	40 408	32 162	32 162	32 162	27 712	31 510	98 897	55 440	
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	
Borrowing	-	-	-	-	-	-	-	-	-	-	-	
Internally generated funds	-	9 220	62 989	-	5 268	5 268	5 268	4 046	-	-	-	
Total sources of capital funds	31 447	53 082	129 199	40 408	37 430	37 430	37 430	31 758	31 510	98 897	55 440	
<u>Financial position</u>												
Total current assets	12 400 690	12 493 409	12 653 170	319 500	12 572 912	12 572 912	12 572 912	465 460	734 076	687 625	625 244	
Total non current assets	1 447 411	1 501 795	1 483 677	1 480 954	1 468 588	1 468 588	1 468 588	1 507 014	1 446 398	1 474 857	1 456 548	
Total current liabilities	12 689 176	12 513	12 777 899	480 524	12 727 633	12 727 633	12 727 633	717 444	1 007 538	994 373	980 589	
Total non current liabilities	47 338	153 342	158 810	145 523	154 900	154 900	154 900	121 301	164 278	164 278	164 278	
Community wealth/Equity	1 100 836	1 137 745	1 200 172	1 174 408	1 158 967	1 158 967	1 158 967	1 133 924	1 009	1 003 532	936 926	
<u>Cash flows</u>												
Net cash from (used) operating	-	41 936	509 277	(5 927)	(40 076)	(40 076)	(40 076)	28 007	(69 722)	(18 818)	(82 726)	
Net cash from (used) investing	-	(79 607)	(31 782)	(40 408)	(37 430)	(37 430)	(37 430)	(34 070)	(31 510)	(98 897)	(55 440)	
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-	
Cash/cash equivalents at the year end	-	(37 671)	477 495	(46 335)	(77 506)	(77 506)	(77 506)	(6 063)	(101 232)	(117 715)	(138 166)	
<u>Cash backing/surplus reconciliation</u>												
Cash and investments available	35 396	30 490	19 253	(846)	(33 593)	(33 593)	(33 593)	13 191	(42 756)	(116 629)	(208 894)	
Application of cash and investments	423 380	115 796	46 400	192 336	157 018	157 018	157 018	-	273 778	234 070	192 437	
Balance - surplus (shortfall)	(387 984)	(85 306)	(27 147)	(193 182)	(190 611)	(190 611)	(190 611)	13 191	(316 534)	(350 699)	(401 331)	
<u>Asset management</u>												
Asset register summary (WDV)	1 382 160	1 342 953	1 404 282	1 290 705	1 389 194	1 389 194	1 389 194	1 156 054	1 418 940	1 368 502	1 309 754	
Depreciation & asset impairment	51 876	60 192	50 268	51 587	52 519	52 519	52 519	54 717	67 148	70 438	73 749	



NC453 Gamagara - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20		2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
Revenue By Source													
Property rates	###												
Property rates - penalties & collection charges		117 576	122 997	138 856	162 126	162 126	162 126	162 126	140 699	169 260	176 877	185 190	
Service charges - electricity revenue	###	154 091	160 247	195 234	202 430	202 430	202 430	202 430	163 791	232 996	244 413	255 901	
Service charges - water revenue	###	28 330	36 910	59 945	65 507	65 507	65 507	65 507	41 663	65 507	68 717	71 947	
Service charges - sanitation revenue	###	13 225	11 805	42 933	49 689	49 689	49 689	49 689	30 296	49 689	52 124	54 573	
Service charges - refuse revenue	###	29 440	37 050	37 453	40 993	40 993	40 993	40 993	38 568	40 993	43 001	45 022	
Service charges – other		–	–	–	–	–	–	–	–	–	–	–	
Rental of facilities and equipment		1 282	1 628	2 004	1 909	1 909	1 909	1 909	2 130	1 909	2 003	2 097	
Interest earned - external investments		509	346	492	597	597	597	597	472	597	627	656	
Interest earned - outstanding debtors		37 109	14 568	39 790	40 000	40 000	40 000	40 000	48 191	45 676	47 915	50 166	
Dividends received		–	–	–	–	–	–	–	–	–	–	–	
Fines		1 172	891	765	590	590	590	590	733	590	619	648	
Licences and permits		910	1 147	1 377	1 736	1 736	1 736	1 736	1 513	1 736	1 822	1 907	
Agency services		419	470	602	566	566	566	566	490	566	594	622	
Transfers recognised – operational		134 941	59 258	68 604	58 774	59 285	59 285	59 285	59 508	65 636	73 317	83 778	

[illegible]

NC453 Gamagara - Table A6
Budgeted Financial Position

[illegible]

[illegible]

Choose name from list - Table A10 Basic service delivery measurement

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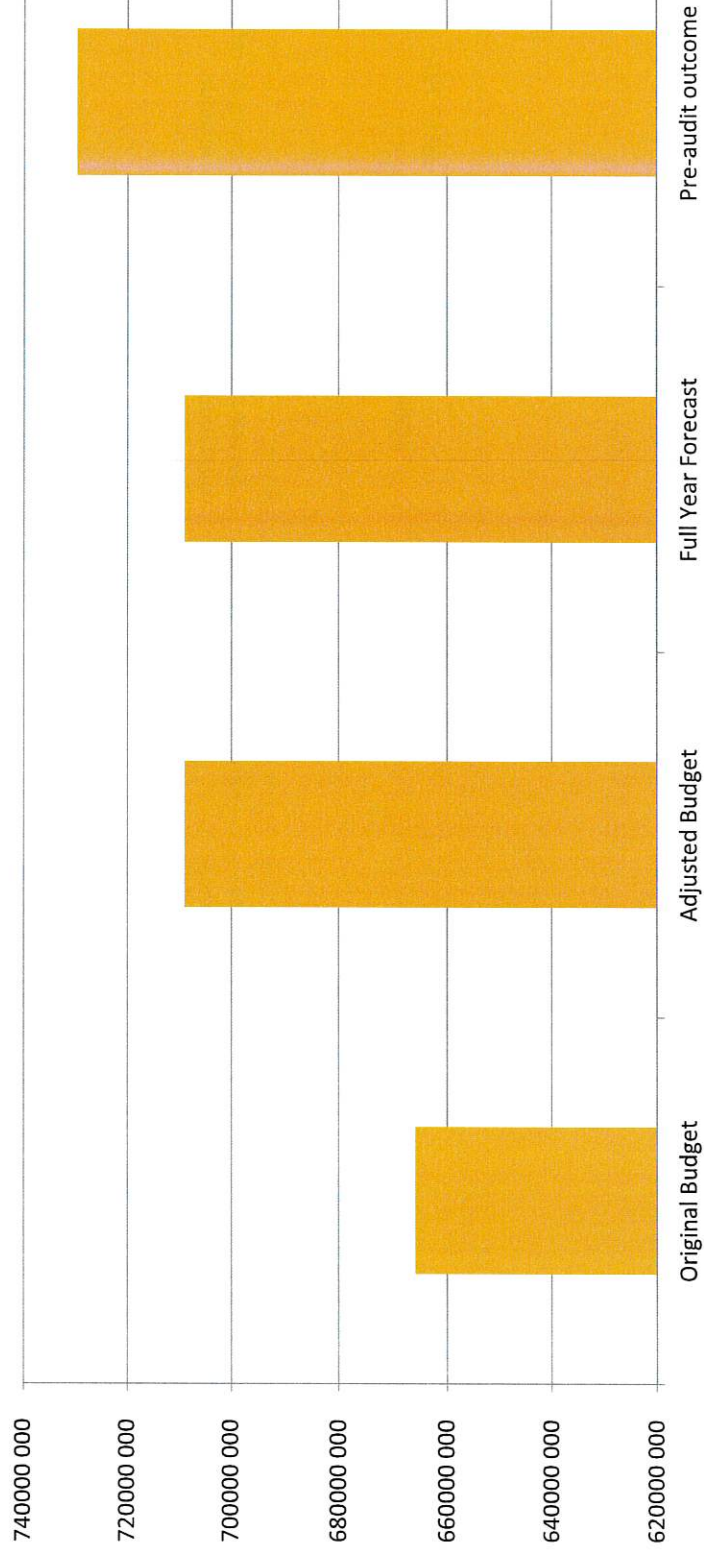
Total revenue cost of free services provided (total social package)	3 196	2 060	3 226	7 387	7 387	7 387	2 845	2 973	3 113
<u>References</u>									
1. Include services provided by another entity; e.g. Eskom									
2. Stand distance <= 200m from dwelling									
3. Stand distance > 200m from dwelling									
4. Borehole, spring, rain-water tank etc.									
5. Must agree to total number of households in municipal area									
6. Include value of subsidy provided by municipality above provincial subsidy level									
7. Show number of households receiving at least these levels of services completely free									
8. Must reflect the cost to the municipality of providing the Free Basic Service									
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)									

NC453 Gamagara - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

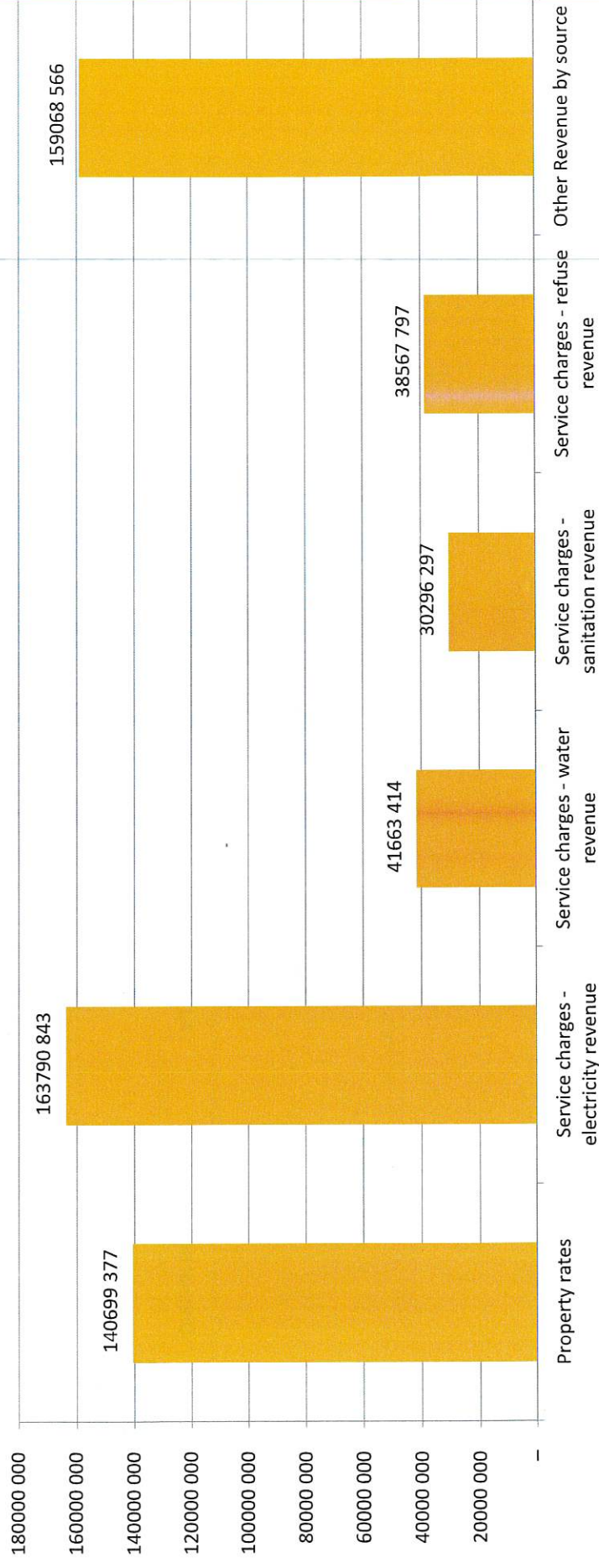
Description	Ref	Current Year 2022/23					2023/24 Medium Term Revenue & Expenditure Framework			
		2019/20	2020/21	2021/22	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year 2024/25	Budget Year +2 2025/26
R thousand										
REVENUE ITEMS:										
<u>Property rates</u>										
Total Property Rates	###	512 981	454 559	591 612	653 337	653 337	574 086	665 364	699 831	738 648
less Revenue Foregone		117 576	122 997	142 083	164 851	164 851	145 248	164 851	172 105	179 850
Net Property Rates		117 576	122 997	138 857	162 126	162 126	140 699	162 126	169 260	176 877
<u>Service charges - electricity revenue</u>										
Total Service charges - electricity revenue	###	154 462	160 249	195 239	202 434	202 434	163 796	202 434	211 341	220 851
less Revenue Foregone		370	1	5	4	4	5	4	5	5
Net Service charges - electricity revenue		154 092	160 248	195 234	202 430	202 430	163 791	202 430	211 336	220 846

Service charges - water revenue												
Total Service charges - water revenue <i>less Revenue Foregone</i>	###	28 413	36 942	60 871	66 262	66 262	66 262	43 021	66 262	69 177		
		83	32	926	755	755	755	1 357	755	788		
		28 330	36 910	59 945	65 507	65 507	65 507	41 663	65 507	68 389	71 467	
Service charges - sanitation revenue												
Total Service charges - sanitation revenue <i>less Revenue Foregone</i>	###	13 413	11 965	45 281	51 617	51 617	51 617	33 794	51 617	53 888		
		188										
		13 225	11 805	42 933	49 689	49 689	49 689	30 296	49 689	51 875	54 209	
Service charges - refuse revenue												
Total refuse removal revenue <i>less Revenue Foregone</i>	###	31 996	38 918	39 903	42 968	42 968	42 968	42 418	42 968	44 859		
		2 555	1 867	2 450	1 975	1 975	1 975	3 850	1 975	2 062	2 155	
Net Service charges - refuse revenue		29 441	37 051	37 453	40 993	40 993	40 993	38 568	40 993	42 797	44 722	
Other Revenue by source												
Fuel levy		-	-	-	-	-	-	-	-	-	-	-
Other revenue	###	170 317	85 548	117 190	132 081	132 592	132 592	159 069	144 619	156 174	170 527	
Total 'Other' Revenue	###	170 317	85 548	117 190	132 081	132 592	132 592	159 069	144 619	156 174	170 527	
EXPENDITURE ITEMS:												
Employee related costs												
Basic Salaries and Wages	###	93 632	111 594	115 824	140 308	141 137	141 137	121 864	174 146	182 664	191 216	
Pension and UIF Contributions		15 535	18 512	20 161	24 491	24 238	24 238	20 980	30 567	32 065	33 572	
Medical Aid Contributions		10 375	10 873	12 109	13 359	13 869	13 869	13 518	21 167	22 204	23 247	
Overtime		14 997	14 653	19 239	3 113	21 566	21 566	21 549	56 659	59 435	62 229	
Performance Bonus		7 800	9 380	9 494	10 876	10 878	10 878	10 251	13 446	14 105	14 767	
Motor Vehicle Allowance		7 621	9 240	8 854	9 519	10 086	10 086	12 269	9 397	9 857	10 320	
Cellphone Allowance		911	367	458	478	435	435	402	454	477	499	
Housing Allowances		1 504	1 892	1 914	1 951	2 031	2 031	1 945	3 084	3 236	3 388	
Other benefits and allowances		2 541	4 664	5 766	4 452	4 513	4 513	7 539	13 834	14 512	15 194	
Payments in lieu of leave		10 179	4 755	3 387	800	2 239	2 239	3 937	1 900	1 993	2 086	
Long service awards		1 411	1 703	1 183	2 223	2 909	2 909	3 937	1 821	1 910	2 000	
Post-retirement benefit obligations	###	4 369	11 728	6 194	791	244	244	1 184	246	258	270	

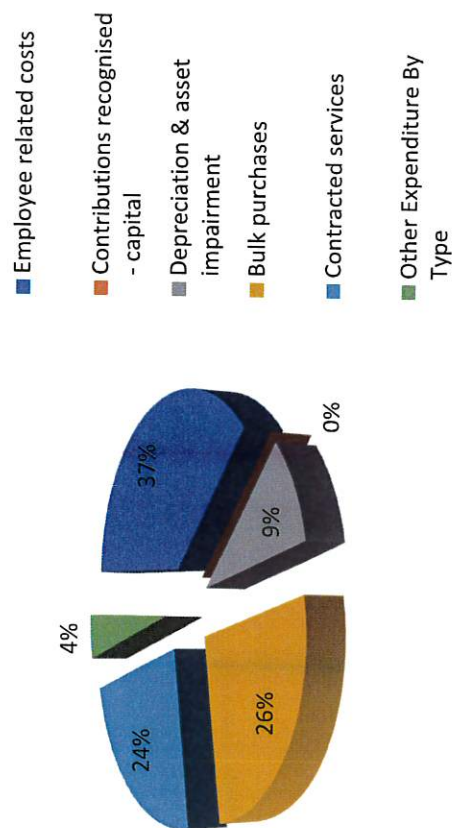
Budget vs. Actual - Expenditure



Revenue by Source ('000)



Expenditure by source



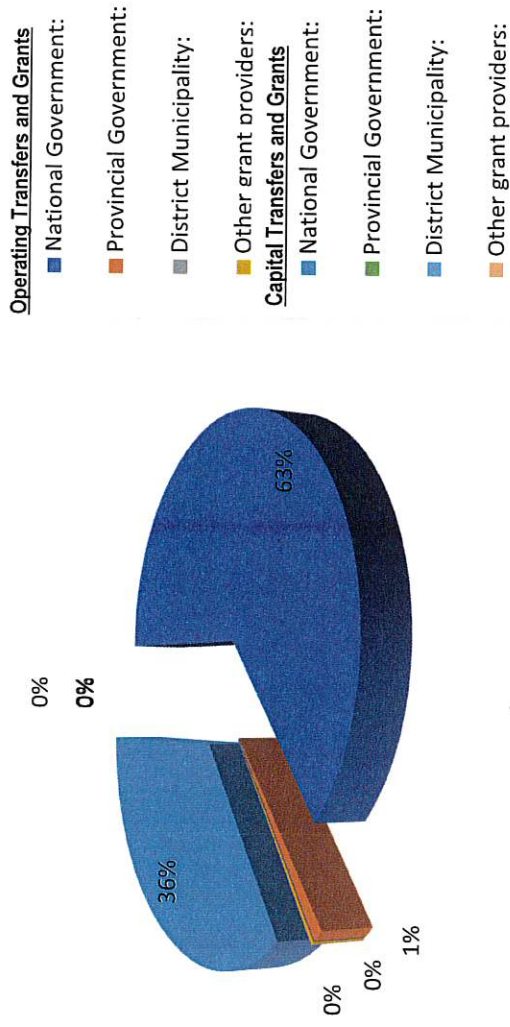
NC453 Gamagara - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20		2020/21		2021/22		Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework									
		Audited Outcome		Audited Outcome		Audited Outcome		Original Budget		Adjusted Budget		Full Year Forecast		Pre-audit outcome		Budget Year 2023/24		Budget Year 2024/25		Budget Year +2 2025/26	
<u>Borrowing Management</u>																					
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	0,0%		0,0%		0,0%		-0,4%		0,0%		0,0%		0,0%		0,0%		0,0%		0,0%	
Credit Rating																					

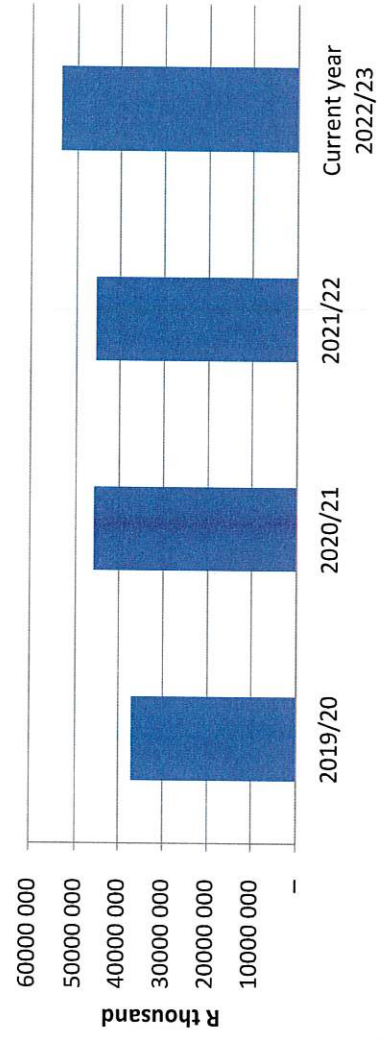
Provisions not funded - %	Unfunded Provs./Total Provisions	73.0%	62.0%	70.0%	69.0%	62.0%	55.0%	92.0%	69.0%	88.0%	84.0%
Other Indicators											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	88.0%	73.0%	83.0%	87.0%	77.0%	54.0%	64.0%	58.0%	86.0%	63.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	96.0%	85.0%	58.0%	55.0%	68.0%	97.0%	72.0%	61.0%	61.0%	55.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	33.3%	43.9%	34.6%	32.5%	35.8%	35.8%	38.2%	46.5%	46.2%	45.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	73.0%	90.0%	66.0%	69.0%	88.0%	73.0%	58.0%	67.0%	58.0%	55.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	54.0%	76.0%	86.0%	85.0%	100.0%	99.0%	87.0%	82.0%	82.0%	88.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	74.0%	65.0%	88.0%	92.0%	85.0%	92.0%	80.0%	91.0%	78.0%	58.0%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/(Debt service payments due within financial year)	0.0	0.0	0.0	1.3	0.0	0.0	0.8	0.7	0.7	0.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	97.0%	103.5%	113.5%	71.8%	99.0%	99.0%	141.5%	170.6%	169.7%	169.1%
iii. Cost coverage	(Available cash + Investments)/monthly	0.9	0.8	0.5	(0.0)	(0.7)	(0.7)	0.3	(0.7)	(1.8)	(3.1)

[illegible]

Total Grants Received



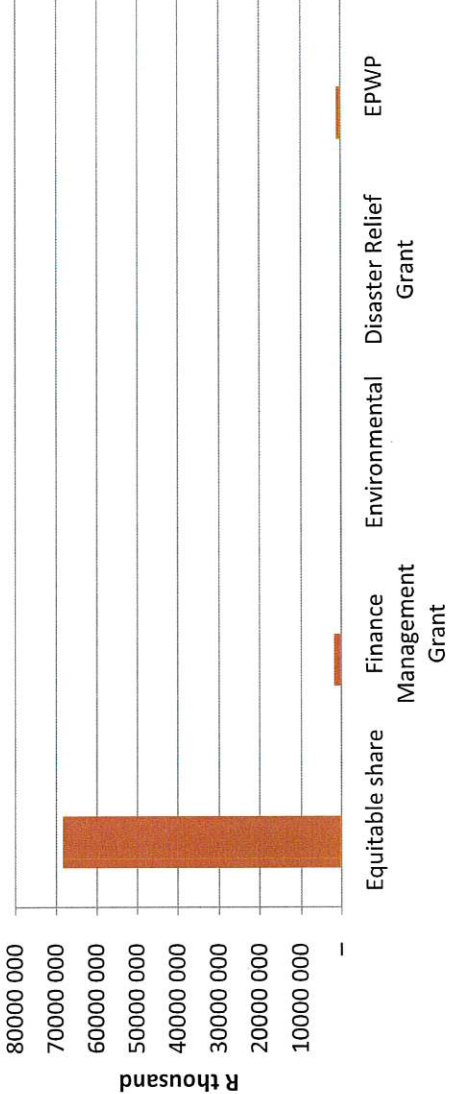
Equitable share



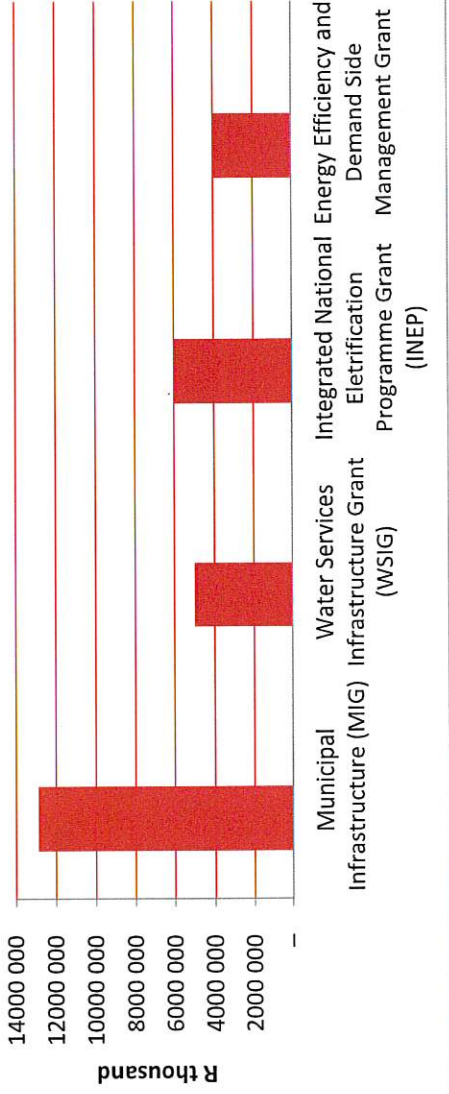
Choose name from list - Supporting Table SA19 Expenditure on transfers and grant programme

programme		Description		Ref	2019/20		2020/21	2021/22	Current year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome		Audited Outcome		Audited Outcome		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
EXPENDITURE:		###														
-																
<u>Operating expenditure of Transfers and Grants</u>																
National Government:																
Equitable share			(53 275)		38 843		64 769		73 633		71 245		69 302		73 532	
Finance Management Grant			(53 632)		38 660		62 498		70 460		68 372		66 252		71 332	
Environmental					183		812		2 100		1 800		2 100		2 200	
Disaster Relief Grant							1 459									
EPWP			357						1 073		1 073		950			
Energy Efficiency and Demand Side Management Grant																
Provincial Government:			-		-		725		1 000		1 000		-		-	
EPWP																
Library			-		-		725		1 000		1 000		-		-	
District Municipality:			-		-		-		-		-		-		-	
Other grant providers:			42		173		1 011		600		600		902		932	

Grant Performance 2022/23 - OPEX National



Grant Performance 2022/23- CAPEX National



Transmission & Reticulation	0	0	2 300 000	-6 505 430	8 625 000	10 000 000	12 000 000
Street Lighting	-	-	-	-	-	-	-
Infrastructure: Water – Total	182	14 225	4 880	4 761	9 298	13 575	14 369
Dams & Reservoirs	-	-	-	-	3 900 000	-	-
Water purification	-	-	-	-	-	-	-
Reticulation	182 000,00	14 225 000	4 880 459	4 760 532	5 398 000,00	13 575 000,00	14 369 000,00
Infrastructure: Sanitation - Total	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-
Infrastructure: Other – Total	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Community – Total	-	-	-	-	10 000	-	-
Parks & gardens	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	10 000 000,00	-	-
Swimming pools	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-
Other	-	0	-	-	-	-	-
Table continued next page							

List sub-class	-	-	-	-	-	-	-	-
<u>Biological assets</u>	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-
<u>Intangibles</u>	149	-	-	-	-	-	-	-
Computers - software & programming Other (list sub-class)	149 000,00	0	-	-	-	-	-	-
Total Capital Expenditure on new assets	2 549	14 225	7	(1 625)	44 003	23 575	26 369	
<u>Specialised vehicles</u>	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	T.M.I
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)								
								R '000
Description	2022/23 Actual	Original Budget	Adjustment Budget	Actual Expenditure	Planned Capital expenditure	2025/26	2026/27	
<u>Capital expenditure by Asset Class</u>								
<u>Infrastructure – Total</u>	-	-	-	-	-	-	-	
Infrastructure: Road transport -Total	-	-	-	-	-	-	-	
Roads, Pavements & Bridges	0	0	0	0	0	-	-	

Other	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Table continued next page							
Table continued from previous page							
Capital Expenditure - Upgrade/Renewal Programme*							
Description	2022/23	2023/24		Planned Capital expenditure			R '000
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2024/25	2025/26	
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
General vehicles	-	0	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-
Plant & equipment	-	0	0	0	-	-	-
Computers - hardware/equipment	-	-	-	-	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-

Appendix A

Councillors, Committees Allocated and Council Attendance						
Council Members	Full Time / Part Time		Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
		FT/PT				
Ophaketse (Chairperson)	Edwin	Hantise	Municipal Finance Committee	ANC	6%	3%
Ophaketse Edwin Hantise			Executive Committee - EXCO	ANC	10%	0%
Virginia Keloneitwe Dithupa			Public Basic Development and Town Planning Works, Service	ANC	10%	0%
Henriette Du Plessis			Community Service & Corporate Services	DA	10%	2%
Johannes Theophilus Roman			Local Labour Forum	ANC	7%	4%
Anna Morwe			Public Basic Development and Town Planning Works, Service	DA		
Neo Magagane			MPAC	ANC	5%	2%
Neville Mvuleni Koikoi			Community Service & Corporate Services	DA	10%	0%
Jeanette Makape			MPAC	GCF	8%	0%
Gatseone Dithupe			MPAC	EFF	10%	0%
Note: * Councillors appointed on a proportional basis do not have wards allocated to them						T A

Appendix B

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Non Technical Specification Committee	To develop general specification for procurement of goods and service
Technical Specification Committee	To develop technical specification for procurement of goods and service
valuation Committee	To evaluate bids for procurement of goods and service
Adjudication Committee	To adjudicate bids for procurement of goods and service
Local Labour Forum	Negotiating and/or consulting on matters of mutual concern pertaining to employer and employee
IDP Steering Committee	To prioritise community issues raised during the community consultation/IDP road shows
IT Steering committee	To establish an institution's IT priorities, as well as a governance framework to support these projects and initiatives
T B	

Appendix c

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Municipal Manager	Lebogang Seetile
Corporate Services	Vacant
Development and Town Planning	Thato Rapelang
Treasury and Budget	Mr. Aobakwe Makoku
Community Services	Vacant
Public Works and Basic Works	Mr. Kagiso Nick Osiang

Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).

TC

The Community Service Director post became vacant 7 years ago and the Corporate Services Director post became vacant on the 01st May 2023, after the Director Corporate Services was appointed as Municipal Manager

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 0 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor	Cll O E Hantise	None
Member of MayCo / Exco	Cll O E Hantise	None
	Cll Henriette Du Plessis	Remuneration outside work as Councilor (Consultant at Saacosh pay at R10. 000.00)
	Virginia K Dithupa	None
Councillor	Cll TM Motsoare	None
	Cll Sherperd Mines	None
	Cll Neville M Kaikoi	None
	Cll Jeanette Makape	None
	Goitseone Sekgapi	None
	Cll AJ Morwe	None
	Anna Caetane	None
	Cll NS Magagane	Director: Marara Construction- Cleaning Services (R300.000.00 PA), Royal Mnandi (R26.000.00- Director at Marara Construction pay - R60.000.00pa,
	Cll JT Roman	None

	Cll Lincoln M. Jaffa	None	
	Cll Thapelo E Tiroyame	None	
	Cll Boitumelo I Sebege	Shares: 50% at value of R3,000,000-Central Bridge Trading, 50% Blesbok 1 Properties at a value of R1,200,000.00, Branch Manager Voltex Pay R52,840pm before tax	
Municipal Manager	Lebogang Seetile	None	
Chief Financial Officer	Aobakwe Makoku	None	
Deputy MM and (Executive) Directors			
Other S54(A) Officials	KN Ositang		
	Thato Rapelang	None	
	George Loeto	None	
	Charles Phuti	None	
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A			T J

CHAPTER 6: AUDITED ANNUAL FINANCIAL STATEMENT AUDITED ANNUAL PERFORMANCE REPORT



GAMAGARA LOCAL MUNICIPALITY

ANNUAL PERFORMANCE REPORT 01 JULY 2023 - 30 JUNE 2024

ANNUAL PERFORMANCE REPORT 2023/2024 FINANCIAL YEAR

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CHAPTER 1

1.1 INTRODUCTION

Gamagara Local Municipality is committed to promoting a high-performance culture among political structures, political office bearers, councilors and its administration in the interest of ensuring accelerated service delivery to the community of Gamagara.

In the interest of ensuring performance management of the highest degree, the municipality developed a Performance Management Framework and Policy which offers a platform to implement, assess, monitor, measure, review and manage performance throughout the Municipality, thus committing the Municipality to achieving its stated objectives and performance standards.

It seeks to provide a comprehensive systematic planning; design and implementation that will help the municipality manage the process of performance planning and measurement effectively. It also serves to link the IDP, the Budget and a Performance Management System in a cycle of prioritized, affordable and accountable municipal planning and effective service delivery involving all staff and the local community.

This report covers the performance information from 01 July 2023 to 30 June 2024 and focuses on the implementation of the Service Delivery and Budget Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development Plan (IDP) for the year under review.

This report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2023/2024.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area. Each Municipal Key Performance Area (KPA) has several Municipal Key Performance Indicators (KPI's) which had been designed by the Gamagara Local Municipality to focus its development initiatives in a more coherent and organized manner.

This report will also endeavour to report to Council the Municipality's performance in terms of the seven (7) National Government's Strategic Key Performance Areas for local government, which are as follows:

- ✚ Basic Service Delivery and Infrastructure Development
- ✚ Local Economic Development
- ✚ Municipal Institutional Development and Transformation
- ✚ Municipal Financial Viability and Management
- ✚ Public Safety and Sustainable Environment
- ✚ Good Governance and Public Participation
- ✚ Spatial Development and Transformation

1.2 LEGISLATIVE FRAMEWORK

The Municipal Systems Act, 2000 (Act no. 32 of 2000) places an obligation on municipalities to develop a Performance Management System that is commensurate with their resources and best suited to their activities.

Performance Management is central to organizational strategic management and equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques for regular planning, continuous monitoring, and periodic measurement and review of the performance of the Municipality in terms of key performance indicators stipulated in the Integrated Development Plan (IDP).

As outlined in Section 40 of the Municipal Systems Act of 2000 and the Municipal Planning and Performance Management Regulations (2001), the Municipality must establish mechanisms to monitor and review its Performance Management System (PMS) to measure, monitor, review, evaluate and improve performance at organizational, departmental and employee levels.

Section 46 (1) (a) of the Municipal Systems Act (Act 32 of 2000), inter alia stipulates that a municipality must prepare for each financial year an annual report consisting of a performance report reflecting the following, among other things.

(i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year.

(ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year.

(iii) measures that were or are to be taken to improve performance;"

The Organisational Performance Management function of Gamagara Local Municipality is delivered by an internal Performance Management Unit within the Office of the Municipal Manager. The Performance Management unit consists of two permanent employees, i.e. one post of Manager: Performance Management and one post of Performance Management Officer.

1.3 SITUATIONAL ANALYSIS

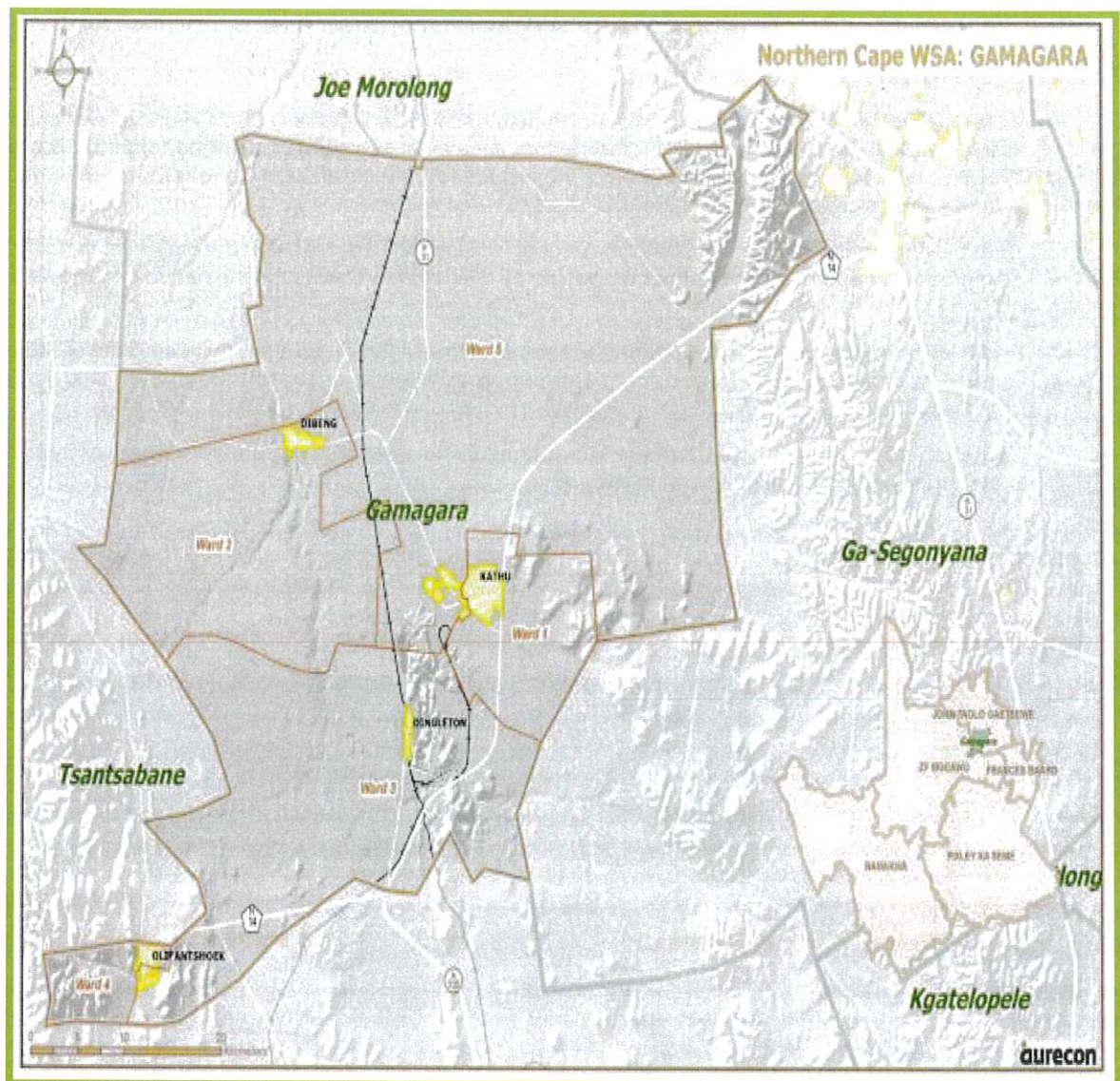
Gamagara is a category B local municipality, Gamagara Council status changed from a plenary system to a collective executive system combined with a ward participatory system, as declared by the Northern Cape Member of Executive Council for Local Government in terms of section 16 of the Municipal Structures Act.

The municipality is composed of four (4) towns which are Kathu, Sesheng, Olifantshoek and Dibeng. Dingleton has been relocated to Kathu due to mining activity that is planned by Sishen Iron Ore Mine. The municipality is classified as a small mining town.

The Gamagara Municipality serves an area of 2619 square kilometres, which is approximately 10% of the total John Taolo Gaetsewe District area. It is located in the north-eastern sector of the Northern Cape on the N14 National Road between Upington and Vryburg. It is approximately 200km north-east of Upington and 280km north-west of Kimberley.

The municipal area consist of the following wards namely:

- ✚ WARD 1: Kathu
- ✚ WARD 2: Babatas, Dibeng Town, Bestwood and Rheitzhof plots
- ✚ WARD 3: Diepkloof, Skerpdraai and Olifanthoek Town
- ✚ WARD 4: Dittloung and Welgelee
- ✚ WARD 5: Sesheng and Mapoteng
- ✚ WARD 6: 1/3 Kathu, Siyathemba, Rooisand and Smartietown
- ✚ WARD 7: Dibeng township
- ✚ Ward 8 : Siyathemba



Map 1: Municipal map

The municipality is located on the north easterly direction of the Northern Cape Province, along the N14 which connects Upington and Kuruman. It is approximately 200 km northeast of Upington and 280 km on the north westerly direction of Kimberley.

CHAPTER 2: ORGANISATIONAL PERFORMANCE MANAGEMENT

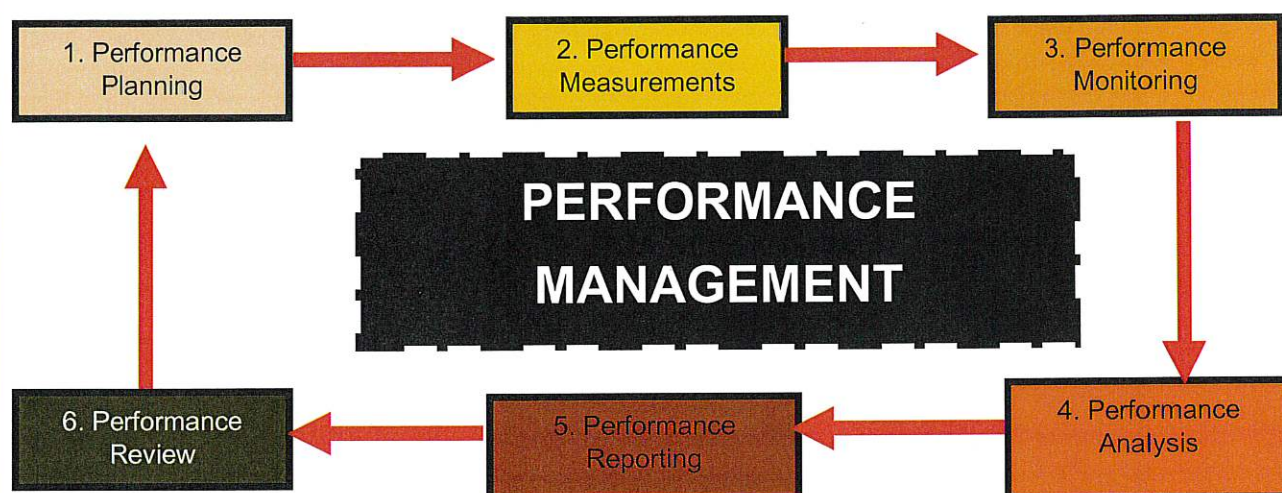
2.1 Executive Summary

This report serves as an Annual Institutional Performance Report for the 2023/24 financial year ending in June 2024. It provides feedback on the performance level achieved against the target set out in the SDBIP. In the case of underperformance, the respected concerns/mitigating reasons taken to address these challenges are included hereto.

The overall performance of Gamagara Local Municipality is based on a composite performance scorecard of each department accompanied by all indicators assessed in the period under review.

The legislative framework as set out above provides for performance management at various levels in a municipality including organizational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other

The process of managing performance at organizational level in the Gamagara Municipality involves the stages as set out in the following diagram:



2.2 Objectives of PMS

The Municipality's PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives as set out in the IDP. The PMS process plan includes the following objectives that the system should in addition fulfil:

2.2.1 Facilitate increased accountability

The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

2.2.2 Facilitate learning and improvement

The PMS should facilitate learning to enable the Municipality to improve delivery.

2.2.3 Provide early warning signals

It is important that the system ensure decision-makers are timeously informed of performance related risks, so that they can facilitate intervention, if necessary.

2.2.4 Facilitate decision-making

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources. The functions listed above are not exhaustive but summarise the intended benefits of the system.

2.3 Performance Audit Committee

The Audit, Risk and Performance Committee has been established since 2020 Gamagara Local Municipality entered into a Service Level Agreement (SLA) with the John Taolo Gaetsewe District Municipality. The Committee consists of three (3) independent members, reference to the charter and Auditor General Guidelines the committee must hold at least four meetings per year (Financial Year) Section 166 of the Municipal Finance Management Act (56 of 2003) in this instance.

During the year under review meetings were held to discuss matters relating to risk management, Internal Controls, governance processes, progress review on the implementation of internal and external audit findings and the financial statements.

2.3.1 Attendance of meetings for the 2023/24 financial year

Name of Member	Number of Meetings held during the year	Number of Meetings attended
Mr. J Snyders	5	5
Mr. K Nkoe	5	5
Mr. B Mathibela (Appointed 01 April 2024)	5	2

2.4 Performance Evaluation Panel

For purpose of evaluating the annual performance of managers directly accountable to the municipal manager, an evaluation panel constituted of the following persons must be established:

- ✚ Mayor
- ✚ Chairperson of the performance Audit Committee (PAC) or the Audit Committee (AC) in the absence of a Performance Audit Committee.
- ✚ Member of the Mayoral or Executive Committee or in respect of a plenary type of municipality, another member of Council.
- ✚ Municipal Manager from another municipality and
- ✚ The Manager responsible for Human Resources or Performance Management of the municipality must provide secretariat to the evaluation panels.

For purpose of evaluating the annual performance of managers directly accountable to the municipal manager, an evaluation panel constituted of the following persons must be established:

- ✚ Municipal Manager

- ✦ Chairperson of the performance Audit Committee (PAC) or the Audit Committee (AC) in the absence of a Performance Audit Committee.
- ✦ Member of the Mayoral or Executive Committee
- ✦ Municipal Manager from another municipality and
- ✦ The Manager responsible for Human Resources or Performance Management of the municipality must provide secretariat to the evaluation panels

In carrying out its mandate, the Audit, Risk and Performance Committee have a good understanding of the strategic goals of the Municipality, strategic focus areas as outlined in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP) and should perform the following functions:

- ✦ Review and comment on compliance with statutory requirements and performance management best practices and standards.
- ✦ Review and comment on the alignment of the Integrated Development Plan, the Budget, Service Delivery and Budget Implementation Plan and performance agreements.
- ✦ Review and comment on relevance of indicators to ensure they are measurable and relate to services performed by the Municipality.
- ✦ Review compliance with in-year reporting requirements.
- ✦ Review the quarterly performance reports submitted by internal audit.
- ✦ Review and comment on the Municipality's annual reports within the stipulated timeframes.
- ✦ Review and comment on the Municipality's performance management system and make recommendations for its improvement at least twice a year.
- ✦ At least twice during a financial year submit an audit report to the municipal council

2.5 Auditing of Performance Information

The Internal Audit function is also a shared service with the John Taolo Gaetsewe District Municipality. Co-ordinated and managed by an Internal Audit Manager within the office of the Municipal Manager. The Unit has Senior Internal Auditors and Internal Auditor Clerks.

As part of their scope, auditing of the Performance Management System and Predetermined Objectives are performed and reported on for each quarter in terms of the following internal audit plan:

AUDIT PROJECT	FOCUS AREA
Review of Performance Information Quarter 1	<ul style="list-style-type: none"> *Consistency in reporting *Measurability and Reliability *Performance Report Reviews *Compliance with relevant Laws and Regulations
Review of Performance Information Quarter 2	<ul style="list-style-type: none"> *Consistency in reporting *Measurability and Reliability *Performance Report Reviews

	*Compliance with relevant Laws and Regulations
Review of Performance Information Quarter 3	*Consistency in reporting *Measurability and Reliability *Performance Report Reviews *Compliance with relevant Laws and Regulations
Review of Performance Information Quarter 4	*Consistency in reporting *Measurability and Reliability *Performance Report Reviews *Compliance with relevant Laws and Regulations

2.6 Analysis of Performance Achievements

Performance Monitoring underpins the Municipality's Integrated Development Plan in terms of reviewing progress regularly in achieving the priorities and delivering value for money services. Early investigation into variances enables remedial action taken where appropriate.

In relation to the 2023/2024-year end performance results, the results are analyzed as follows:

61% of targets have been achieved against the 2023/2024 annual targets set, reflecting a decrease when compared to the 2022/2023 financial year where **73%** of targets were achieved.

37% of 2023/2024 annual targets were not achieved, reflecting a decline on performance when compared to the 2022/2023 financial year where **27%** of targets were not achieved.

The Performance Management System analysis has scored the achievement of individual key performance areas as follows:

no	KEY PERFORMANCE AREAS	% TARGET ACHIEVEMENTS
1.	Basic Service Delivery and Infrastructure Development	64%
2.	Public Safety and Sustainable Environment	80%
3.	Good Governance and Public Participation	60
4.	Socio and Economic Development	78%
5.	Spatial Development and Transformation	77%
6.	Municipal Transformation and Institutional Development	43%
7.	Municipal Financial Viability and Management	52%

2.6.1 Basic Service Delivery and Infrastructure Development

The Key Performance Area (KPA) Basic service Delivery and Infrastructure Investment had a total number of **14** planned targets in the 2023/24 financial year, **10** targets were achieved and **02** could not be achieved and **02** were discontinued, Total budget on capital projects was **R 22 492 000,00** and total Expenditure and capital projects was **R 18 660 212,31** which is 83% of the Total budget on capital projects.

2.6.2 Public Safety and Sustainable Environment (Community Services Department)

The Key Performance Area (KPA) Public Safety and Sustainable Environment had a total number of **15** planned targets in the 2023/24 financial year **12** targets were achieved in the quarter under review and **03** could not be achieved **00** were not applicable in the year under review.

18 229,8 cubic meters on removal of household solid waste in Kathu, Dibeng and Olifantshoek, Availability of three additional waste compactor vehicles with capacity of 19 cubic meter and two 15 cubic meters from January 2024.

The municipality managed to collect waste for both businesses and households during the quarter under review. Waste collection of **47 839,5** Cubic meters of solid waste removed for household in Kathu, Dibeng and Olifantshoek, and **17 641** Cubic meters of business waste removed in the last quarter of the financial year.

The provision of two additional refuse removal vehicles and a Front-end loader by contractor, had a huge relief. The capacity of **42** cubic meters for the super link and tipper of 17 cubic meter added up to addition removal capacity.

305 Water samples were submitted for analysis, to protect the community from a risk of water borne diseases, 18 quarterly Sewage effluent samples submitted for analysis, for bacteriological and chemical. Provision was made for additional samples in conjunction with CSIR and DWS.

A total of **316** environmental Inspections were conducted in businesses premises in all Gamagara areas to protect the community from Environmental risk and inspections of the correct operation of business. **145** Stop and approaches were conducted to improve road safety and to minimise road traffic transgression. Kathu Vehicle Testing Station (VTS) the machine was broken for the month April

To regulate the establishment of and control over cemeteries and matters relating to the interment of human remains all cemeteries were maintained and for recreational purposes, Parks were maintained throughout the quarter under review.

The Fire Prevention Division was established in **2016** by Rural Metro Fire and Rescue Services as a division of Gamagara Local Municipality and a total of incidents were attended to by the Fire division which includes, Fire Safety Inspections, Fire awareness and Training, Fire Hydrants Inspections as well as LPG Safety Inspections.

2.6.3 Good Governance and Public Participation

The Key Performance Area (KPA) Good Governance and Public Participation had a total number of **30** planned targets in the 2023/24 financial year, **18** targets were achieved and **12** could not be achieved and **0** were not applicable for the year under review.

The municipality has **4** ordinary Council meetings (07 Aug 2023, 12 Dec 2023, 31 January 2024 and 11 June 2024,) held in the year under review, **4** Management Meetings were held throughout the quarters there were caucus meetings as well. Secretarial support provided to all portfolio committees, and Exco meetings to perform its responsibilities as oversight body of council. Municipal Public Accounts Committee (MPAC) did not meet a minimum number of members to conduct a meeting.

The municipality managed to engage the communities through various communication channels. IDP Representative Forums as well as IDP Steering Committee Meetings were held to engage with different stakeholders. To determine the developmental needs of the communities IDP ward Consultative meeting were convened in all Wards.

2.6.4 Social and Economic Development

The Key Performance Area (KPA) Social and Economic Development had a total number of **09** planned targets in the 2023/23 financial year **06** target was achieved, **03** could not be achieved, **0** was not applicable for the quarter under review.

To develop SMME's and co-ops to enter the market space and to be in an advanced stage of doing business, a training was held on the **21** June 2024 at Mapoteng, the training had **two (2)** modules which is Central Supplier Database CSD and Request for Quotation (RFQ). A total number of **34** local SMME's benefited from the training.

In collaboration with stakeholders to enhance and develop economic opportunities LED Forum was held on the 26 June 2024.

2.6.5 Spatial Development and Transformation

The Key Performance Area (KPA) Spatial Development and Transformation had a total number of **13** planned targets in the 2023/24 financial year **10** target was achieved, **02** could not be achieved, **01** was not applicable in the year under review.

Land Use and Building Control awareness campaign conducted, to prevent / mitigate and respond to Land Use Developments control aspects. A total of **1325** building control inspections were conducted in the year under review. The Municipality had Community Awareness Campaigns, to engage the Public and consider public input with regards to Building Control regulations, Town Planning Regulations. Building control contravention is a method that is used to enforce and regulate illegal structures in line with Gamagara Building Control By-law and NBR, **499** Contraventions were issued.

Housing Consumer Education was held for the community of ward 3 and 4 in Olifantshoek on the 27th of June 2024. 37 people attended and were educated on the National Housing Needs Register the plan will include all jurisdiction of Gamagara Local Municipality

To ensure that all developments are compliant with SPLUMA requirements and administer Land Use Application for all development at Gamagara Local municipality Gamagara Council established its own Municipal Planning Tribunal (MPT) and four **(4)** MPT Meetings were held in the year under review. 87 land use contraventions were issued.

2.6.6 Municipal Transformation and Institutional Development

The Key Performance Area (KPA) Municipal Transformation and Institutional Development had a total number of 21 planned targets in the 2023/24 financial year **09** targets were achieved, **12** could not be achieved.

To provide adequate opportunities for the skills development of Employees and Councillors the Workplace Skills Plan was developed and submitted to LGSETA by 30 April 2024. A total of R2

To achieve high productivity levels and clarify all employees' roles and responsibilities, the Municipality started a process of drafting, reviewing and signing job descriptions.

2.6.7 Municipal Financial Viability and Management

The Key Performance Area (KPA) Municipal Financial Viability had a total number of 28 planned targets in the 2023/24 financial year, **18** targets were achieved, **10** could not be achieved and 00 were not applicable in the year under review.

The physical verification of Assets to ensure that they exist was conducted in this quarter under review. To ensure customers are aware of the indigents subsidy and encourage qualifying customers to register, an awareness campaign was conducted. Public consultations with communities in Gamagara before & after the draft Budget were held in April 2024 in all 08 wards.

The Audit Action Plan was developed and submitted to Council to improve measures to address Auditor General findings. Tabled key Schedule deadlines to Council in August to ensure there is a timetable that guides the IDP, Budget and PMS process. The Annual Financial Statement were submitted to Auditor General by the 31 August 2023

2.7 Service Delivery Key Highlights

Despite diverse challenges the municipality faced in the 2023/24 financial year, the municipality committed to its core business values and principles to deliver better services to all communities within our jurisdiction as enshrined in the Constitution of the Republic of South Africa and further affirmed by the Municipal Systems Act and Municipal Finance Management Act.

The following projects were successfully **accomplished in the 2023/24:**

KPI NO	Project Name	Project Progress to date
BSD003	Boreholes linked to Bulk water Pipeline in Olifantshoek	3 boreholes linked to bulk water pipeline in Olifantshoek, the project finished in December 2023.
BSD004	Construction of bulk water augmentation equipping of 3 boreholes in Dibeng	32% of work done on construction of bulk water augmentation equipping of 3 boreholes in Dibeng
BSD005	Water and Electrical meters audits conducted	A total of 5153 water and electrical meters audits conducted.
BSD006	Reservoir Pump station refurbished at Mapoteng	1 Reservoir Pump station refurbished at Mapoteng, project is completed and final hand over done on the 15 March 2024.
BSD007	Technical feasibility report for Implementation Readiness Study of Sesheng	1 Technical feasibility report for Implementation Readiness Study of Sesheng. PART A – Completed Technical Report approved by DWS. Municipality busy with PART B of the report.
BSD008	Construction work done for Internal sewer network for 797 households in Dibeng (Phase4)	85% Construction work done for Internal sewer network for 797 households in Dibeng (Phase4)
BSD0010	Construction of gravity flow sewer	69% work done in Constructing gravity flow

	network in Mapoteng	Sewer network to Mapoteng pump station by 30 th June 2024
BSD0012	Number of kilometres of internal roads resurfaced in Kathu	5.02 kilometres of internal roads resurfaced
BSD0013	Design Report for internal roads Upgraded in Dibeng	1 Design report for internal road upgrade in Dibeng
BSD0014	Design Report for internal roads Upgraded in Mapoteng	1 Design report for internal road upgrade in Mapoteng

2.8 Service Delivery Key Challenges (Basic Service Delivery and Infrastructure Development)

The Public Works and Basic Services Department, experienced service delivery challenges like community and business chambers protests and vandalism of completed boreholes. Geological challenges like high water tables, blasting of hard rocks on occupied areas and malfunctioning pumpstations affected the sewer project durations and costs.

The following projects were **not successfully** accomplished:

2.8.1 (BSD001) Installation of 700 LED Streetlight:

- ✚ The contractor was appointed on a 5-month contract to implement the project for 2023/24 financial year in accordance with LED lighting specifications approved by the Department of Energy (DOE).
- ✚ The Municipality experienced delays in the delivery of lights onsite from the Contractor, numerous correspondence and continuous follow-ups were done to no avail.
- ✚ After two months Contractor supplied LED lights The LED light sample verification failed to meet the DOE specification. The contractor failed to comply with the set standards.

2.8.2 (BSD002) High Mast Light installed in Dibeng, Babatas and Olifantshoek:

- ✚ The target is discontinued from the SDBIP because The Municipality is not the implementer, and the Funder (Khumani Mine) is responsible for procurement, implementation and finalisation of the project.
- ✚ It is very challenging for the Municipality to set targets for a project it is not implementing.

2.8.3 (BSD009) internal sewer network to 529 households in Dibeng (Phase 5)

- ✚ 10% connecting internal sewer network to 529 households in Dibeng (Phase 5) (Design completed)
- ✚ Contractor could not be appointed. BID was un-responsive and had to be referred for Re-advert. The project will be re-advertised in the first quarter of the 2024-25 Financial year.

2.8.4 (BSD0011) existing manholes covers replaced with lockable manholes

- ✚ Reprioritization of funds by the Funder (Kumba SLP) as a result the target was discontinued.

2.9 POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.9.1 Political Governance

The Gamagara Local Municipality Council is the highest decision-making organ, and it governs the Municipality. The council is responsible for developing policies and plays an oversight role in the implementation of those policies.

The Municipal Council comprises the governing and decision-making body of the Municipality whilst the municipal officials focus on the implementation of the Council resolutions.

The 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.

The core mandate of the Council is focused on the items listed below:

The municipal council is responsible for political governance and is made up of elected councilors who are led by the mayor. In general, the role of council includes:

- o **Exercise** the municipality's executive and legislative authority
- o **Provide**, democratic and accountable government.
- o **Encourage** the involvement of the community in municipal affairs.
- o **Ensure** services are provided in sustainable manner.
- o **Consult** the community about the level, quality, range and impact of services and the available options for service delivery.
- o **Promote** and **undertake** development in the municipality.
- o Contribute to realization of constitutional fundamental rights.
- o Develop mechanisms to consult the community and community organizations in exercising and performing its powers and functions

The operation of the council of Gamagara Local Municipality has been characterized by an atmosphere of stability and a cordial relationship with the administration and the community. The council has been able to execute its executive and legislative functions with sufficient support from the administration.

There has also been maximum cooperation between the councilors from the political parties that are represented in the council. The councilors have been united by the need to provide services and improve the lives of the community of Gamagara.

The Municipal Council has established the following Executive Committees to assist the executive mayor and council in terms of section 79 and 80 of the Local Government Structures Act No. 117 of 1998 and Regulations to exercise effective and efficient oversight role and its constitutional executive obligations:

- o **Finance Committee**
- o **Corporate Services and Community Services Committee**
- o **Public Works & Basic Services and Development & Town Planning**
- o **Municipal Public Accounts Committee**

2.10 Election of new Council

On the 01st of November 2021, Local Government Elections were held, and a new Council of Gamagara Local Municipality was inaugurated on the 23rd of November 2021.

Composition of Municipal Council and different portfolios

WARD	COUNCILLOR	PORTFOLIO	STATUS	POLITICAL PARTY	GENDER
1	Cllr. H. du Plessis	Ward 1, community service, cooperate service Chairperson and member and EXCO member	Ward Councilor	DA	Female
2	Cllr.K. Dithupe	Ward 2, LLF chairperson ,member of public works, basic services, Development and Town Planning. chairperson an	Ward Councilor	ANC	Female
3	Cllr. M Jaffa	Ward 3, MPAC member	Ward Councilor	ANC	Male
4	Cllr. T. Motsoare	Ward4 , ember of community service and corporate service portfolio	Ward Councilor	ANC	Male
5	Cllr.N. Magagane	Ward 5 , MPAC chairperson	Ward Councilor	ANC	Male
6	Cllr. A. Caetano	Ward 6 , Member of Municipal Finance Account Committee	Ward Councilor	DA	Female
7	Cllr. T. Tiroyame	Ward 7 , Member of Municipal Finance Account Committee	Ward Councilor	ANC	Male
8	Cllr. J. Roman	Mayor, finance committee portfolio chairperson, Ward 8, member of EXCO	Ward Councilor and mayor	ANC	Male
9	Cllr. S.Mines	Member of all portfolio portfolios	Proportional Representative Councilor	GCF	Female
10	Cllr. O.E Hantise	Development and town planning and public works and basic services portfolio chairperson and EXCO member	Proportional Representative Councilor	ANC	Male
11	Cllr. B. Sebegu	Member of public works, basic service and Town	Proportional Representative	DA	Male

WARD	COUNCILLOR	PORTFOLIO	STATUS	POLITICAL PARTY	GENDER
		Planning portfolio Committee	e Councilor		
12	Cllr. G. Sekgopi	Speaker	SPEAKER	EFF	Female
13	Cllr. N. Koikoi	Member of Community Services portfolio committee , Local Labour Forum member	Proportional Representative Councilor	DA	Male
14	Cll. Makape	Member of Municipal Finance Account Committee (MPAC)	Proportional Representative Councilor	GCF	Female
15	Cll A. Morwe	Member of Municipal Finance Account Committee (MPAC)	Proportional Representative Councilor	DA	Female

2.11 Administrative Government

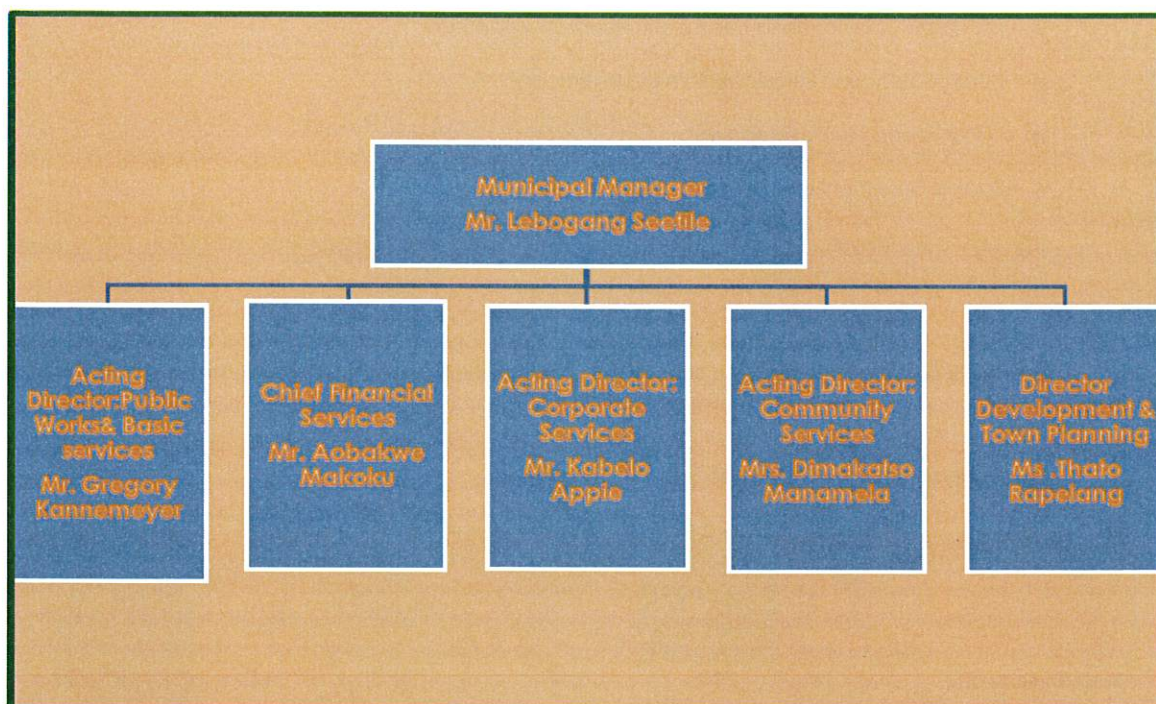
In terms of part 7 section 82 of the Municipal Structures Act 117 of 1998 as amended the Municipality must appoint the Municipal Manager who shall be the head of administration and therefore the Accounting Officer.

The Municipal Manager shall be required to uphold the prescripts of section 55 of the Municipal Systems Act, 32 of 2000 as amended. Some of which includes Municipal Council's policy directives to form and develop an efficient, economical, effective and accountable administration within the confines of all legislation and policies pertaining to Local Government.

The administration is made up of the following departments, which are headed by Directors: Corporate Services, Community Services, Development and Town Planning, Public Works and Basic Services and Financial Services.

Considering the size and intense nature of certain functions of the municipality, some of the functions may be provided on a shared based arrangement. Services like the Internal Audit, Performance Audit Committee is rendered as a shared services with the John Taolo Gaetsewe District Municipality.

The top organisational structure of the municipality is as follows:



2.12 Public Accountability and Participation

Public participation is at the core of municipal planning as provided for in Section 16 of the MSA (2000), which provides that "a Municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for, the local community to participate in the affairs of the Municipality".

Imperative to collaborative and participatory governance, is the structured stakeholder participation forums like the IDP Representative Forum, Sectoral Consultative Forums, the Ward Committee meetings, the Community Development Workers Programmes, business and private sector which facilitate consultation at different levels and scales.

In addition to these forums, stakeholders are encouraged to peruse the draft IDP documents for comments within the specific timeframes as provided for by the Municipal Systems Act, 2000.

Overall ward IDP consultative meetings are arranged to discuss the developmental programme of the municipality as informed by the same communities.

CHAPTER 3

3.1 SERVICE DELIVERY PERFORMANCE

In line with the strategic priorities of local government, the municipality's performance for the **2023/2024** financial year has been arranged to the following Key Performance Areas (KPA):

- ✚ Basic Service Delivery and Infrastructure Investment
- ✚ Municipal Financial Viability
- ✚ Good Governance and Public Participation

- ✚ Municipal Transformation and Institutional Development
- ✚ Public Safety and Sustainable Environment; and
- ✚ Local Economic Development
- ✚ Spatial Development and Transformation

The KPA's are divided into measurable and achievable Key Performance Indicators (KPI's) to ensure that the KPA's are achieved.

A total of 130 KPI's were identified and adopted as implementable. 77(59%) of the KPI's were achieved and 50(38%) were not achieved and 3 were discontinued during budget adjustments in the year under review.

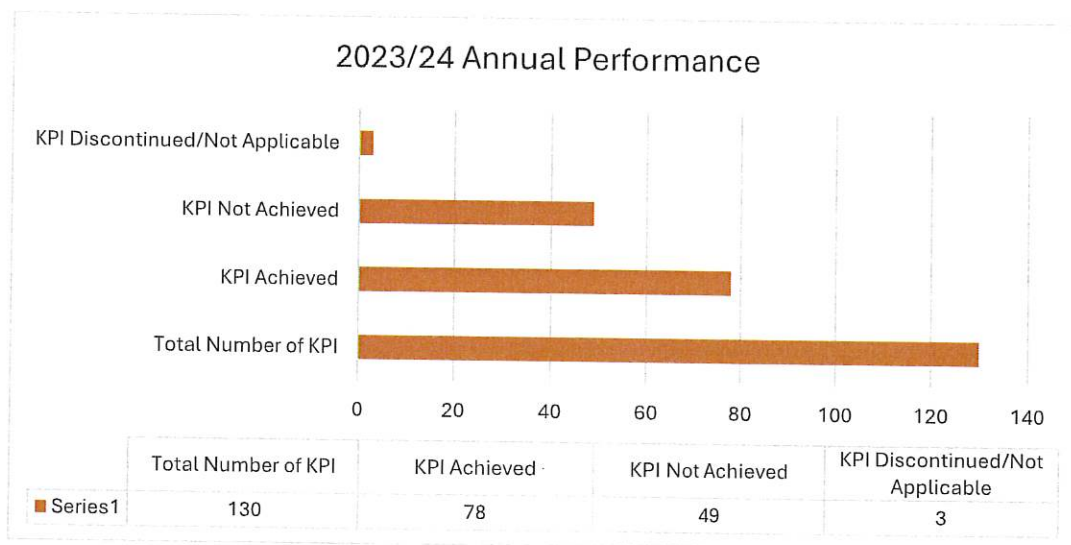
3.1.1 Performance Level of the Municipality

KEY PERFORMANCE AREA	NO OF KPI	KPI ACHIEVED	KPI NOT ACHIEVED	KPI DEFERRED/ DISCONTINUED	% ACHIEVED 2022/23	% ACHIEVED 2023/24	% Variance
Basic Services and Infrastructure Investment	14	09	03	02	67%	64%	3% Regression
Good Governance and Public Participation	30	18	12	0	100%	60%	43% Regression
Public Safety, and Sustainable Environment	15	12	03	0	79%	80%	1% Improvement
Municipal Financial Viability	28	13	15	0	48%	52%	2% Regression
Municipal Transformation and Institutional Development	21	09	12	0	70%	43%	27% Regression
Socio Economic Development	09	07	02	0	88%	78%	21% Regression
Spatial Development and Transformation	13	10	02	01	92%	77%	15% Regression
Total	130	78	49	03	73%	60%	13% Regression

3.1.2 General Depiction Performance Analysis

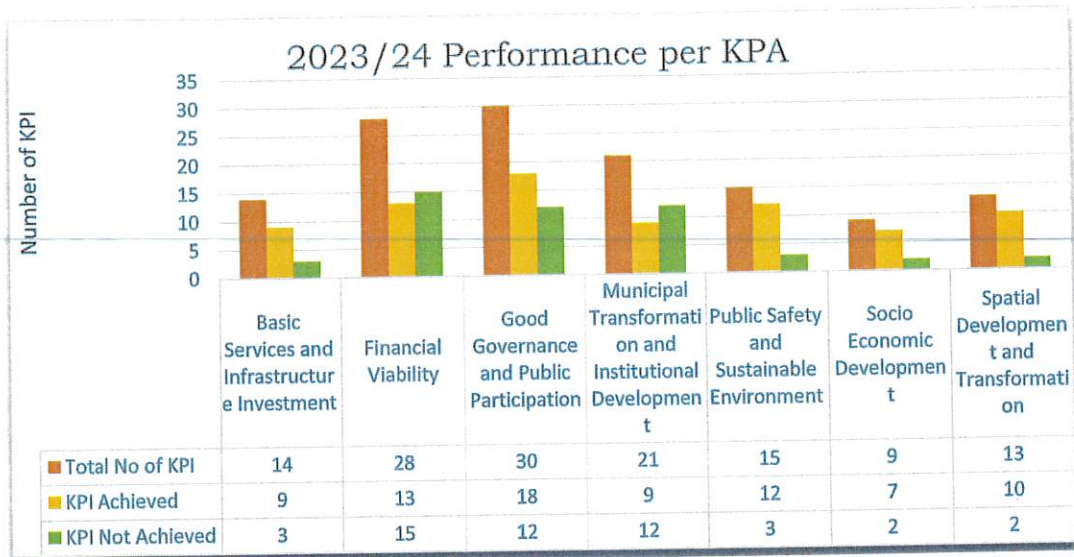
In the year under review, GLM committed to a total of 130 targets. 78 were achieved, 49 were not achieved and 3 were discontinued are as follows:

KPI/ IDP Project no	IDP Program	Adjustments	Reasons for adjustments
BSD002 (PBID 0058)	Installation of Solar High Mast lights installed	*Rectifies the KPI/IDP Project no *Rectified the IDP Program *Discontinued the Target	*The target is discontinued from the SDBIP because The Municipality is not the implementer and the Funder (Khumani Mine) is responsible for procurement, implementation and finalisation of the project. *It is very challenging for the Municipality to set targets for projects it is not implementing.
BSD0011	Existing manholes covers replaced with lockable manholes	*Adjusted the KPI *Adjusted the Annual Target *Rectified the KPI number	*Reprioritization of funds by the Funder (Kumba SLP) *Rectified the KPI Number *Rectified the IDP Program
SDT002	Subdivision, Rezoning and Servitude Registration of the Remainder of Farm 736 Kathu	KPI and Target restructured to meet the SMART Criteria	* The Municipality considered to appoint a pool of professional, where in one (1) company will be considered from the Panel for this project



3.1.3 Annual Performance per KPA

Improvements and regressions of performance levels were experienced in the KPA as depicted in the table below. The Municipality's performance in terms of the National Government's Strategic Key Performance Areas for local government, which are (1) Basic Service Delivery and infrastructure Investment; (2) Local Economic Development; (3) Municipal Transformation and Institutional Development; (4) Municipal Financial Viability and Management and (5) Good Governance and Public Participation, GLM added the sixth KPA (6) Public Safety and Sustainable Environment and the seventh (7) KPA which is Spatial Development and Transformation.



3.1.4 The year-on-year Annual Performance Comparison

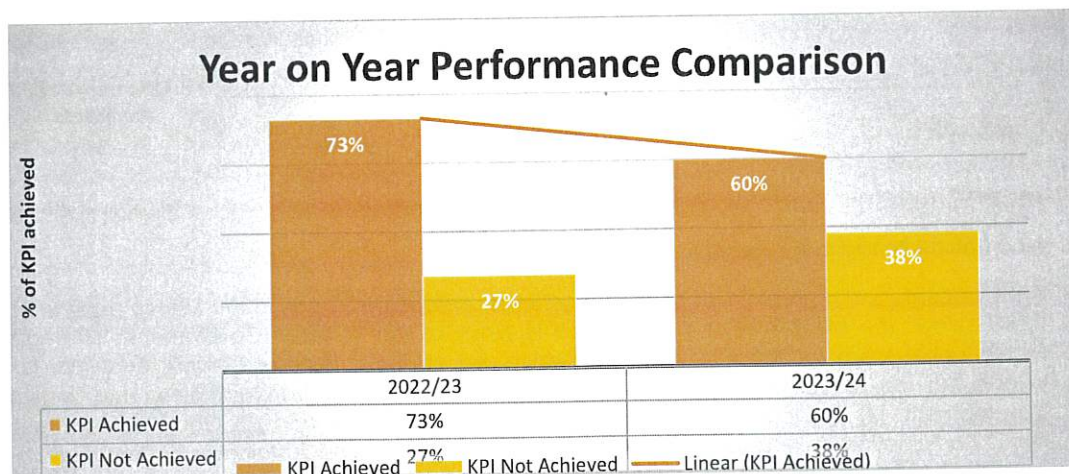
In terms of section 46 (1) of the Local Government: Municipal Systems Act, 32 (Act 32 of 2000); which stipulates as follows: (1) (b) a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year.

In the **2023/24** financial year **130 KPI's** were identified and adopted as implementable. A total of **78 Targets (60%)** of the KPI's were achieved and **49 (38%)** were not achieved.

In the **2022/23** financial year **95 KPI's** were identified and adopted as implementable. A total of **69 Targets (73%)** of the KPI's were achieved and **26 (27%)** were not achieved.

The overall Key Performance Indicators achieved for the **2022/23** financial year was **73%** and for the **2023/24** financial year is **60%**, which is a regression of **13%** in both the financial years.

The graph below depicts a regression of **13%** in the overall performance, when comparing the two financial years **2022/23** and **2023/24** financial years.



CHAPTER 4: COMPREHENSIVE SERVICE BUDGET IMPLEMENTATION PLAN (SDBIP)

4.1 Service Delivery Budget Implementation Plan

The full analysis of the municipality's performance against its commitments set in the Service Delivery Budget Implementation Plan (SDBIP) for the **2023/24** financial year is presented in the table below.

The key performance indicators (KPI's) as reflected in the SDBIP are directly linked to the development priorities and objectives as set out in the reviewed Integrated Development Plan (IDP) of the Municipality. In compliance with the Act and the PMS Regulations there must be a seamless link between the IDP, the SDBIP and the budget for the particular financial year.

In measuring and reporting on the performance of the municipality, all departments were requested to prepare their performance reports supported by the portfolio of evidence to prove that the set targets were met and where targets were not met reasons for not achieving the set targets were provided. Again, the corrective measures to improve the situation or a plan that will ensure that the targets are achieved in the coming quarter are prepared.

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for **2023/2024**.

DEPARTMENT: OFFICE OF THE MUNICIPAL MANAGER												
NATIONAL KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION												
STRATEGIC OBJECTIVE: TO PROMOTE GOOD GOVERNANCE AND ENHANCE ACTIVE CITIZENRY												
DP Programme	Ward	KPI No	Key Performance Indicator	Baseline Unit of Measurement	Budget	Output	Previous Year 01 st July 2022-30 th June 2023	Overall Performance 01 st July 2023- 30 June 2024		Reason for deviation/	Remedial Action	POE'S
							Actual Performance 2022/23	Annual Projected Target 2023/24	Annual Actual Performance 2023/24	Reason for Outstanding Performance		
To promote oversight and public accountability	All Wards	MM002 (GG0013)	Initial Indicator	2 Audit Com meetings held Number of meetings	OPEX	5 Audit, Risk and Performance Audit Committee meetings held in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u>	<u>Achieved</u>	Not applicable	Not applicable	*Attendance registers *Minutes of the meeting
			Number of Quarterly Performance Audit Committee meetings held by 30 June 2024					4 Quarterly Performance Audit Committee meetings held by 30 June 2024	5 Audit, Risk and Performance Audit Committee meetings held as at 30 June 2025			
			Adjusted Indicator					<u>Adjusted Target</u>				
			None					None				

To manage risks to the Municipality	All Wards MM003 (GG0014)	Number of Strategic risk register reviewed by 30th of September 2023 <u>Adjusted Indicator</u> Strategic risk register reviewed by 31 May 2024	New Indicator Date of review	OPEX	The process of reviewing the Strategic risk register overlapped to the 2024/2025 financial year	Not Applicable in the previous financial year	<u>Initial Target</u> 1 Strategic risk register reviewed by 30th of September 2023 <u>Adjusted Target</u> Strategic risk register reviewed by 31 May 2024	<u>Not Achieved</u> Strategic risk register reviewed but not finalized	Due to non-availability of the stakeholders the Strategic Risk Register process was started in July	Prioritise the finalization of the Strategic Risk Register	*Council Resolution and Strategic Risk register
To manage risks of the Municipality	All Wards MM004 (GG0015)	<u>Initial Indicator</u> Number of Risk Management Policy reviewed by 30th of September 2023 <u>Adjusted Indicator</u> Risk Management Policy reviewed by 31 May 2024	New Indicator Date of review	OPEX	Risk Management Policy reviewed but council only managed to approve it on the 06 August 2024	Not Applicable in the previous financial year	<u>Initial Target</u> 1 Risk Management Policy reviewed by 30th of September 2023 <u>Adjusted Target</u> Risk Management Policy reviewed by 31 May 2024	<u>Not Achieved</u> Risk Management Policy reviewed and approved by council on 06 August 2024	Due to council not forming a quorum the Risk Management Policy reviewed but was not approved by council	Risk Management Policy was re-submitted to council and approved by 06 August 2024	Council Resolution and Risk Management Policy
To improve public participation	All Wards MM005 (GG0016)	<u>Initial Indicator</u> Number of Communication Strategy reviewed by 30th of June 2024 <u>Adjusted Indicator</u> Communication Strategy reviewed by 30th of June 2024	Not available Date of Review	OPEX	The Communication Strategy was reviewed and submitted to council for approval, but council did not form a quorum	Not Applicable in the previous financial year	<u>Initial Target</u> 1 Communication Strategy reviewed by 30th of June 2024 <u>Adjusted Target</u> Communication Strategy reviewed by 30th of June 2024	<u>Not Achieved</u> Communication Strategy reviewed but not approved by council	Due to non-sitting of Council in May Month Communication Strategy Could not be approved	The Speaker of council to urge Council members to expedite approval of the Communication Strategy	Council Resolution and Copy of the Strategy

To improve public participation	All Wards	MM006 (GG0017)	<p><u>Initial Indicator</u></p> <p>Number of Newsletter developed by 30th of June 2024</p> <p><u>Adjusted Indicator</u></p> <p>Newsletter developed by 30th of June 2024</p>	Not available	Date of development of the newsletter	OPEX	Newsletter developed in the year under review	Not Applicable in the previous financial year	<p><u>Initial Target</u></p> <p>1 Newsletter developed by 30th of June 2024</p> <p><u>Adjusted Target</u></p> <p>Newsletter developed by 30th of June 2024</p>	<p><u>Achieved</u></p> <p>Newsletter developed as at 30 June 2024</p>	Not Applicable	Not Applicable	Copy of the newsletter
To improve public participation	All Wards	MM007 (GG0018)	<p><u>Initial Indicator</u></p> <p>Number of Community satisfaction survey conducted by 30th June 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	Not available	Number of Community satisfaction survey conducted	OPEX	Community satisfaction survey conducted in the year under review	Not Applicable in the previous financial year	<p><u>Initial Target</u></p> <p>1 Community satisfaction survey conducted by 30th June 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Achieved</u></p> <p>Community satisfaction survey as at 30 June 2024</p>	Not Applicable	Not Applicable	Survey Report

To improve public participation	All Wards MM008 (GG0019)	<p>Initial Indicator</p> <p>Number of Council Letsema outreach programmes to communities conducted by 30th June 2024</p> <p>Adjusted Indicator</p> <p>Number of Mayoral programmes conducted by 30th June 2024</p>	Not available	Number of Letsema outreach Programmes	OPEX	Mayoral programmes conducted in the year under review	Not Applicable in the previous financial year	<p>Initial Target</p> <p>16 Council Letsema outreach programmes to communities conducted by 30th June 2024</p> <p>Adjusted Target</p> <p>16 Mayoral programmes conducted by 30th June 2024</p>	<p>Achieved</p> <p>Mayoral programmes conducted 30 June 2024</p>	Not Applicable	Not Applicable	Letsema outreach programmes Report
To ensure legal compliance	All Wards MM009 (GG0020)	<p>Initial Indicator</p> <p>Number of Corruption and Fraud Prevention Policy reviewed by 30th September 2023</p> <p>Adjusted Indicator</p> <p>Corruption and Fraud Prevention Policy reviewed by 31 May 2024</p>	2011 Corruption Fraud Prevention Policy	Date of review of Corruption and Fraud Prevention Policy	OPEX	Fraud Prevention Policy reviewed but it's not approved by council In the year under review	Not Applicable in the previous financial year	<p>Initial Target</p> <p>1 Corruption and Fraud Prevention Policy reviewed by 30th September 2023</p> <p>Adjusted Target</p> <p>Corruption and Fraud Prevention Policy reviewed by 31 May 2024</p>	<p>Not Achieved</p> <p>Fraud Prevention Policy reviewed but it's not approved by council</p>	Due to non-sitting of Council Strategy Corruption and Fraud Prevention Policy Could not be approved	The Speaker of council to urge Council members to expedite approval of the Corruption and Fraud Prevention Policy	Council Resolution and Copy of the Strategy

To involve communities in municipal affairs	All Wards	MM0010 (GG0021)	<p>Initial Indicator</p> <p>Number of Quarterly reports on Ward Committee meetings by 30th June 2024</p> <p>Adjusted Indicator</p> <p>None</p>	New Indicator	Number of reports on Ward Committee meetings	OPEX	3 Quarterly reports on Ward Committee meetings in the year under review	Not Applicable in the previous financial year	<p>Initial Target</p> <p>4 Quarterly reports on Ward Committee meetings by 30th June 2024</p> <p>Adjusted Target</p> <p>None</p>	<p>Not Achieved</p> <p>3 Quarterly reports on Ward Committee meetings as at 30 June 2024</p>	General election of May 2024 hampers the intended program of the Speakers office	Draw new program of action to fill the vacancies and induction of all ward committee members	Ward Committee
To ensure effective and efficient strategic integrated planning	All Wards	MM0011 (GG0022)	<p>Initial Indicator</p> <p>Number of Top-layer SDBIP annually approved by the Mayor within 28 days of the approval of the budget</p> <p>Adjusted Indicator</p> <p>Top-layer SDBIP annually approved by the Mayor within 28 days of the approval of the budget</p>	2022/23 Top-layer SDBIP	Date of approval by the Mayor	OPEX	Top-layer SDBIP not approved by the mayor within 28 days of the approval of the budget	Not Applicable in the previous financial year	<p>Initial Target</p> <p>1 of Top-layer SDBIP annually approved by the mayor within 28 days of the approval of the budget</p> <p>Adjusted Target</p> <p>Top-layer SDBIP annually approved by the mayor within 28 days of the approval of the budget</p>	<p>Achieved</p> <p>Top-layer SDBIP not approved by the mayor within 28 days of the approval of the budget</p>	Council only managed to approve the IDP in July and the SDBIP process was delayed	The Speaker of council to urge members to adhere to legislated timeframes	Approved SDBIP

To review and report IDP Implementation progress against predetermined objectives	All Wards MM0013 (GG0024)	<u>Initial Indicator</u> Number of Quarterly Performance Report submitted to Council within 30 days after the end of each quarter by 30 June 2024 <u>Adjusted Indicator</u> None	2022/23 Reports Number of Performance Report submitted to Council OPEX	4 Quarterly Performance Report submitted to Council in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u> 4 Quarterly Performance Report submitted to Council within 30 days after the end of each quarter by 30 June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 Quarterly Performance Report submitted to Council	Not Applicable	Not Applicable	Council Resolution and copy of the Quarterly Performance Report
To ensure effective and efficient strategic integrated planning	All Wards MM0012 (GG0023)	<u>Initial Indicator</u> Number of Performance agreements signed by 31 July 2023 <u>Adjusted Indicator</u> None	2022/23 Performance agreements Number of signed Performance agreements OPEX	6 Performance agreements signed on the 31 July 2023	Not Applicable in the previous financial year	<u>Initial Target</u> 6 Performance agreements signed by 31 July 2023 <u>Adjusted Target</u> None	<u>Achieved</u> 6 Performance agreements signed as at 31 July 2023	Not Applicable	Not Applicable	Copy of signed Performance agreements

To review and report IDP implementation progress against predetermined objectives	All Wards	MM0014 (GG0025)	2022/23 Reports	Number of Mid-year Performance Report submitted to the Mayor	OPEX	Mid-year Performance Report submitted to the mayor in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u> 1 Mid-year Performance Report submitted to the mayor by 25th Jan 2024 <u>Adjusted Target</u> Mid-year Performance Report submitted to the mayor by 25th Jan 2024	<u>Achieved</u> Mid-year Performance Report submitted to the mayor as at 25 January 2024	Not Applicable	Not Applicable	Council Resolution and copy of the Mid-year Performance Report
To review and report IDP implementation progress against predetermined objectives	All Wards	MM0015 (GG0026)	2022/23 Reports	Date of submission of the Reports	OPEX	Annual Performance Report submitted to Auditor General in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u> Annual Performance Report submitted to Auditor General by 31st August 2023 <u>Adjusted Target</u> None	<u>Achieved</u> Annual Performance Report submitted to Auditor General as at 31 August 2023	Not Applicable	Not Applicable	Copy of the Report and Acknowledgement of receipt from Auditor General and a copy of the Annual Performance Report

To review and report IDP Implementation progress against predetermined objectives	All Wards	MM0016 (GG0027)	<u>Initial Indicator</u> Annual Report tabled to Council by 31st January 2024 <u>Adjusted Indicator</u> None	2022/23 Reports Date of Council approval	OPEX	Annual Report tabled was to Council in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u> Annual Report tabled to Council by 31st Jan 2024 <u>Adjusted Target</u> None	<u>Achieved</u> Annual Report tabled to Council at 31 Jan 2024	Not Applicable	Not Applicable	Council Resolution and a copy of the Annual Report
To review and report IDP Implementation progress against predetermined objectives	All Wards	MM0017 (GG0028)	<u>Initial Indicator</u> Oversight Report tabled to Council by 31st March 2024 <u>Adjusted Indicator</u> None	2022/23 Reports Date of Council approval	OPEX	Due to MPAC members not forming a Quorum the Oversight Report was not approved by council in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u> Oversight Report tabled to Council by 31st March 2024 <u>Adjusted Target</u> None	<u>Not Achieved</u> Due to MPAC members not forming a Quorum the Oversight Report could not be tabled to council for approval	MPAC members not forming a Quorum.	Oversight report will be tabled to the next ordinary Council meeting.	Council Resolution and a copy of the report Oversight Report

To develop ICT as an enabler	All Wards	MM0018 (GG0029)	<u>Initial Indicator</u> Number of ICT Steering Committee meetings held by 30 th June 2024 <u>Adjusted Indicator</u> Establishment of ICT Steering Committee meeting by 30 June 2024	New Indicator	Date of establishment of ICT Steering Committee meetings	OPEX	ICT Steering Committee meetings was not established in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u> 4 ICT Steering Committee meetings held by 30 th June 2024 <u>Adjusted Target</u> Establishment of ICT Steering Committee meeting by 30 June 2024	<u>Not Achieved</u> ICT Steering Committee meetings was not established as at 30 June 2024	The Municipality is yet to establish ICT Steering Committee	MM Needs to establish the committee.	Attendance Register and Minutes
To improve billing levels	All Wards	MM0019 (GG0030)	<u>Initial Indicator</u> Number of Revenue Enhancement Committee meetings held by 30 th June 2024 <u>Adjusted Indicator</u> None	New Indicator	Number of Revenue Enhancement Committee meetings	OPEX	Due to lack of Coordination and non-availability of Members Revenue Enhancement Committee meetings were not held in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u> 4 Revenue Enhancement Committee meetings held by 30 th June 2024 <u>Adjusted Target</u> None	<u>Not Achieved</u> Revenue Enhancement Committee was not held due to lack of coordination as at 30 June 2024	Lack of coordination of the Revenue Enhancement Committee	Revenue Enhancement Committee will be coordinated at the correct department in the next financial SD8IP	Attendance Register and Minutes

DEPARTMENT: PUBLIC WORKS AND SERVICES

NATIONAL KEY PERFORMANCE AREA: BASIC SERVICES AND INFRASTRUCTURE INVESTMENT

STRATEGIC OBJECTIVE: IMPROVE LIFE FOR ALL THROUGH SUSTAINABLE INFRASTRUCTURE INVESTMENT AND DEVELOPMENT

IDP Programme	Ward	KPI No./IDP No	Key Performance Indicator	Baseline	Unit of Measurement	Budget	Output	Previous Year 01 st July 2022-30 th June 2023	Overall Performance 01 st July 2023-30 th June 2024		Reason for deviation/ Reason for Outstanding Performance	Remedial Action	POE'S
								Actual Performance 2022/23	Annual Projected Target 2023/24	Annual Actual Performance 2023/24			
Energy Efficiency (DSM) (PBID 0011)	All wards	BSD001 (PBID 0011)	<u>Initial Indicator</u>	805 streetlights retrofitted	Number of LED Streetlight Installed	<u>Initial Budget</u>	Energy Efficiency Demand System Management Plan was not completed, no installation from the 700 LED Streetlight Fittinere done	<u>Achieved</u>	<u>Initial Target</u>	<u>Not Achieved</u>	Contractual disputes – Contractor delivered incorrect LED Street lights that were not according to the specifications	*Terminate the Contract. * Service provider was notified in writing that the LED Light samples were not in accordance with the specifications *Apply for roll-over to safeguard the funding or reapply for funding whichever is applicable *Project to be included in the procurement plan upon confirmation of funding *In future, incorporate the Specification on the appointment letter and Contract or SLA. *In future, the project manager must issue a formal approval or rejection letter of the sample within 7 days of inspection.	*Appointment Letter *Project Progress Report
			Number of LED streetlights retrofitted in all wards by 30th June 2024 <u>Adjusted Indicator</u> None			R4,000 000,00 <u>Expenditure</u> R0.00		Total of 905 LED streetlight fittings were procured and installed during these financial years	700 LED streetlights retrofitted in all wards by 30th June 2024 <u>Adjusted Target</u> None	(0) No LED streetlights were retrofitted in any wards as of 30th June 2024			

Upgrade of Infrastructure	All 3,4,2 and 7 BSD002 (PBID 0058)	<u>Initial Indicator</u> Number Solar High Mast lights installed in Dibeng, Babatas, and Olifantshoek by 30 June 2024 <u>Adjusted Indicator</u> Indicator discontinued	Not applicable as the Target is Discontinued	Solar High Mast lights installed in Dibeng, Babatas, and Olifantshoek	<u>Initial Budget</u> R18 000 000(Kumba SLP) Budget is with the Funder <u>Expenditure</u> The budget was with the Funder Khumani Mine Target was discontinued during SDBIP	Target is discontinued from the SDBIP because The Municipality is not the implementer, and the Funder (Khumani Mine) is responsible for procurement, implementation and finalisation of the project.	Not applicable in this financial year	<u>Initial Target</u> 10 Solar High Mast lights installed in Dibeng, Babatas, and Olifantshoek by 30 June 2024 <u>Adjusted Target</u> Target is discontinued	Not Applicable Target is discontinued from the SDBIP	because The Municipality is not the implementer and the Funder (Khumani Mine) is responsible for procurement, implementation and finalisation of the project.	Discontinue the Target from the SDBIP It is very challenging for the Municipality to set targets for a project if it is not implementing.	Not applicable
Develop reliable and sustainable water sources	Ward 3 & 4 BSD003 (PWS 0021)	<u>Initial Indicator</u> Number of boreholes linked to bulk water pipeline in Olifantshoek by 31st Dec 2023 <u>Adjusted Indicator</u> None	6 boreholes	Percentage of work done	<u>Budget</u> R 3 986 410. 94 (Budget for 2023/24) Multiyear project <u>Expenditure</u> R 3 986 410.94	3 boreholes linked to bulk water pipeline in Olifantshoek 31 st December 2023 in the nyear under review	Achieved Construction work for the bulk water link line from 3 boreholes to 7ML reservoir in Olifantshoek is at 45%	<u>Initial Indicator</u> <u>Initial Target</u> 4 boreholes linked to bulk water pipeline by 31st Dec 2023 <u>Adjusted Target</u> 4 boreholes linked to bulk water pipeline in Olifantshoek by 31st Dec 2023	<u>Not Achieved</u> 3 boreholes linked to bulk water pipeline in Olifantshoek as at 31 st December 2023	*The testing and commissioning were done at various stages of the project and only during commission one borehole was discovered to be problematic	*The Engineer's Completion certificate still certified that works carried out were deemed complete and in conformity with the provisions of the Contract. The fourth (4 th) borehole is to be re-tested after the rainy season prior to being reconnected to the system	*Project Progress Report *Payment Certificates

Develop reliable and sustainable water sources	Ward 7 & 2 BSD004 (PWS0017)	<p><u>Initial Indicator</u></p> <p>% of work done on construction of bulk water augmentation equipping of 5 boreholes in Dibeng by 30 June 2024</p> <p><u>Adjusted Indicator</u></p> <p>% of work done on construction of bulk water augmentation equipping of 3 boreholes in Dibeng by 30 June 2024</p>	Bulk water Augmentation and equipping of 3 boreholes.	Percentage of work done	<p><u>Adjusted Budget</u></p> <p>R 7 394 589.06 WSIG Multiyear project</p> <p><u>Expenditure</u></p> <p>R 4 659 495.58</p>	32% of work done on construction of bulk water augmentation equipping of 3 boreholes in Dibeng in the year under review	Not Applicable in this financial year	<p><u>Initial Target</u></p> <p>30% of work done on construction of bulk water augmentation equipping of 5 boreholes in Dibeng by 30 June 2024</p> <p><u>Adjusted Target</u></p> <p>30% of work done on construction of bulk water augmentation equipping of 3 boreholes in Dibeng by 30 June 2024</p>	<p><u>Achieved</u></p> <p>32% of work done on construction of bulk water augmentation equipping of 3 boreholes in Dibeng by 30 June 2024</p>	Not applicable	Not applicable	<p>*Advert</p> <p>*Appointment Letter</p> <p>*Payment Certificates/</p> <p>*Progress Reports on Construction of bulk water augmentation equipping of 3 boreholes in Dibeng</p>
Conduct water and electrical meter audit	Ward 1, 6, 7, 3 and 4 BSD005 (PWS 0038)	<p><u>Initial Indicator</u></p> <p>Number of water meters audits conducted by 30 June 2024.</p> <p><u>Adjusted Indicator</u></p> <p>Number of water and electrical meters audits conducted by 30 June 2024</p>	New indicator	Number of Water and electrical meter Audits	<p><u>Initial Budget</u></p> <p>R950 000.00 (EPWP)</p> <p><u>Expenditure</u></p> <p>R 950 000,00</p>	A total of 5153 water and electrical meters audits conducted in the year under review	Not applicable in this financial year	<p><u>Initial Target</u></p> <p>10002 water meters audits conducted by 30 June 2024</p> <p><u>Adjusted Target</u></p> <p>4000 water and electrical meter audits conducted by 30 June 2024</p>	<p><u>Achieved</u></p> <p>5153 water and electrical meters audits conducted by 30 June 2024</p>	Not applicable	Not applicable	<p>* Reports on water and electrical meter audits in Kathu, Olifantshoek, Dibeng</p>

Upgrade/refurbish Infrastructure	Ward 5 BSD006 (PWS0052)	<u>Initial Indicator</u> Number of Reservoir Pump station refurbished at Mapoteng by 30th June 2024 <u>Adjusted Indicator</u> None	New Indicator	Number of Reservoir Pump station refurbished at Mapoteng	<u>Budget</u> R3 000 000.00 (Kumba SLP) and Internal Funding R3 000 000.00 <u>Expenditure</u> R 1 624 566.74	1 Reservoir Pump station refurbished at Mapoteng, project is completed in the year under review by 30 June 2024	Not applicable in this financial year	<u>Initial Target</u> 1 Reservoir Pump station refurbished at Mapoteng by 30th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 1 Reservoir Pump station refurbished at Mapoteng as of 30 June 2024	Not applicable	Not applicable	*Project Progress Report *Payment Certificates
Increase bulk service to cater for future development Construction of Internal sewer network	Ward 5 BSD007 (PWS 0029)	<u>Initial Indicator</u> Number of Implementation Readiness Study final report for Sesheng by 30th June 2024 <u>Adjusted Indicator</u> Number of Technical feasibility report for Implementation Readiness Study of Sesheng by 30th June 2024	Draft IIS Report	Number of	<u>Initial Budget</u> R3 000 000.00 (Kumba SLP) <u>Expenditure</u> Budget with the Funder	1 Technical Report Implementation Readiness Study of Sesheng approved by DWS in the year under review	Not Achieved Draft implementation readiness study report for Sesheng 7ML reservoir and 1.7 ML elevated tower	<u>Initial Target</u> 1 Implementation Readiness Study final report for Sesheng by 30th June 2024 <u>Adjusted Target</u> 1 Technical feasibility report for Implementation Readiness Study of Sesheng by 30th June 2024	<u>Achieved</u> 1 Technical feasibility report for Implementation Readiness Study by 30 June 2024	Not applicable	Not applicable	*Project Progress Report *Payment Certificates

Significantly Reduce access to sanitation backlog within 5 years	Ward 2 and 7 BSD008 (PWS 0019 B)	<u>Initial target</u> Percentage of Construction work done for Internal sewer network for 797 households in Dibeng (Phase4) by 30 June 2024 <u>Adjusted Indicator</u>	Phase 3	Percentage of Construction work done	<u>Initial Budget</u> R2 000 000 (MIG) R16 100 000 (Kumba SLP) Multiyear Project <u>Adjusted Budget</u> R 6 000 000.00 <u>Expenditure</u> R 1 754 433.20	As at 30 June 2024 (85%) of Construction work done for Internal sewer network for 797 households in Dibeng (Phase4) <u>Activities</u> *Site Establishment *Excavations Soft *Excavations Rock *Pipe Work Manholes	Achieved 29.73% of work done in construction of full waterborne sanitation for 797 stands in Dibeng (Phase 4)	<u>Initial target</u> 100% of Construction work done for Internal sewer network for 797 households in Dibeng (Phase4) by 30 June 2024 <u>Adjusted Target</u> 80% of Construction work done for Internal sewer network for 797 households in Dibeng (Phase4) by 30 June 2024	Achieved 85% of Construction work done for Internal sewer network for 797 households in Dibeng (Phase4) by 30 June 2024	Not applicable	Not applicable	* Progress Reports on the Constructed internal sewer network in Dibeng *Expenditure Reports on the Constructed internal sewer network in Dibeng
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Significantly Reduce access to sanitation backlog within 5 years	Ward 2	SSD009 (PWS 0019 C)	<u>Initial Indicator</u>	Phase 4	Percentage of Construction work done	<u>R70 396 000.00</u> MIG Multiyear Project (Total Budget)	As at 30 June 2024 Only the Designs were completed. The project will be re-advertised for the appointment of the Contractor	Not applicable in this financial year	<u>Initial target</u>	10% (Design completed) connecting internal sewer network to 529 households in Dibeng (Phase 5) by 30 June 2024	Contractor could not be appointed. BID was un-responsive and had to be referred for Re-advert To be readvertised in Quarter 1	Project to be readvertised in Quarter 1 of the new financial year 2024/25	*Project Progress Report *Payment Certificates
	<u>Adjusted Indicator</u>		<u>Initial Budget</u> R 5 285 000.00 <u>Adjusted Budget</u> R 5 111 000.00 <u>Expenditure</u> R 865 283.53			<u>Adjusted Target</u> 15% work done connecting internal sewer network to 529 households in Dibeng (Phase 5) by 30th June 2024							

Upgrade/refurbish Infrastructure	Ward 5 BSD0010	<u>Initial Indicator</u> Percentage of work done in Constructing gravity flow Sewer network by 30th June 2024 <u>Adjusted Indicator</u> Percentage of work done in Constructing gravity flow Sewer network to Mapoteng pump station by 30th June 2024	Phase 4 Percentage of work done	<u>Initial budget</u> R20 000 000 <u>Funder</u> (Kumba SLP) Multiyear Project <u>Expenditure</u> <u>Budget is with the Funder</u>	69% work done in Constructing gravity flow Sewer network to Mapoteng pump station by in the year under review	Not applicable in this financial year	<u>Initial target</u> 50% work done Constructing gravity flow Sewer network to eliminate Mapoteng sewer pump station by 30th June 2024 <u>Adjusted Target</u> 50% work done in Constructing gravity flow Sewer network to Mapoteng pump station by 30th June 2024	<u>Achieved</u> 69% work done in Constructing gravity flow Sewer network to Mapoteng pump station by 30 th June 2024	Not Applicable	Not Applicable	• Progress Reports on the Construction of gravity flow Sewer network to Mapoteng sewer pump station
Upgrade/refurbish Infrastructure	Ward BSD0011 (PWS 0058)	<u>Initial Indicator</u> Number of existing manholes covers replaced with lockable manholes by 30th of June 2024 <u>Adjusted Indicator</u> Indicator is Discontinued	Not applicable as the Target is discontinued	<u>Initial budget</u> R5 000 000 <u>Funder</u> (Kumba SLP) The Budget is with the Funder <u>Expenditure</u> <u>Budget is with the Funder</u>	Target discontinued due of Reprioritization of funds by the Funder (Kumba SLP) *Rectified the KPI Number *Rectified the IDP Program	Not applicable in this financial year	<u>Initial target</u> 120 of existing manhole covers replaced with lockable manholes by 30th of June 2024 <u>Adjusted Target</u> Target discontinued. is	<u>Not Applicable</u> target is discontinued from the SDBIP	Due to Reprioritization of funds by the Funder (Kumba SLP) the Target is discontinued	Discontinue the Target from the SDBIP It is very challenging for the Municipality to set targets for a project it is not implementing.	Not Applicable

Upgrade/refurbish Infrastructure	Ward BSD0012	<u>Initial Indicator</u> Number of kilometres of internal roads ressealed in Kathu by 30th June 2024 <u>Adjusted Indicator</u> Number of kilometres of internal roads resurfaced in Kathu by 30th June 2024	New Indicator	Number of kilometres of internal roads resurfaced in Kathu <u>Initial budget</u> (R24 000 000 Kumba SLP) Method of surfacing from ressealing to Asphalt surfacing <u>Expenditure</u> Budget is with the Funder	A total of 5.02 kilometres of internal roads ressealed in Kathu (Dual carriageway are counted as two roads) In the year under review	Not applicable in this financial year	<u>Initial target</u> 3.1 kilometres of internal roads ressealed in Kathu by 30th June 2024 <u>Adjusted Target</u> 4 kilometres of internal roads resurfaced in Kathu by 30th June 2024	<u>Achieved</u> 5.02 kilometres of internal roads resurfaced in Kathu by 30th June 2024	Not Applicable	Not Applicable	Progress Reports on internal roads Upgraded in Kathu * Completion Certificate
Upgrade/refurbish Infrastructure	Ward BSD0013	<u>Initial Indicator</u> Number of Kilometres of Internal roads Upgraded in Dibeng by 30th June 2024 <u>Adjusted Indicator</u> Number of Design Report for internal roads Upgraded in Dibeng by 30th June 2024	New Indicator	Kilometres of Internal Road upgraded in Dibeng <u>Initial budget</u> Overall Budget R5 000 000.00 (2023/24 Budget R1 000 000 for Design Report) <u>Expenditure</u> Budget is with the Funder	1 Design report for Internal road upgrade in Dibeng in the year under review	Not applicable in this financial year	<u>Initial target</u> 2 kilometres of Internal Road upgraded in Dibeng by 30th June 2024 <u>Adjusted Target</u> 1 Design Report for Internal Road upgraded in Dibeng by 30th June 2024	<u>Achieved</u> 1 Design report for internal road upgrade in Dibeng by 30 June 2024	Not Applicable	Not Applicable	Progress Reports on internal roads Upgraded in Mapoteng * Design Report

Upgrade/refurbish Infrastructure	Ward B3D0014	<u>Initial Indicator</u> Number of Kilometres of Internal roads Upgraded in Mapoteng by 30th June 2024 <u>Adjusted Indicator</u> Number of Design Report for Internal roads Upgraded in Mapoteng by 30th June 2024	New Indicator Kilometres of Internal roads Upgraded in Mapoteng	<u>Initial budget</u> Overall Budget R6 000 000.00 (2023/24) Budget for Design Report R1 000 000 <u>Expenditure</u> Budget is with the Funder	1 Design report for internal road upgrade in Mapoteng attached in the year under review	Not applicable in this financial year	<u>Initial target</u> 2 kilometers of internal roads upgraded in Mapoteng by 30th June 2024 <u>Adjusted Target</u> 1 Design Report for Internal Road upgraded in by 30th Mapoteng June 2024	<u>Achieved</u> 1 Design report for internal road upgrade in Mapoteng by 30 June 2024	Not Applicable	Not Applicable	Progress Reports on Internal roads Upgraded in Mapoteng • Design Report
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DEPARTMENT: COMMUNITY SERVICES												
NATIONAL KEY PERFORMANCE AREA: PUBLIC SAFETY AND SUSUTAINABLE ENVIRONMENT												
STRATEGIC OBJECTIVE: TO FACILIATUE THE DEVELOPMENT OF THE COMMUNITY PRO-ACTIVE IDENTIFICATION, PREVENTION, MITIGATION, FIRE AND DISASTER												
DP Programme	Ward	KPI No	Key Performance Indicator	Baseline Unit of Measurement	Budget	Output	Previous Year 01 st July 2022-30 th June 2023	Overall Performance 01 st July 2023- 30 th June 2024		Reason for deviation/Reason for Outstanding Performance	Remedial Action	POE'S
							Actual Performance 2022/23	Annual Projected Target 2023/24	Annual Actual Performance 2023/24			
Create clean and safe Environmental control	All wards	SSSE001	<u>Initial Indicator</u>	200 cubic meters	OPEX	47 839.5 cubic meters on removal of household solid waste in Kathu, Dibeng and Olifantshoek	Achieved	<u>Initial Target</u>	<u>Achieved</u>	<u>Additional Machinery</u>	Not applicable	*Schedule of removals *Sawis Reports and *Quarterly Statistical Report
			Number of cubic meters on removal of household solid waste in Kathu, Dibeng and Olifantshoek by 30th June 2024				Total of 119 863.3 Cubic meters of solid waste removed	7200 cubic meters on removal of household solid waste in Kathu, Dibeng and Olifantshoek by 30th June 2024	47 839.5 cubic meters on removal of household solid waste in Kathu, Dibeng and Olifantshoek as at 30 June 2024	Availability of three additional waste compactor vehicles with capacity of 19 cubic meter and two 15 cubic meters from January 2024		
			<u>Adjusted Indicator</u>				<u>Corrected Performance</u>	<u>Adjusted Target</u>				
			None				Achieved Total of 41 639 Cubic meters of solid waste removed.	None				

Create clean and Safe Environmental control	All wards PSSE002	<p><u>Initial Indicator</u></p> <p>Number of cubic meters on removal of business waste in Kathu, Dibeng and Olifantshoek by 30th June 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	6000 Cubic meters Number of Cubic meters	OPEX	17641 cubic meters on removal of business solid waste in Kathu, Dibeng and Olifantshoek by 30 JUNE 2024	<p>Achieved</p> <p>A total 6406.2 Cubic meters of business waste removed.</p> <p><u>Corrected Performance</u></p> <p>Not Achieved</p> <p>A total 6783.2 Cubic meters of business waste removed</p>	<p><u>Initial Target</u></p> <p>5600 cubic meters on removal of business waste in Kathu, Dibeng and Olifantshoek by 30th June 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p>Achieved</p> <p>17641 cubic meters on removal of business solid waste in Kathu, Dibeng and Olifantshoek by 30 JUNE 2024</p>	<p>Additional Machinery</p> <p>Availability of three additional waste compactor vehicles with capacity of 19 cubic meter and two 15 cubic meters from January 2024</p>	Not applicable	<p>* Schedule of removals</p> <p>*Sawis Reports and</p> <p>*Quarterly Statistical Report</p>
Create clean and Safe Environmental control	All wards PSSE003	<p><u>Initial Indicator</u></p> <p>Number of Monthly Sewage effluent samples submitted for analysis by 30th June 2024</p> <p><u>Adjusted Indicator</u></p> <p>Number of Sewage effluent samples submitted for analysis in Dibeng, Olifantshoek and Kathu by 30th June 2024</p>	20 sewage samples Number of sewage effluent samples submitted for analysis	OPEX	70 quarterly Sewage effluent samples submitted for analysis. Bacteriological and chemical	<p>Not Achieved</p> <p>14 Sewage effluent samples submitted for analysis</p> <p><u>Corrected Performance</u></p> <p>Not Achieved</p> <p>16 Sewage effluent samples submitted for analysis</p>	<p><u>Initial target</u></p> <p>48 (12x4) Monthly Sewage effluent samples submitted for analysis by 30th June 2024</p> <p><u>Adjusted Target</u></p> <p>72 Sewage effluent samples submitted for analysis in Dibeng, Olifantshoek and Kathu by 30th June 2024</p>	<p>Not Achieved</p> <p>70 quarterly Sewage effluent samples submitted for analysis. Bacteriological and chemical as at 30 June 2024</p> <p>The target for Q1&Q2 was achieved by 34, which informed the adjustment to make Provision for additional samples according to the recommendations from CSIR and DWS which affected APR.</p>	<p>The adjusted targets that were made during Quarter 3 affected APR because, although Q1&Q2 was achieved, the targets were different from the initial planned targets</p>	<p>The target will be spread evenly over the four quarters in the new financial year</p>	<p>*Certificate of Acceptability</p> <p>*Analysis Report</p>

Create clean and safe Environmental control		<u>Initial Indicator</u> Number of Monthly Water samples submitted for analysis by 30 June 2024		OPEX		<u>Achieved</u> Total of 78 Water samples submitted for analysis		<u>Not Achieved</u> 305 quarterly water samples submitted for analysis. Bacteriological and chemical as at 30 June 2024	The adjusted targets that were made during Quarter 3 affected APR because, although Q1&Q2 was achieved, the targets were different from the initial planned target	The target will be spread evenly over the four quarters.	*Certificate of Acceptability *Analysis Report
All wards PSSE004		<u>Adjusted Indicator</u> Number of Water samples submitted for analysis by 30 June 2024			305 quarterly water samples submitted for analysis. Bacteriological and chemical	<u>Achieved</u> <u>Corrected Performance</u> Total of 81 Water samples submitted for analysis	<u>Initial Target</u> 108 water samples submitted for analysis 30 June 2024 <u>Adjusted Target</u> 324 water samples submitted for analysis 30	The target for Q1&Q2 was achieved by 143, which informed the adjustment to make Provision for additional samples according to the recommendations from CSIR and DWS which affected APR.			
	50 of water samples		Number of Water samples submitted for analysis								

Create clean and Safe Environmental control	All wards PSSE005	<u>Initial Indicator</u> Number of quarterly environmental inspections conducted in business premises in all areas of Gamagara by 30 June 2024 <u>Adjusted Indicator</u>	200 inspections were conducted Number of environmental inspections conducted in business premises in all areas of Gamagara	Opex	316 quarterly environmental inspection conducted in business premises in all areas of Gamagara Due to scheduled and unscheduled meeting and appointments caused the deviation in planning of the normal inspection schedule	Achieved 437 environmental inspection conducted in businesses premises. <u>Corrected Performance</u> Achieved 439 environmental inspection conducted in businesses premises	<u>Initial Target</u> 224 quarterly environmental inspection conducted in business premises in all areas of Gamagara by 30 June 2024 <u>Adjusted Target</u> 224 environmental inspection conducted in business premises in all areas of Gamagara by 30 June 2024	Achieved 316 quarterly environmental inspection conducted in business premises in all areas of Gamagara as at 30 June 2024	Not applicable	Not applicable	*Inspection Report * Acknowledgement of receipt by the owner
Create clean and Safe Environmental control	All wards PSSE006	<u>Initial Indicator</u> Number of monthly reports on maintenances for Kathu Parks, Mapoteng Park and Dibeng by 30 June 2024 <u>Adjusted Indicator</u> None	12 monthly Reports 2022/23 Number of maintenances for 3 parks	OPEX	12 monthly reports on maintenances for Kathu Parks, Mapoteng Park and Dibeng	Achieved 12 monthly reports on maintenance for 3 parks in areas of Gamagara	<u>Initial Target</u> 12 monthly reports on maintenances for Kathu Parks, Mapoteng Park and Dibeng by 30 June 2024 <u>Adjusted Target</u> None	Achieved 12 monthly reports on maintenances for Kathu Parks, Mapoteng Park and Dibeng as at 30 June 2024	Not applicable	Not applicable	* Monthly reports on maintenance for 3 parks

Create clean and Safe Environmental control	All wards PSSE007	<u>Initial Indicator</u> Number of monthly reports on maintenances for Kathu, Dibeng and Olifantshoek cemeteries by 30 June 2024 <u>Adjusted Indicator</u> None	12 monthly Reports 2022-23 Number of maintenances for cemeteries	OPEX	12 Monthly reports on maintenances for Kathu, Dibeng and Olifantshoek cemeteries	Achieved 12 monthly reports on maintenances for 5 cemeteries in all areas of Gamagara in the year under review <u>Initial Target</u> 12 monthly reports on maintenances for Kathu, Dibeng and Olifantshoek cemeteries by 30 June 2024 <u>Adjusted Target</u> None	Achieved 12 Monthly reports on maintenances for Kathu, Dibeng and Olifantshoek cemeteries as at 30 June 2024	Not applicable	Not applicable	* Monthly reports on maintenance for 5 cemeteries
Promotion of road safety	All wards PSSE008	<u>Initial Indicator</u> Number of Stop and approaches conducted by 30 June 2024 <u>Adjusted Indicator</u> None	60 Stop and approaches conducted Number of Stop and approaches	OPEX	145 Stop and approaches were conducted	Achieved 148 Stop and approaches conducted. <u>Initial Target</u> 144 Stop and approaches conducted by 30 June 2024 <u>Adjusted Target</u> None	Achieved 145 Stop and approaches as at 30 June 2024	Not applicable	Not applicable	* Stop and approaches Report and Registers

Promotion of road safety	All wards PSSE009	<u>Initial Indicator</u> Number of quarterly Road safety awareness programmes conducted by 30 June 2024 <u>Adjusted Indicator</u> None	4 Road safety awareness programmes Number of Road safety awareness programmes	OPEX	4 road safety awareness conducted	Achieved 4 Road safety awareness programmes conducted	<u>Initial Target</u> 4 quarterly Road safety awareness programmes conducted by 30 June 2024 <u>Adjusted Target</u> None	Achieved 4 road safety awareness as at 30 June 2024	Not applicable	Not applicable	* Road safety awareness programmes Report and Acknowledgement letter and or attendance register
Promotion of road safety	All wards PSSE010	<u>Initial Indicator</u> Number of monthly reports on the re-opening of Kathu Vehicle Testing Station by 30 June 2024 <u>Adjusted Indicator</u> Number of monthly reports on the Kathu Vehicle Testing Station by 30 June 2024	New Indicator Number of vehicles tested for roadworthiness	OPEX	5 monthly reports were on the Kathu vehicle testing station due to the VTS machine being broken and could not operate. And it was repaired it operated for the last two months of the quarter	Not in Jay it's a new Indicator	<u>Initial target</u> 12 monthly reports on the re-opening of Kathu Vehicle Testing Station by 30 June 2024 <u>Adjusted Target</u> 12 monthly reports on the of Kathu Vehicle Testing Station <u>Initial Target</u>	Not Achieved 10 monthly reports on the Kathu Vehicle Testing Station as at 30 June 2024	On the month of April VTS was broken and it was not operational.	VTS was repaired and Calibrated. It has been operational for the last two months of the quarter	* Report on number of vehicles tested for roadworthiness and Stats

Prevent, mitigate and rehabilitate effects of disaster	All wards	PSSE0011	<u>Initial Indicator</u> Number of quarterly disaster awareness programmes conducted by 30 June 2024 <u>Adjusted Indicator</u> None	Number of quarterly disaster awareness programmes	OPEX	12 disaster quarterly awareness programmes were conducted	Achieved 13 disaster awareness programmes conducted	<u>Initial Target</u> 4 disaster quarterly awareness programmes conducted by 30 June 2024 <u>Adjusted Target</u> None	Achieved 12 disaster quarterly awareness programmes as at 30 June 2024	Not applicable	Not applicable	Disaster Awareness program report
Prevent, mitigate, and rehabilitate effects of disaster	All wards	PSSE0012	<u>Initial Indicator</u> Number of quarterly Disaster management advisory forum meetings by 30th June 2024 <u>Adjusted Indicator</u> None	Number of Disaster management advisory forum meetings	OPEX	4 Disaster management advisory forum was held	Not Applicable in the previous year	<u>Initial Target</u> 4 quarterly Disaster management advisory forum meetings by 30 June 2024 <u>Adjusted Target</u> None	Achieved 4 Disaster management advisory forum as at 30 June 2024	Not applicable	Not applicable	Attendance registers and Minutes

Prevent, mitigate and rehabilitate effects of disaster.	All wards PSSE0013	<u>Initial Indicator</u> Number of monthly reports on fire incidents reported and responded to by 30th June 2024 <u>Adjusted Indicator</u>	12 reports on fire incidents reported Number of fire incidents	OPEX	12 monthly reports on fire incidents reported and responded	<u>Achieved</u> 12 monthly reports on fire incidents reported and responded	<u>Initial Target</u> 12 monthly reports on fire incidents reported and responded to by 30th June 2024 <u>Adjusted Target</u>	<u>Achieved</u> 12 monthly reports on fire incidents reported and responded as at 30 June 2024	Not applicable	Not applicable	Fire Incident report and relevant attachment. -Disaster Incident Report
Promote literacy, awareness, access to information and culture.	All wards PSSE0014	<u>Initial Indicator</u> Number of quarterly library awareness programmes conducted by 30th June 2024 <u>Adjusted Indicator</u> None	6 library awareness programmes Number library awareness programmes.	OPEX	4 library awareness programmes were conducted	Not Applicable in the previous year	<u>Initial Target</u> 4 quarterly library awareness programmes conducted by 30 June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 library awareness programmes were conducted as at 30 June 2024	Not applicable	Not applicable	*Library Awareness program report
Promote literacy, awareness, access to information and culture.	All wards PSSE0015	<u>Initial Indicator</u> % of quarterly library membership renewals received by 30th June 2024 <u>Adjusted Indicator</u>	New Indicator Percentage of quarterly library membership renewals received	OPEX	100% library membership renewals	Not Applicable in the previous year	100% quarterly library membership renewals received by 30th June 2024 <u>Adjusted Target</u>	<u>Achieved</u> 100% library membership renewals as at 30 June 2024	Not applicable	Not applicable	Reports on the renewals of membership - renewal forms.

DEVELOPMENT AND TOWN PLANNING													
NATIONAL KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
STRATEGIC OBJECTIVE: TO PROMOTE GOOD GOVERNANCE THROUGH ENHANCED STAKEHOLDER PARTICIPATION													
IDP Programme	Ward	KPI No	Key Performance Indicator	Baseline	Unit of Measurement	Budget	Output	Previous Year 01 st July 2021-30 th June 2022 Actual Performance 2022/23	Overall Performance 01 st July 2022- 30 th June 2023 Annual Projected Target 2023/24	Annual Actual Performance 2023/24	Reason for deviation/ Reason for Outstanding Performance	Remedial Action	POE'S
To ensure effective and efficient coordination of stakeholder relation	All wards	GG001	<u>Initial Indicator</u> Annual Council approved IDP/Budget and PMS process plan by 31 August 2023 <u>Adjusted Indicator</u> None	2022/23 IDP/Budget and PMS process plan	Date of Council approval	OPEX	Council approved the Annual IDP/PMS/Budget Process plan as per council resolution number (20230830/7)	Achieved Council approved the Annual IDP/PMS/Budget Process plan on the 30 th of August 2022	<u>Initial Target</u> Annual Council approved IDP/Budget and PMS process plan by 31 August 2023 Adjusted Target None	Achieved IDP Process plan approved by Council on the 30 August 2023	Not applicable	Not applicable	* Annual approved IDP Process plan *Council Resolution
To ensure effective and efficient coordination of stakeholder relation	All Wards	GG002	<u>Initial Indicator</u> Draft IDP document annually adopted by council by 31 March 2024 <u>Adjusted Indicator</u> None	2022/23 Draft IDP document	Date of Council adoption	OPEX	Council Approved the Draft IDP document as per council resolution number (20240328/5.2)	Draft IDP document annually adopted by council on the 30 th of March 2023	<u>Initial Target</u> Draft IDP document annually adopted by council by 31 March 2024 Adjusted Target None	Achieved Draft IDP document annually adopted by council on the 28 March 2024	Not applicable	Not applicable	Council resolution on the noted draft IDP

To ensure effective and efficient coordination of stakeholder relation	All Wards GG003	<u>Initial Indicator</u> Number of quarterly IDP steering committee meeting held by 30th of June 2024 <u>Adjusted Indicator</u> None	2022/23 meeting held	Number of meetings held	OPEX	4 quarterly IDP steering committee meetings convened 28 September 2023 06 December 2023 13 February 2023 07 June 2024	Not applicable in this financial year	<u>Initial Target</u> 4 quarterly IDP steering committee meetings held by 30th of June 2024 <u>Adjusted Target</u>	<u>Achieved</u> 4 quarterly IDP steering committee meetings held	Not applicable	Not applicable	Attendance Register and Minutes
To ensure effective and efficient coordination of stakeholder relation	All Wards GG004	<u>Initial Indicator</u> Number of quarterly IDP Representative forum meetings held by 30th of June 2024 <u>Adjusted Indicator</u> None	2022/23 meeting held	Number of meetings held	OPEX	The target was not achieved only two IDP Rep Forum meeting archived 28 September 2023 19 December 2023	Not applicable in this financial year	<u>Initial Target</u> 4 quarterly IDP Representative forum meetings held by 30th of June 2023 <u>Adjusted Target</u> 4 quarterly IDP Representative forum meetings held by 30th of June 2024	<u>Not achieved</u> The meeting was scheduled for Third and Fourth Quarter as per IDP process plan could not sit due to unavailability of councillors	The meeting for scheduled for Third and Fourth Quarter as per IDP process plan could not sit due to unavailability of councillors	To plan for the meeting earlier, first month of the quarter	Attendance Register and Minutes

To ensure effective and efficient coordination of stakeholder relation	All Wards	GG005	<u>Initial Indicator</u> Number of Public participation/roadshows held before and after the draft IDP by 30th June 2024 <u>Adjusted Indicator</u> None	2022/23 meeting held	Number of meetings held	OPEX	Road show/public participation held for all 8 wards within Gamagara jurisdiction physically	Not applicable in this financial year	<u>Initial Target</u> 2 Bi-Annual public participation/roadshows held before & after the draft IDP by 30th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> Road show/public participation held for all 8 wards within Gamagara jurisdiction physically	Not applicable	Not applicable	Attendance registers and minutes or Recording
To ensure effective and efficient coordination of stakeholder relation	All Wards	GG006	<u>Initial Indicator</u> Final IDP annually approved by Council by the 31st of May 2024 <u>Adjusted Indicator</u> None	2022/23 Final IDP document	Date of Council approval	OPEX	The Final IDP document was approved by council on the of 09 th July 2024	<u>Achieved</u> final IDP document approved by Council on the 31 st of May 2023	<u>Initial Target</u> Final IDP annually approved by Council by the 31st of May 2024 <u>Adjusted Target</u> None	<u>Not Achieved</u> Final IDP annually was only approved on the 09 th July 2024	The council item & draft IDP was submitted to council secretariat, however the council meeting did not take place as planned	The Speaker of council to urge members to adhere to legislated timeframes and the IDP process plan	Approved final IDP document and council resolution

DEVELOPMENT AND TOWN PLANNING

NATIONAL KEY PERFORMANCE AREA: SPATIAL DEVELOPMENT AND TRANSFORMATION

STRATEGIC OBJECTIVE: TO PROMOTE INTEGRATED AND SUSTAINABLE SPATIAL DEVELOPMENT WITH IN THE MUNICIPAL AREA

IDP Programme	Ward	KPI No	Key Performance Indicator	Baseline	Unit of Measurement	Budget	Output	Previous Year 01 st July 2022-30 th June 2023	Overall Performance 01 st July 2023- 30 th June 2024		Reason for deviation/ Outstanding Performance	Remedial Action	POE'S
								Actual Performance 2022/23	Annual Projected Target 2023/24	Annual Actual Performance 2023/24			
Create local economic development opportunities	All Wards	SDT001	<u>Initial Indicator</u>	4 Awareness campaigns 2022/23	Number of Awareness campaigns	OPEX	4 Awareness campaigns conducted 16 August 2023 17 October 2023 15 March 2023 16 April 2024	<u>Achieved</u>	<u>Initial Target</u>	<u>Achieved</u>	Not applicable	Not applicable	Attendance registers and Report on the awareness campaign
			<u>Adjusted Indicator</u> None					4 Awareness campaigns conducted 20 July 2022 14 Dec 2022 15 March 2023 09 May 2023	4 quarterly awareness campaigns on land use development held by 30 June 2024 <u>Adjusted Target</u> None	4 Awareness Campaign held as at 30 June 2024			

Create local economic development opportunities	All Wards	SDT002	<p><u>Initial Indicator</u></p> <p>Number of Application for Subdivision, Rezoning and Servitude Registration of the Remainder of Farm 736 Kathu submitted by 30 June 2024</p> <p><u>Adjusted Indicator</u></p> <p>Indicator Discontinue</p>	Advertisement of the Tender	Number of applications submitted	OPEX	<p>Target is discontinued from the SDBIP Because the Municipality considered to appoint a pool of professionals, where in one</p> <p>(1) company will be considered from the Panel for this project</p>	<p>Achieved</p> <p>Subdivision, Rezoning and servitude registration of the remainder of Farm 736 Kathu Advertised by 25 March 2023</p>	<p><u>Initial Target</u></p> <p>1 Application for Subdivision, Rezoning and Servitude Registration of the Remainder of Farm 736 Kathu submitted by 30 June 2024</p> <p><u>Adjusted Target</u></p> <p>Target discontinued</p>	<p><u>Not applicable</u></p> <p>Target is discontinued from the SDBIP</p>	Not applicable	Not applicable	Not applicable
Regulate spatial and land use development	All Wards	SDT004	<p><u>Initial Indicator</u></p> <p>Number of Quarterly Municipal Planning Tribunal Meetings convened by 30 June 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	2022/23 MPT Meetings	Number of MPT Meetings	OPEX	<p>4 MPT meetings convened</p> <p>15 Sept 2023</p> <p>11 Dec 2023</p> <p>17 February 2023</p> <p>13 June 2024</p>	<p>Achieved</p> <p>4 MPT meetings convened</p> <p>30 Sept 2022</p> <p>13 Dec 2022</p> <p>17 January 2023</p> <p>15 May 2023</p>	<p><u>Initial Target</u></p> <p>4 Quarterly Municipal Planning Tribunal Meeting Convened by 30 June 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Achieved</u></p> <p>4 Municipal Planning Tribunal Meeting Convened as scheduled as at 30 June 2024</p>	Not applicable	Not applicable	* Attendance register, minutes, and agenda

Regulate special and land use development	All Wards	SDT005	<u>Initial Indicator</u> Number of business plan developed for Kwazi Industrial hub by 30 June 2024 <u>Adjusted Indicator</u> None	Not available	Number of Business Plan	OPEX	1 Business plan Developed for Kwazi Industrial Hub	Not Applicable in the previous financial year	<u>Initial Indicator</u> 1 Business plan developed for Kwazi Industrial Hub by 30 June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 1 Business plan Developed for Kwazi Industrial Hub by 30 th June 2024	Not applicable	Not applicable	Business plan developed for Kwazi Industrial Hub
Identify and stimulate development opportunities through spatial transformation	All wards	SDT006	<u>Initial Indicator</u> Number of Precinct plan developed for Kathu and Ollifantshoek by 30 June 2024 <u>Adjusted Indicator</u> Number of business plan developed for Precinct Plan by 30 June 2024	Not available	Number of Precinct Plan	OPEX	Business Plan developed for Precinct Plan for Kathu and Ollifantshoek	Not Applicable in the previous financial year	<u>Initial Target</u> 1 Precinct plan developed for Kathu and Ollifantshoek by 30 June 2024 <u>Adjusted Target</u> 1 Business plan developed for Precinct Plan by 30 June 2024	<u>Achieved</u> 1 Business Plan developed for Precinct Plan on the 30 June 2024	Not applicable	Not applicable	Copy of Precinct plan for Kathu and Ollifantshoek
Enforce compliance with Land use Scheme and SPLUMA By-Law	All wards	SDT007	<u>Initial Indicator</u> Number of land use contravention letters issued by 30 June 2024 <u>Adjusted Indicator</u> None	Not available	Number of Contraventions	OPEX	87 Land Use Contravention letters issued in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u> 80 land use contravention letters issued by 30 June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 87 Land Use Contravention letter as at 30 June 2024	Not applicable	Not applicable	Contravention letters and report

Building plans assessment process controls measures	All wards SDT008	<p>Initial Indicator</p> <p>Number of 960 building control inspections conducted by 30 June 2024</p> <p>Adjusted Indicator</p> <p>Number of building control inspections conducted by 30 June 2024</p>	Number of inspections	Number of building inspections	OPEX	A total of 1325 building control inspections conducted in the year under review	Achieved 2080 building control inspections conducted	<p>Initial Target</p> <p>960 building control inspections conducted by 30 June 2024</p> <p>Adjusted Target</p>	Achieved 1325 building control inspections conducted as at 30 June 2024	Not applicable	Not applicable	Building Control awareness minutes and attendance register
Capacitate community members	All wards SDT009	<p>Initial Indicator</p> <p>Number of awareness campaigns held by 30 June 2024</p> <p>Adjusted Indicator</p> <p>Number of building control awareness campaigns held by 30 June 2024</p>	4 Building control awareness campaigns	Number awareness campaigns	OPEX	<p>Four (4) Building Control awareness programmes conducted in the year under review</p> <p>16 August 2023 17 October 2023 15 March 2023 16 April 2024</p>	Achieved 9 Building Control awareness programmes conducted.	<p>Initial Target</p> <p>4 awareness campaign to be conducted by 30 June 2025</p> <p>Adjusted Target</p> <p>4 building control awareness campaigns held by 30 June 2024</p>	Achieved 4 Building Control awareness programmes conducted as at 30 June 2024	Not applicable	Not applicable	agenda, attendance register, minutes of the meeting.
Promote safe and healthy environment.	wards SDT0010	<p>Initial Indicator</p> <p>Number of contraventions issued by 30 June 2024</p> <p>Adjusted Indicator</p> <p>Number of building control contraventions issued by 30 June 2024</p>	number of contraventions	Number	OPEX	499 Building control Contravention letters issued in the year under review	Not Applicable in the previous financial year	<p>Initial Target</p> <p>80 Contraventions issued by 30 June 2024</p> <p>Adjusted Target</p> <p>280 building control contraventions issued by 30 June 2024</p>	Achieved 499 Building control Contravention letters issued as at 30 June 2024	Not applicable	Not applicable	Reports, Contravention letters

To capacitate community members	All wards SDT0011	<u>Initial Indicator</u> Number of quarterly reports on National Housing Needs Register by 30th June 2024 <u>Adjusted Indicator</u> None	Number	OPEX	4 quarterly reports on National Housing Needs Register conducted in the year under review	<u>Achieved</u> 10 awareness campaigns on National Housing needs register and 2 quarterly reports on National Housing Needs Register	<u>Initial Target</u> 4 Quarterly reports on National Housing Needs Register by 30 June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 quarterly reports on National Housing Needs Register as at 30 June 2024	Not applicable	Not applicable	Reports on national housing needs register
To develop and review policies, and process for effective and efficient management	All wards SDT0012	<u>Initial Indicator</u> Number of Social housing policy developed by 31 Dec 2023 <u>Adjusted Indicator</u> Number of Social housing policy developed and submitted to Council for approval by 30 June 2024	Annually Social housing policy Number		Social Housing policy has been developed was taken to council for approval Due to the council not forming a quorum the policy is not approved	Not applicable in this financial year <u>Adjusted Target</u> 1 Social housing policy developed and submitted to Council for approval by 30 June 2024	<u>Initial Target</u> 1 Social Housing Policy developed by 31 December 2023 <u>Adjusted Target</u> 1 Social housing policy developed and submitted to Council for approval by 30 June 2024	<u>Not Achieved</u> Social Housing Policy developed but not yet approved by council as at 30 June 2024	Social Housing policy has been developed but it was not taken to council for approval on first quarter and then fourth quarter was taken to council for approval it did not Due to the council not forming a quorum	It will be achieved on the first quarter of the new financial year 2024/2025	Council Resolution and copy of Social Housing Policy

To promote social justice through development of integrated human settlement	All wards	SDT0013	<u>Initial Indicator</u> Number of Housing Sector Plan reviewed by 30th June 2024	Number of Housing Sector Plan	Number of Housing Sector Plan	OPEX	Draft Housing Sector Plan reviewed Due to the council not forming a quorum the plan is not approved	Achieved Integrated Human Settlement Sector approved by Council	Plan by	<u>Initial Target</u> 1 Housing Sector Plan reviewed by 30th June 2024	<u>Adjusted Target</u> None	<u>Not Achieved</u> Draft Housing Sector Plan reviewed but not yet approved by council as at 30 June 2024	Due to the council not forming a quorum	It will be achieved on the first quarter of the new financial year 2024/2025	Draft Housing Sector Plan reviewed
			<u>Adjusted Indicator</u> None												
To develop and review policies, and process for effective and efficient management	All wards	SDT0014	Number of quarterly reports on Consumer Education by 30th June 2024	Consumer Education	Number of reports	OPEX	4 Quarterly reports on Housing Consumer Education with 5 programs conducted in the year under review 16 August 2023 29 September 2023 07 November 2023 07 March 2024 27 June 2024	Not applicable in this financial year		<u>Initial Target</u> 4 Quarterly reports on Consumer Education by 30th June 2024	<u>Adjusted Target</u> None	<u>Achieved</u> 4 Quarterly reports on Housing Consumer Education as at 30 June 2024	Not applicable	Not applicable	Quarterly Reports with attendance register
			<u>Adjusted Indicator</u> None												

DEVELOPMENT AND TOWN PLANNING													
NATIONAL KEY PERFORMANCE AREA: LOCAL ECONOMIC DEVELOPMENT													
STRATEGIC OBJECTIVE: CREATE A CONDUCIVE ECONOMIC DEVELOPMENT IN THE MUNICIPALITY													
IDP Programme	Ward	KPI No	Key Performance Indicator	Baseline	Unit of Measurement	Budget	Output	Previous Year 01 st July 2022-30 June 2023	Overall Performance 01 st July 2023- 30th June 2024		Reason for deviation/ Reason for Outstanding Performance	Remedial Action	POE'S
								Actual Performance 2022/23	Annual Projected Target 2023/24	Annual Actual Performance 2023/24			
to attain the local economic development strategy	All wards	ED001	<u>Initial Indicator</u> Number of LED strategy document reviewed by 30th June 2024	2022/23 reviewed LED Strategy	Number	OPEX	Led strategy is not achieved due to council not forming a quorum and it will be tabled for first quarter of the new financial year	Achieved	<u>Initial Target</u> 1 LED strategy document reviewed by 30th June 2024	Not Achieved	Due to the council not forming a quorum	It will be achieved on the first quarter of the new financial year 2024/2025	* LED Strategy
			Reviewed LED Strategy					<u>Adjusted Target</u> Development of Council approved LED Strategy by 30th June 2024	1 LED strategy document reviewed		*Council Item		

To attain the local economic development	All wards LED002	<u>Initial Indicator</u> Number of bi-annual SMME's training conducted by 30th June 2024 <u>Adjusted Indicator</u> None	Number of SMMEs	Number	OPEX	2 SMME's training conducted in the year under review 24 October 2023 21 June 2024.	Not Applicable for this Financial year	<u>Initial Target</u> 2 bi-annual SMME's training conducted by 30th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 2 SMME's training conducted as at 30 June 2024	Not Applicable	Not Applicable	Report attendance register.	and
To build institutional capacity LED into all development of the municipality	All wards LED003	<u>Initial Indicator</u> Number of job creation through EPWP by 30th September 2023 <u>Adjusted Indicator</u> None	30 jobs creation through EPWP	Number of jobs created	OPEX	19 appointed EPWP Workers on 02 October 2023	Achieved	<u>Initial Target</u> 16 appointments of EPWP Workers by 30th September 2023. <u>Adjusted Target</u> None	<u>Achieved</u> 19 EPWP workers appointed Second quarter (02 October 2023)	Not Applicable	Not Applicable	Report on the number of jobs created.	
To attain the local economic developments	All wards LED004	<u>Initial Indicator</u> Number of quarterly reports on SMME's database updated by 30th June 2024 <u>Adjusted Indicator</u> None	2022/23 updated SMME's database	Number of reports	OPEX	4 quarterly reports on updated SMME'S Database in the year under review	Achieved 4 quarterly updated SMME'S Database	<u>Initial Target</u> 4 quarterly reports on SMME's database updated by 30th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 quarterly reports on updated SMME'S Database updated as at 30 June 2024	Not Applicable	Not Applicable	* Updated SMME database	

To attain the local economic development	All wards LED005	<u>Initial Indicator</u> Number of quarterly reports on implementation of gazetted street vendor by-law by 30th June 2024 <u>Adjusted Indicator</u> Number of quarterly reports on the gazetting of street vendor by-law by 30th June 2024	New Indicator	Number of reports	OPEX	4 quarterly reports implemented of gazetted by law in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u> 4 quarterly reports on implementation of gazetted street vendor by-law by 30th June 2024 <u>Adjusted Target</u> 4 quarterly reports on the gazetting of street vendor by-law by 30th June 2024	<u>Achieved</u> 4 progress reports on the implementation of gazetted street vendor by-law as at 30 June 2024	Not Applicable	Not Applicable	Report on draft street vendor by-law
To attain the local economic development	All LED006	<u>Initial Indicator</u> Number of quarterly reports on implementation of gazette Tuck-shop by-law by 30th June 2024 <u>Adjusted Indicator</u> None	New Indicator	Number	OPEX	4 reports implemented of gazetted tuck-shop by law in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u> 4 Number of quarterly reports on implementation of gazetted Tuck-shop by-law by 30th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 progress reports implementation gazetted Tuck-Shop by-law as at 30 June 2024	Not Applicable	Not Applicable	Report on draft Tuck-shop by-law

To attain the local economic development strategy	All wards LED007	<u>Initial Indicator</u> Number of quarterly Municipal LED forum meeting held by 30th June 2024 <u>Adjusted Indicator</u> None	Number of LED meetings	Number	OPEX	3 LED Forum meetings convened 28 September 2023, 27 March 2024, 26 June 2024	Achieved 4 Number of Quarterly LED forum meeting held	<u>Initial Target</u> 4 Number of Quarterly LED forum meeting held by 30th June 2024 <u>Adjusted Target</u> None	<u>Not Achieved</u> 3 Quarterly LED Forum meetings held as at 30 June 2024 Invitation letters not signed on time	Invitation letters not signed on time.	Invitation letters to be signed by the director of development and town planning.	Attendance registers and Minutes
To attain the local economic development strategy	All wards LED008	<u>Initial Indicator</u> Number of Bi-annual tourism marketing exhibitions held by 30th June 2024 <u>Adjusted Indicator</u> None	4 Tourism marketing exhibitions	Number of tourism exhibitions	OPEX	3 tourism marketing exhibitions convened law in the year under review 10 November 2023 21 February 2023 19 April 2024	Achieved Bi-annual tourism marketing exhibitions held	<u>Initial Target</u> 2 Bi-annual tourism marketing exhibitions held by 30th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 3 Tourism Exhibition held as at 30 June 2024	Not Applicable	Not Applicable	Report
To attain the local economic development strategy	All wards LED009	<u>Initial Indicator</u> Number of quarterly reports on implementation of gazetted Commonage by-law by 30th June 2024 <u>Adjusted Indicator</u> None	New Indicator		OPEX	4 reports implemented of gazetted Commonage by-law in the year under review	Not Applicable in the previous financial year	<u>Initial Target</u> quarterly reports on implementation of gazetted Commonage by-law by 30th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 progress reports implementation gazetted Commonage by-law as at 30 June 2024	Not Applicable	Not Applicable	Report on draft commonage by-law

DEPARTMENT: CORPORATE SERVICES

NATIONAL KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

STRATEGIC OBJECTIVE: TO PROMOTE GOOD GOVERNANCE AND ENHANCE ACTIVE CITIZENRY

IDP Programme	Ward	KPI No	Key Performance Indicator	Baseline	Unit of Measurement	Budget	Output	Previous Year 01 st July 2022-30 th June 2023	Overall Performance 01 st July 2023- 30 th June 2024		Reason for deviation/ Reason for Outstanding Performance	Remedial Action	POE'S
								Actual Performance 2022/23	Annual Projected Target 2023/24	Annual Actual Performance 2023/24			
To implement a human resource management system and procedure	All employees	MTID001	<u>Initial Indicator</u>	Draft Human Resource Strategy	Date of approval	OPEX	SALGA committed to assist the municipality with the draft HR Strategy that is aligned to the regulation.	Achieved	<u>Initial Target</u>	<u>Not Achieved</u>	SALGA committed to provide support to selected pilot municipalities with Institutionalisation of Municipal Human Capital Management Systems and Processes and based on this arrangement	The HR Strategy will be finalised in the second quarter of the new financial year	Draft HR Strategy
			Number of Human Resource Strategy developed and approved by 31 st December 2023					Human Resource Strategy developed and approved by Council on the 30 March 2023	1 Human Resource Strategy developed and approved by 31 st December 2023	Draft HR Strategy			
			<u>Adjusted Indicator</u>						<u>Adjusted Target</u>				
			Human Resource Strategy developed and approved by 31 st December 2023						Human Resource Strategy developed and approved by 31 st December 2023				

To implement credible staff establishment that gives effect to the municipality's IDP and strategic objectives	All employees MTID002	<p>Initial Indicator</p> <p>Organizational structure annually reviewed and approved by Council by 30th September 2023</p> <p>Adjusted Indicator</p> <p>Organizational structure annually reviewed and approved by Council by 30 June 2024</p>	Draft reviewed Organizational structure	Date of approval	OPEX	There is a draft organizational structure by National COGTA that is aligned to the Municipal Staff Regulation to be presented to management	<p>Not Achieved</p> <p>Consultation held with each department to obtain inputs</p> <p>Organisational Structure approved by Council in August 2023</p>	<p>Initial Target</p> <p>Organizational structure annually reviewed and approved by Council by 30 June 2024</p> <p>Adjusted Target</p> <p>Organizational structure annually reviewed and approved by Council by 30 June 2024</p>	<p>Not Achieved</p> <p>Organizational structure reviewed but not yet approved by council</p>	There is a draft organizational structure by National COGTA that is aligned to the Municipal Staff Regulation to be presented to management	Organogram to be aligned with new Municipal Staff Regulations	To be presented to management this first quarter of the 2024/25 Financial year	Support obtained from SALGA National session held with the Municipality	Council Resolution and approved Organogram
To implement credible staff establishment that gives effect to the municipality's IDP and strategic objectives	All employees MTID003	<p>Initial Indicator</p> <p>Annual compilation of Municipal Workplace Skills Plan (WSP) submitted to LGSETA by 30th April 2024</p> <p>Adjusted Indicator</p> <p>None</p>	2022/23 Municipal Workplace Skills Plan	Date of submission	R1,522,489.00	Municipal Workplace Skills Plan (WSP) compiled and submitted to LGSETA on the 25 April 2024	<p>Achieved</p> <p>WSP developed and submitted to LGSETA</p>	<p>Initial Target</p> <p>Annual compilation of Municipal Workplace Skills Plan (WSP) submitted to LGSETA by 30th April 2024</p> <p>Adjusted Target</p> <p>None</p>	<p>Achieved</p> <p>Annual compilation of Municipal Workplace Skills Plan (WSP) and submitted to LGSETA as at 25 April 2024</p>	Not Applicable	Not Applicable	Acknowledgement of receipt from LGSETA		

To implement credible staff establishment that gives effect Employment Equity principles	All employees MTID004	<u>Initial Indicator</u> Annual submission of employment equity report to the department of labor by 15th January 2024 <u>Adjusted Indicator</u> None	2022/23 Municipal Workplace Skills Plan	Date of submission	R1,522,489,00	Employment equity report to the department of labour on the 15 th of January 2024	Achieved Employment Equity (EE) report submitted to Department of Labour on the 14th Jan 2023	<u>Initial Target</u> Annual submission of employment equity report to the department of labour by 15th January 2024 <u>Adjusted Target</u> None	Achieved Employment equity report annually submitted to department of Labour	Not Applicable	Not Applicable	Acknowledgement Receipt letter from DOL and EE Report
To implement an effective system that promote equal and diverse workplace	All employees MTID005	<u>Initial Indicator</u> Number of approved and budgeted vacancies filled by 30th June 2024 <u>Adjusted Indicator</u> None	Not applicable	Number of vacancies	OPEX	47 approved and budgeted vacancies filled in the year under review	Not Achieved Only 1 of the 55 vacancies filled (Appointment of the Municipal Manager)	<u>Initial Target</u> 56 approved and budgeted vacancies filled by 30 June 2024 <u>Adjusted Target</u> None	Not Achieved 47 approved and budgeted vacancies filled in the year under review as at 30 June 2024	Due to budget constraints the municipality could not fill all vacancies	Position to be prioritised/filled in the new financial year	Adverts and Appointment letters or Interview Reports

To set clear roles and responsibilities for all municipal employees and promote	Employee performance	MTID006	<p><u>Initial Indicator</u></p> <p>Number of job descriptions reviewed by 30 June 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	Draft job descriptions	Number of job descriptions reviewed	R500000	The municipality manage to review 300 job descriptions in the year under review	Not applicable in the previous year	<p><u>Initial Indicator</u></p> <p>300 job descriptions reviewed by 30 June 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	Achieved	300 job descriptions as of 30 June 2024	Not Applicable	Not Applicable	*Acknowledgement of receipt
To create a conducive healthy and safe environment in the workplace	All employees	MTID007	<p><u>Initial Indicator</u></p> <p>Percentage of Payment made towards outstanding Compensation Levies to Department of Labour by 30th of June 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	Outstanding levies R8,489,470.08	Percentage of Payment made	2500000	The municipality is in the process of making payments arrangements with the department of labour	Not Achieved	<p><u>Initial Indicator</u></p> <p>100% Payment made towards outstanding Compensation Levies to Department of Labour by 30th of June 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	Not Achieved	0% Payment of Compensation levies	Due to budget constraints the municipality could not pay department of labour	Payment arrangement to be made in the first quarter of 2024/25 financial year	Invoices and Account payment statements

To create a conducive healthy and safe environment in	MITD008	<u>Initial Indicator</u> Number of Bi-annual distribution of Personal protected Equipment by 30th of June 2024 <u>Adjusted Indicator</u> None	2022/23 PPE list	Number PPE distribution	R2,000,000,00	Services provider appointed but did not deliver as expected	<u>Achieved</u> Personal Protective Equipment (PPE) Procured and distributed	<u>Initial Indicator</u> 2 Bi-annual distribution of Personal protected Equipment by 30th of June 2024 <u>Adjusted Target</u> None	<u>Not Achieved</u> PPE was not distributed as projected	Appointed service provider did not deliver as expected	Distribution will be done in the first quarter of 2024/25 financial year	Delivery note, employee distribution list
To promote workplace occupational health and safety	MITD009	<u>Initial Indicator</u> Procurement of OHS Medical Surveillance services by 30th June 2024 <u>Adjusted Indicator</u> None	New indicator	Date	R1,000,000,00	The tender was advertised, it went through Supply Chain process however it was recommended for Re Advert due to pricing schedules	<u>Not Achieved</u> 0% budget spent on OHS injury on duty and contraventions	<u>Initial Targets</u> OHS Medical Surveillance services procured by 30th June 2024 <u>Adjusted Target</u> None	<u>Not Achieved</u> OHS Medical Surveillance services not procured	Delays in supply chain management processes	To be finalised in the first quarter of the 2024/25 Financial year	Advert and Appointment letter

To implement and maintain all the process of archives and records in all section of the municipality in compliance with all	All employees MTID0010	<p>Initial Indicator</p> <p>Number of monthly Archive and Record Administration Report submitted by 30th June 2024</p> <p>Adjusted Indicator</p> <p>None</p>	2022/23 Archive and Record monthly reports	Number	OPEX	12 monthly Report of Records and Archive Information in the year under review	Not applicable in the previous financial year	<p>Initial targets</p> <p>12 monthly Report of Records and Archive Information by 30th June 2024</p> <p>Adjusted Target</p> <p>None</p>	<p>Achieved</p> <p>12 monthly Report of Records and Archive Information as at 30 June 2024</p>	Not applicable	Not applicable	Archives and record monthly reports
To ensure the repair and maintenance of municipal buildings	All employees MTID0011	<p>Initial Indicator</p> <p>Percentage of facility budget spend on Municipal Buildings maintained and repaired by 30th June 2024</p> <p>Adjusted Indicator</p> <p>None</p>	2022/23 facility budget spend	Percentage	R500,000,00	82% facility budget spend on municipal building in the year under review	<p>Achieved</p> <p>80% budget spent on maintenance of municipal building and facilities in the year under review</p>	<p>Initial Indicator</p> <p>100% facility budget spend on municipal buildings.</p> <p>Adjusted Target</p> <p>None</p>	<p>Not Achieved</p> <p>82% facility budget spend on municipal building</p>	7 days' notice submitted to SCM, still awaiting procurement for needed materials	To enquire with SCM to speed up process.	Expenditure report

To acquire, manage and maintain Municipal fleet and equipment life	All wards	MTID0012	<u>Initial Indicator</u> Number of New Municipal Fleet acquired by 30th June 2024 <u>Adjusted Indicator</u> None	New indicator	Number	<u>Budget</u> R 6.5 000,000,00 <u>Expenditure</u> R0,00	Service provider appointed; 22 Municipal fleet delivered on the 30 th August 2024	Not applicable in the previous financial year	<u>Initial Indicator</u> 22 municipal fleet acquired by 30th June 2024 <u>Adjusted Target</u> None	<u>Not Achieved</u> 22 Municipal fleet delivered on the 30 th August 2024	Bid committees delayed the whole process of procurement.	Expedited delivery process for municipal fleet	Advert, Appointment letters and Delivery note
To ensure the repair and maintenance of municipal fleet	All wards	MTID0013	<u>Initial Indicator</u> Percentage budget spend on municipal Fleet on repairs and maintenance by 30th June 2024 <u>Adjusted Indicator</u> None	2022/23 municipal fleet	Percentage	OPEX	61% budget spend on municipal Fleet on repairs and maintenance in the year under review	Not applicable in the previous financial year	<u>Initial Indicator</u> 100% budget spend on municipal Fleet on repairs and maintenance by 30th June 2024 <u>Adjusted Target</u> None	<u>Not Achieved</u> 61% budget spend on municipal Fleet on repairs and maintenance as at 30 June 2024	Delay in processing payments	Engaging with creditors on delays of processing payments	Fleet tracking Register and Reports
To implement and maintain integrated customer care	All wards	MTID0014	<u>Initial Indicator</u> Number of monthly Customer Care reports submitted by 30th June 2024 <u>Adjusted Indicator</u> None	2022/23 Customer Care reports	Number	OPEX	12 Monthly report on Customer Care in the year under review	Not applicable in the previous financial year	<u>Initial Indicator</u> 12 monthly Customer Care reports submitted by 30th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 12 monthly Customer Care reports as at 30 June 2024	Not Applicable	Not Applicable	Customer Care reports

To ensure the continuous development and review of council policies to be in consultation with relevant legislation	MTD0015	Initial Indicator	Number Municipal Policies reviewed and approved by Council by 30th June 2024 Adjusted Indicator None	HR and Budget related Policies	Number	OPEX	27 municipal Policies Reviewed awaiting consultations and council approval in year under review	Achieved	31 HR policies reviewed and approved by Council	Initial Indicator	27 municipal Policies Reviewed and approved by Council by 30th June 2024 Adjusted Target None	Not Achieved	27 municipal Policies Reviewed awaiting consultations and council approval as at 30 June 2024	No workshops where conducted.	Policies will be reviewed in the next quarter.	Workshops Attendance Registers, Invitations, Minutes and Council resolution
	MTD0016	Initial Indicator	Number of Old Kathu Municipality By-Laws reviewed and gazette the By-Laws by 30th June 2024 Adjusted Indicator None	Old Kathu Municipality By-Laws	Number	OPEX	Old Kathu Municipality By-Laws reviewed but not yet gazetted in year under review	Not applicable in the previous financial year		Initial Indicator	19 Old Kathu Municipality By-Laws reviewed and gazette the By-Laws by 30th June 2024 Adjusted Target None	Not Achieved	19 Old Kathu Municipality By-Laws reviewed still need to be gazetted as at 30 June 2024	There was no consultations that took place	19 Municipality By-Laws will be reviewed in the next quarter. Consultation to be conducted in the first quarter of the new financial year 2024/2025 then follow gazetting process	Meeting Attendance Registers, Public Participation Report and Approved By-Laws

To ensure legal compliance	All wards MTID0017	<p><u>Initial Indicator</u></p> <p>Number of quarterly reports on Service Level Agreement register maintained and updated by 30th June 2024</p> <p><u>Adjusted Indicator</u></p> <p>Number of quarterly reports on Service Level Agreement updated by 30th June 2024</p>	2022/23 Service Level Agreement register	Number	OPEX	4 quarterly reports on Service Level Agreement updated in the year under review	Not applicable in the previous financial year	<p><u>Initial Indicator</u></p> <p>4 quarterly reports on Service Level Agreement register maintained and updated by 30th June 2024</p> <p><u>Adjusted Target</u></p> <p>4 quarterly reports on Service Level Agreement updated by 30th June 2024</p>	<p><u>Achieved</u></p> <p>4 quarterly reports on Service Level Agreement updated as at 30 June 2024</p>	Not Applicable	Not Applicable	Report
To manage and coordinate Municipal litigation and labour disputes at South African Court Level	All wards MTID0018	<p><u>Initial Indicator</u></p> <p>Number of quarterly reports on litigations cases submitted to the Accounting Offices by 30th June 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	2022/23 Litigations cases reports	Number	OPEX	4 reports on litigation cases submitted to the Accounting Offices in the year under review	Not applicable in the previous financial year	<p><u>Initial Indicator</u></p> <p>4 quarterly reports on litigation cases submitted to the Accounting Offices by 30th June 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Achieved</u></p> <p>4 reports on litigation cases submitted to the Accounting Offices as at 30 June 2024</p>	Not Applicable	Not Applicable	Reports on litigations cases

To develop ICT as an enabler	All wards MTID0019	<u>Initial Indicator</u> Number of quarterly progress reports on the Completion of scoped services by 30th June 2024 <u>Adjusted Indicator</u> None	New Indicator	Number		4 progress reports on the Completion of scoped services in the year under review	Not applicable in the previous financial year	<u>Initial Indicator</u> 4 quarterly progress reports on the Completion of scoped services by 30th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 progress reports on the Completion of scoped services as at 30 June 2024	Not Applicable	Not Applicable	Progress reports on the Completion of scoped services
To develop ICT as an enabler	All wards MTID0020	<u>Initial Indicator</u> Council approved ICT Strategy Plan and Municipal Corporate Governance of Information and Communication Technology Framework by 30th September 2023 <u>Adjusted Indicator</u> None	Draft ICT Strategy Plan and Municipal Corporate Governance of Information and Communication Technology Framework	Date	R800 000,00	ICT Strategy Plan and Municipal Corporate Governance of Information and Communication Technology Framework not approved by Council awaiting establishment of ICT Steering Committee in the year under review	Not applicable in the previous financial year	<u>Initial Indicator</u> ICT Strategy Plan and Municipal Corporate Governance of Information and Communication Technology Framework approved by Council by 30th September 2023 <u>Adjusted Target</u> None	<u>Not Achieved</u> ICT Strategy Plan and Municipal Corporate Governance of Information and Communication Technology Framework not approved by Council awaiting establishment of ICT Steering Committee	The Municipality is yet to establish ICT Steering Committee	MM Needs to establish the committee.	Council resolution and copy of ICT Strategy Plan and Municipal Corporate Governance of Information and Communication Technology Framework

To develop ICT as an enabler	All wards	MTD0021	<u>Initial Indicator</u> Development of printing services specifications by 30th September 2023 <u>Adjusted Indicator</u> None	New Indicator	Date	R4100 000,00	Printing services specifications developed as at 30 September 2023	Not applicable in the previous financial year	<u>Initial Indicator</u> Printing services specifications developed by 30th September 2023 <u>Adjusted Target</u> None	<u>Achieved</u> Printing services specifications developed as at 30 September 2023	Not Applicable	Not Applicable	Draft Specification of the Printing Tender
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DEPARTMENT: CORPORATE SERVICES

NATIONAL KEY PERFORMANCE AREA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

STRATEGIC OBJECTIVE: TO PROMOTE GOOD GOVERNANCE AND ENHANCE ACTIVE CITIZENRY

IDP Programme	Ward	KPI No	Key Performance Indicator	Baseline	Unit of Measurement	Budget	Output	Previous Year 01 st July 2022-30th June 2023	Overall Performance 01 st July 2023- 30 June 2024		Reason for deviation/	Remedial Action	POE'S
								Actual Performance 2022/23	Annual Projected Target 2023/24	Annual Actual Performance 2023/24	Reason for Outstanding Performance		
To provide administrative support service to Council and its committees	All Wards	CG007	Number of quarterly ordinary Council meetings held by 30 th June 2024 <u>Adjusted Indicator</u> None	10 Council meetings	Number of meetings	OPEX	4 Council meetings held in the year under review	<u>Achieved</u> 6 Council meetings including Ordinary and special Council meetings held	4 quarterly Council meetings held by 30 th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 Council meetings held as at 30 June 2024	Not Applicable	Not Applicable	Attendance Registers and Minutes

To provide administrative support service to Council and its committees	All Wards GG008	Number of quarterly Exco meetings held by 30 th June 2024 <u>Adjusted Indicator</u> None	4 Exco meetings Number of meetings	OPEX	2 Exco meetings held as at 30 June 2024	Not applicable in the previous financial year	4 quarterly Exco meetings held by 30 th June 2024 <u>Adjusted Target</u> None	<u>Not Achieved</u> 2 Exco meetings held as at 30 June 2024	Meeting did not meet the required quorum due to the unavailability of councillors who were busy with election work.	Prioritise Exco Meetings in the new financial	Attendance register and minutes
To promote oversight and public accountability	All Wards GG009	Number of quarterly Portfolio meetings held by 30 th June 2024 <u>Adjusted Indicator</u> None	4 portfolio meetings Number	OPEX	4 Quarterly Portfolio meetings held in the year under review	<u>Achieved</u> 100% secretariat support provided 14 Portfolio meeting held	4 quarterly Portfolio meetings held by 30 th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> Quarterly Portfolio meetings held by 30 th June 2024	Not Applicable	Not Applicable	Attendance registers and minutes
To promote oversight and public accountability	All Wards GG010	Numbers of quarterly MPAC meetings held by 30 June 2024 <u>Adjusted Indicator</u> None	4 portfolio meetings Number	OPEX	Only 1 MPAC meeting held in the year under Review	<u>Achieved</u> 100% secretariat support provided 3 MPAC meeting held	4 quarterly MPAC meetings held by 30 June 2024 <u>Adjusted Target</u> None	<u>Not Achieved</u> 1 quarterly MPAC meetings held as at 30 June 2024	Meeting did not take place because the committee did not form a quorum.	MPAC Meeting will be prioritised in the first quarter of the 2024/25 Financial Year	Attendance registers and minutes

To manage and effective and efficient Municipal administration	All Wards GG0011	Number of quarterly Management meetings held by 30 June 2024 <u>Adjusted Indicator</u> None	1 management meeting Number	OPEX	4 Management meetings held as at 30 June 2024	<u>Achieved</u> 8 Management Meetings held in the year under review	4 quarterly Management meetings held by 30 June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 Management meetings held as at 30 June 2024	Not Applicable	Not Applicable	Attendance registers and minutes
To promote sound Labour environment between the employer and unions	All Wards GG0012	Number of quarterly Local Labour Forum meetings held by 30 June 2024 <u>Adjusted Indicator</u> None	4 Local Labour Forum meetings Number	OPEX	4 Local Labour Forum meetings held as at 30 June 2024	Not applicable in the previous financial year	4 quarterly Local Labour Forum meetings held by 30 June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 Local Labour Forum meetings held as at 30 June 2024	Not Applicable	Not Applicable	Attendance registers and minutes

DEPARTMENT: FINANCIAL SERVICES													
NATIONAL KEY PERFORMANCE AREA: MUNICIPAL FINANCIAL VIABILITY													
STRATEGIC OBJECTIVE: TO ENSURE THE FINANCIAL SUSTAINABILITY OF THE MUNICIPALITY IS IN ORDER AND TO ADHERE TO STATUTORY REQUIREMENTS													
IDP Programme	Ward	KPI No	Key Performance Indicator	Baseline	Unit of Measurement	Budget	Output	Previous Year 01 st July 2022-30th June 2023	Overall Performance 01 st July 2023-30th June 2024		Reason for deviation/ Reason for Outstanding Performance	Remedial Action	POE'S
								Actual Performance 2022/23	Annual Projected Target 2023/24	Annual Actual Performance 2023/24			
To Improve billing levels	All Ward	FIN001	<u>Initial Indicator</u> Revenue Enhancement Strategy reviewed and approved by Council by 30 June 2024 <u>Adjusted Indicator</u> None	2022/23 Strategy	Date of Approval	OPEX	Revenue Enhancement Strategy approved by Council on the 13 June 2024	<u>Achieved</u> Revenue Enhancement Strategy approved by Council on the 06 th of June 2023	<u>Initial Target</u> Revenue Enhancement Strategy reviewed and approved by Council by 30 June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> Revenue Enhancement Strategy reviewed and approved by Council as at 30 June 2024	Not Applicable	Not Applicable	* Revenue Enhancement Strategy *Council Resolution
To improve billing levels	All Ward	FIN002	<u>Initial Indicator</u> Percentage of monthly electricity meters read <u>Adjusted Indicator</u> None	2022/23 Electricity meters read	Percentage of meters read	OPEX	82% monthly electricity meters read in the year under review	<u>Not Achieved</u> monthly electricity meters read is at 80%	<u>Initial Target</u> 90% of monthly electricity meters read by 30 June 2024 <u>Adjusted Target</u> None	<u>Not Achieved</u> 82% monthly electricity meters read as at 30 June 2024	342 Errors for Quarter 4 due to gate logs, dogs, dirty meters, etc	Disconnect Electricity for the residents to come to the Municipality	* Electricity Meter reading report

To improve billing levels	All Ward FIN003	<p><u>Initial Indicator</u></p> <p>Percentage of monthly water meters read by 30th June 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	2022/23 water meters read.	Percentage of meters read	OPEX	75% of monthly water meters read in the year under review	Not Achieved monthly water meters read is at 77%	<p><u>Initial Target</u></p> <p>90% of monthly water meters read by 30th June 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Not Achieved</u></p> <p>75% of monthly water meters read as at 30th June 2024</p>	2406 Errors for Quarter 4 due to gate logs, dogs, dirty meters, etc.	Estimations for a period of 3 months and beyond the estimations notify the Public to allow access to Authorised Municipal Officials	Water Meter reading report
To ensure effective credit control activities are undertaken	All Ward FIN004	<p><u>Initial Indicator</u></p> <p>Percentage of monthly revenue collected by 30th of June 2024</p> <p><u>Adjusted Indicator</u></p> <p>Percentage of average quarterly collection rate by 30 June 2024</p>	Percentage of revenue collected.	2022/23 Revenue collected	OPEX	90% average quarterly collection rate achieved in the year under review	Not Achieved Percentage increase in revenue collected at 2.7%	<p><u>Initial Target</u></p> <p>75% of monthly revenue collected by 30th of June 2024</p> <p><u>Adjusted Target</u></p> <p>75% average quarterly collection rate by 30 June 2024</p>	<p><u>Achieved</u></p> <p>90% average quarterly collection rate by 30 June 2024</p>	Not Applicable	Not Applicable	*Monthly reports on electricity meters read
To ensure effective credit control activities are undertaken	All Ward FIN005	<p><u>Initial Indicator</u></p> <p>Number of monthly billing reports by end of every month</p> <p><u>Adjusted Indicator</u></p>	80% water meters read	Percentage	OPEX	12 monthly billing reports by end of every month	Not applicable in this Financial Year	<p><u>Initial Target</u></p> <p>12 monthly billing reports by end of every month</p> <p><u>Adjusted Target</u></p>	<p><u>Achieved</u></p> <p>12 monthly billing reports by end of every month</p>	Not Applicable	Not Applicable	monthly billing reports

To ensure effective credit control activities are undertaken	All Ward FIN006	<u>Initial Indicator</u> Percentage of Monthly service cut by 30 th June 2024 <u>Adjusted Indicator</u> None	Number of billing reports	2022/23 billing reports	OPEX	100% of Monthly service as at 30 th June 2024	Not applicable in this Financial Year	<u>Initial Target</u> 100% of Monthly service cut by 30 th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 100% of Monthly service as at 30 th June 2024	Not Applicable	Not Applicable	* Monthly PSEVESUM reports
To improve the indigent register	All Ward FIN007	<u>Initial Indicator</u> Number of Quarterly indigent registration awareness campaigns conducted by 30 th of June 2024 <u>Adjusted Indicator</u> None	Number of awareness campaigns	2 Awareness campaigns	OPEX	4 indigent registration awareness campaigns conducted in the year under review	Achieved 4 indigent registration awareness campaigns held in the year under review	<u>Initial Target</u> 4 Quarterly indigent registration awareness campaigns conducted by 30 th of June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 indigent registration awareness campaigns conducted as at 30 June 2024	Not Applicable	Not Applicable	Attendance registers and advertisement / notice
To improve the indigent register	All Ward FIN008	<u>Initial Indicator</u> Number of monthly updated indigent registers by 30 th June 2024 <u>Adjusted Indicator</u> None	Number of reports	2022/23 Indigent Register	OPEX	12 updated indigent registers in the year under review	Not applicable in this Financial Year	<u>Initial Target</u> 12 Monthly updated indigent registers by 30 th June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 12 updated indigent registers as at 30 th June 2024	Not Applicable	Not Applicable	Monthly updated Registers

To ensure safeguarding and optimal utilization of assets	All Ward FIN009	<p><u>Initial Indicator</u></p> <p>Annually submit GRAP compliant asset register to Auditor General by 31 August 2023</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	GRAP compliant asset register	Date of submission	OPEX	GRAP compliant asset register annually submitted to Auditor General as at 31 August 2023	Not applicable in this Financial Year	<p><u>Initial Target</u></p> <p>GRAP compliant asset register annually submitted to Auditor General by 31 August 2023</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Achieved</u></p> <p>GRAP compliant asset register annually submitted to Auditor General as at 31 August 2023</p>	Not Applicable	Not Applicable	Acknowledgement of receipt by AGSA
To ensure safeguarding and optimal utilization of assets	All Ward FIN010	<p><u>Initial Indicator</u></p> <p>Number of Bi-annual physical verification of assets report by 30 June 2024</p> <p><u>Adjusted Indicator</u></p> <p>Number of Bi-annual physical assets verifications conducted by 30 June 2024</p>	Annual physical verification of assets	Number of Bi-annual physical verification of assets	OPEX	2 Physical assets verifications conducted in the year under review	<p><u>Achieved</u></p> <p>18.2% of Bi-Annual verification of movable assets conducted in the year under review</p>	<p><u>Initial Target</u></p> <p>2 Bi-annual physical verification of assets report by 30 June 2024</p> <p><u>Adjusted Target</u></p> <p>2 Physical assets verifications conducted by 30 June 2024</p>	<p><u>Achieved</u></p> <p>2 Physical assets verifications conducted as at 30 June 2024</p>	Not Applicable	Not Applicable	Physical Verification report

To promote value for money in procurement	All Ward FIN0011	<p><u>Initial Indicator</u></p> <p>Annual Procurement Plan approved by Council by 31st May 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	Procurement Plan	Date of approval	OPEX	Procurement Plan was not approved by Council as anticipated but the plan was approved on the 13th June 2024 which is within the year under review	<u>Not Achieved</u>	<p>Only One (1) Report on capital expenditure in line with approved Procurement Plan was achieved in the 2nd quarter</p>	<p><u>Initial Target</u></p> <p>Council approved annual Procurement Plan by 31st May 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Achieved</u></p> <p>Procurement Plan was approved by Council on the 13 June 2024</p>	Council did not sit for month of May however the procurement plan was approved on 13 June 2024	Council to ensure that all Council meetings aligned to regulated timelines should sit.	Approved procurement plan
To promote value for money in procurement	All Ward FIN0012	<p><u>Initial Indicator</u></p> <p>Number of quarterly progress reports on implementation of the procurement plan submitted to Office of the Municipal Manager and Treasuries by 30th June 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	procurement plan implementation report	Number	OPEX	No progress reports on implementation of the procurement plan submitted to Office of the Municipal Manager and Treasuries as at 30 June 2024	<u>Achieved</u>	<p>Annual Procurement plan developed and approved by Council</p>	<p><u>Initial Target</u></p> <p>4 quarterly progress reports on implementation of the procurement plan submitted to Office of the Municipal Manager and Treasuries by 30th June 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Not Achieved</u></p> <p>No progress reports on implementation of the procurement plan submitted to Office of the Municipal Manager and Treasuries as at 30 June 2024</p>	The report is consolidated with the Quarterly SCM implementation report. The month-end procedure on the financial system is not yet done and the report cannot be finalised	The report will be sent to Treasury after completion of month end and the target dates will be amended in this next SD8IP as the target dates cannot be before month-end procedures	Approved progress report

To ensure accurate, timely, and compliant reporting	All Ward FIN0013	<p><u>Initial Indicator</u></p> <p>Number of quarterly SCM policy implementation reports submitted to the Mayor within 10 days of the end of each quarter</p> <p><u>Adjusted Indicator</u></p>	SCM policy implementation reports	Number	OPEX	No SCM policy implementation reports submitted to the Mayor within 10 days of the end of each quarter	Not applicable in this Financial Year	4 quarterly SCM policy implementation reports submitted to the Mayor within 10 days of the end of each quarter	<p><u>Not Achieved</u></p> <p>No SCM policy implementation reports submitted to the Mayor within 10 days of the end of each quarter</p> <p><u>Adjusted Target</u></p>	The financial year end procedure was performed after the 10 days requirement for submission	The remedial action is to prioritise the closing of financial periods to allow for ample time to compile reports	* Report submitted to the Mayor.
To ensure accurate, timely, and compliant reporting	All Ward FIN0014	<p><u>Initial Indicator</u></p> <p>Number of annual SCM policy implementation reports submitted to the Mayor within 30 days of the end of financial year</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	New indicator	Number	OPEX	No SCM policy implementation reports submitted to the Mayor within 30 days of the end of financial year	Not applicable in this Financial Year	<p><u>Initial Target</u></p> <p>1 SCM policy implementation reports submitted to the Mayor within 30 days of the end of financial year</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Not Achieved</u></p> <p>No SCM policy implementation reports submitted to the Mayor within 30 days of the end of financial year</p>	The financial year end procedure was performed after the 10 days requirement for submission	The remedial action is to prioritise the closing of financial periods to allow for ample time to compile reports	Report submitted to the Mayor.

To ensure that procurement activities promote local businesses	All Ward	FIN0015	<p><u>Initial Indicator</u></p> <p>Council Approved SCM policy by 31 May 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	SCM policy	Date	OPEX	SCM policy was approved by Council in the year under review (13 June 2024)	Not applicable in this Financial Year	<p><u>Initial Target</u></p> <p>SCM policy approved by Council by the 31 May 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Achieved</u></p> <p>SCM policy was approved by Council as at 30 June 2024</p>	Not Applicable	Not Applicable	*Council Resolution *Copy of the Policy
To promote value for money in procurement	All Ward	FIN0016	<p><u>Initial Indicator</u></p> <p>Number of monthly reports on Implementation of Funding Plan by 30 June 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	Funding Plan	Number	OPEX	No Reports on the Implementation of the Funding Plan	Not applicable in this Financial Year	<p><u>Initial Target</u></p> <p>12 monthly reports on implementation of Funding Plan by 30 June 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Not Achieved</u></p> <p>0 monthly reports on implementation of Funding Plan by 30 June 2024</p>	Lack of coordination of the Funding Plan	Funding Plan will be coordinated at the correct department in the next financial SDBIP	Monthly Reports updated
To ensure effective and efficient coordination of implementation	All Ward	FIN0017	<p><u>Initial Indicator</u></p> <p>Draft Budget adopted by Council by 31st March 2024</p> <p><u>Adjusted Indicator</u></p>	Draft Budget	Date of approval	OPEX	Council adopted the Draft Budget on the 31st March 2024	Not applicable in this Financial Year	<p><u>Initial Target</u></p> <p>Draft Budget adopted by Council by 31st March 2024</p> <p><u>Adjusted Target</u></p>	<p><u>Achieved</u></p> <p>Draft Budget adopted by Council by 31st March 2024</p>	Not applicable	Not applicable	council resolution and Draft Budget

To involve communities in municipal affairs	All Ward FN0018	<u>Initial Indicator</u> Number of Public participation/roadshows held before and after the draft IDP by 30 th June 2024 <u>Adjusted Indicator</u>	2022/23 Roadshows	Number of set of meetings OPEX	Public participation/roadshows held before and after the draft IDP and Budget	<u>Achieved</u> roadshows held before & after the draft IDP by 30 th June 2024	<u>Initial Target</u> 2 Bi-Annual public participation/roadshows held before & after the draft IDP by 30 th June 2024 <u>Adjusted Target</u>	<u>Achieved</u> roadshows held before & after the draft IDP by 30 th June 2024	Not applicable	Not applicable	Attendance register and minutes or Recording
To implement and maintain all processes in compliance with all relevant legislation	All Ward FN0019	<u>Initial Indicator</u> Final Budget annually approved by Council by the 31 May 2024 <u>Adjusted Indicator</u> None	2022/23 Final Budget	Date of approval OPEX	Final Budget was approved by Council by the 13 June 2024 which is still within the 2023/24 financial year Final Budget was approved by Council by the 13 June 2024 which is still within the 2023/24 financial year	<u>Achieved</u> Draft Budget Submitted to Council Final Budget only submitted on the 06 th June 2023	<u>Initial Target</u> Final Budget annually approved by Council by the 31 May 2024 <u>Adjusted Target</u> None	<u>Achieved</u> Final Budget was approved by Council by the 30 June 2024	Council did not sit for month of May to approve the budget however the budget was approved in June 2024.	Council to ensure that all Council meetings aligned to regulated timelines should sit	council approved final Budget and Council Resolution

To implement and maintain all processes in compliance with all relevant legislation.	All Ward	FIN0020	<p><u>Initial Indicator</u></p> <p>Annual submission of the Mid-year Budget Report to the Mayor by 25th Jan 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	2022/23 Mid-year Budget Report	Date	OPEX	Mid-year Budget report annually submitted to the Mayor by 25th Jan 2024	Not applicable in this financial year	<p><u>Initial Target</u></p> <p>Mid-year Budget report annually submitted to the Mayor by 25th Jan 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Achieved</u></p> <p>Mid-year Budget report annually submitted to the Mayor by 25th Jan 2024</p>	Not applicable	Not applicable	Council Resolution and copy of the Quarterly Budget Report
To ensure accurate, timely, and compliant reporting	All Ward	FIN0021	<p><u>Initial Indicator</u></p> <p>Number of Monthly section 71 reports submitted to the Mayor PT and NT by 30th June 2024</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	2022/23 Section 71 Report	Number	OPEX	<p>Municipal financial reports (Section 71 reports) submitted to the Mayor, PT and NT by 30th June 2024</p> <p>Only quarter 3 and 4 Section 71 reports submitted to the Mayor and relevant Stakeholder within 10 working days after month end</p>	Not Achieved	<p><u>Initial Target</u></p> <p>12monthly Municipal financial reports (Section 71 reports) submitted to the Mayor, PT and NT by 30th June 2024</p> <p><u>Adjusted Target</u></p> <p>None</p>	Not Achieved	<p>The section 71 format was changed to incorporate the debt relief reporting and was still await a Treasury MFIMP champion for the training</p>	<p>Training to be conducted so that the reporting can be timeously as of July 2024</p>	Submission to the Mayor and acknowledge of receipt from National Treasury

To ensure accurate, timely, and compliant reporting	All Ward FIN0022	Number of Monthly uploads of mSCOA data strings on Go-Muni portal 10 working days after month end <u>Adjusted Indicator</u> None	2022/23 mSCOA data strings on Go-Muni portal	Number OPEX	12 Monthly uploads of mSCOA data strings on Go-Muni portal 10 working days after month end <u>Achieved</u> 12 Monthly uploads of mSCOA data strings on Go-Muni portal 10 working days after month end	12 Monthly uploads of mSCOA data strings on Go-Muni portal 10 working days after month end <u>Adjusted Target</u> None	<u>Not Achieved</u> 12 Monthly uploads of mSCOA data strings on Go-Muni portal but not all were submitted within 10 working days after month end	The financial period of June was closed late. The data strings could be submitted after due date of 14 July 2024	Prioritise the closing of the financial period to allow for ample time for the preparation and submission of reports	
To ensure accurate, timely, and compliant reporting	All Ward FIN0023	<u>Initial Indicator</u> Number of quarterly section 52d reports by 30 June 2024 <u>Adjusted Indicator</u> None	2 Section 52d reports	Number OPEX	All quarterly section 52d reports submitted to Council in the year under review <u>Achieved</u> 4 quarterly section 52d reports as at 30 June 2023	<u>Initial Target</u> 4 quarterly section 52d reports by 30 June 2024 <u>Adjusted Target</u> None	<u>Achieved</u> 4 quarterly section 52d reports as at 30 June 2024	Not applicable	Not applicable	Go-Muni proof of submission
To ensure accurate, timely, and compliant reporting	All Ward FIN0024	<u>Initial Indicator</u> Tabling of key Schedule deadlines to Council by 31st August 2023 <u>Adjusted Indicator</u> None	2022/23 Key Schedule deadlines	Date OPEX	Council approved the Key Schedule Deadlines <u>Achieved</u> Key Schedule deadlines tabled to Council on the 31st August 2022	<u>Initial Target</u> Key Schedule deadlines tabled to Council by 31st August 2023 <u>Adjusted Target</u> None	<u>Achieved</u> Key Schedule deadlines tabled to Council on the 31st August 2023	Not applicable	Not applicable	Council Resolution

To ensure accurate, timely, and compliant reporting	All Ward FIN0025	<u>Initial Indicator</u> Annual Financial Statements submitted to Auditor General by 31st August 2023 <u>Adjusted Indicator</u> None	2022/23 Annual Financial Statements	Date of submission	OPEX	Annual Financial Statements were submitted to the AG in the year under review by 31 August 2023	<u>Achieved</u> Annual Financial Statements submitted to the AG on the 31 August 2022	<u>Initial Target</u> Annual Financial Statements submitted to the AG by 31 August 2023 <u>Adjusted Target</u> None	<u>Achieved</u> Annual Financial Statements submitted to the AG on the 31 August 2023	Not applicable	Not applicable	Acknowledgement of receipt
To ensure accurate, timely, and compliant reporting	All Ward FIN0026	<u>Initial Indicator</u> Annual Audit Action Plan approved by 31 Jan 2024 <u>Adjusted Indicator</u> None	2022/23 Audit Action Plan	Date of approval	OPEX	The Municipal Council approved Annual Audit Action Plan on the 31 Jan 2024	<u>Achieved</u> Annual Audit Action Plan approved by Council on the 31 Jan 2023	<u>Initial Target</u> Annual Audit Action Plan approved by 31 Jan 2024 <u>Adjusted Target</u> None	<u>Achieved</u> Annual Audit Action Plan approved by Council on the 31 Jan 2024	Not applicable	Not applicable	Council Resolution

To ensure accurate, timely, and compliant reporting	All Ward FIN0027	<p><u>Initial Indicator</u></p> <p>Number of quarterly staff benefits expenditure reports submitted to council within 10 working after month-end.</p> <p><u>Adjusted Indicator</u></p> <p>Number of quarterly staff benefits expenditure reports submitted to Council by 30 June 2024</p>	New Indicator	Number OPEX	quarterly staff benefits expenditure reports not submitted to Council by 30 June 2024	<p><u>Achieved</u></p> <p>4 quarterly staff benefits expenditure reports submitted to Council by 30 June 2023</p>	<p><u>Initial Target</u></p> <p>4 Quarterly staff benefits expenditure reports submitted to council within 10 working</p> <p><u>Adjusted Target</u></p> <p>4 quarterly staff benefits expenditure reports submitted to Council by 30 June 2024</p>	<p><u>Not Achieved</u></p> <p>3 quarterly staff benefits expenditure reports submitted to Council by 30 June 2024</p>	Prioritize staff benefits expenditure report	The report will be submitted to council in the next council meeting	Section 66 Report
To ensure accurate, timely, and compliant reporting	All Ward FIN0028	<p><u>Initial Indicator</u></p> <p>Average number of days of payment of trade creditors within 30 days from receipt of invoice excluding creditors with payment arrangements</p> <p><u>Adjusted Indicator</u></p> <p>None</p>	554 days	Number OPEX	Payment of Creditors over 30 days.	<p><u>Not Achieved</u></p> <p>An average of 276 days of payment of trade creditors from receipt of invoice due to Cash flow problems</p>	<p><u>Initial Target</u></p> <p>Payment of trade creditors from receipt of invoice paid within 30 calendar days</p> <p><u>Adjusted Target</u></p> <p>None</p>	<p><u>Not Achieved</u></p> <p>Payment of trade creditors from receipt of invoice paid within 30 calendar days</p>	The municipality currently does not generate sufficient cashflows to cover all required cash outflow requirements.	Improved cash collection efforts and the processing of invoices within the 30 days of receipt thereof.	Financial system and the bank statement

7. SUMMARY

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

The Key Performance Area (KPA) Basic service Delivery and Infrastructure Investment had a total number of **14** planned targets in the 2023/24 financial year, **09** targets were achieved and **03** could not be achieved **02** were not applicable in the year under review.

PUBLIC SAFETY AND SUSTAINABLE ENVIRONMENT

The Key Performance Area (KPA) Good Governance and Public Participation had a total number of **15** planned targets in the 2023/24 financial year all **12** targets were achieved in the quarter under review and **03** could not be achieved **00** were not applicable in the year under review.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The Key Performance Area (KPA) Good Governance and Public Participation had a total number of **30** planned targets in the 2023/24 financial year, **18** targets were achieved and **12** could not be achieved and **00** were not applicable in the year under review.

SPATIAL DEVELOPMENT AND TRANSFORMATION

The Key Performance Area (KPA) Spatial Development and Transformation had a total number of **13** planned targets in the 2023/24 financial year **10** target was achieved, **02** could not be achieved, **01** was not applicable in the year under review.

SOCIAL AND ECONOMIC DEVELOPMENT

The Key Performance Area (KPA) Social and Economic Development had a total number of **09** planned targets in the 2023/24 financial year **07** target was achieved, **02** could not be achieved, **00** was not applicable in the year under review.

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The Key Performance Area (KPA) Organizational Development and Institutional Transformation had a total number of **21** planned targets in the 2023/24 financial year **09** targets were achieved, **12** could not be achieved and **00** were not applicable in the year under review.

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The Key Performance Area (KPA) Municipal Financial Viability had a total number of **28** planned targets in the 2023/24 financial year, **18** targets were achieved, **10** could not be achieved and **00** were not applicable in the year under review.

8.CONCLUSION

For the year under review the **130** KPI's were identified and adopted as implementable. A total of **78** KPI's were achieved and **49** were not achieved and measures were put in place to address these targets where performance was not achieved **03** were discontinued

Annexure B: Service Provider Performance for 2023/24

**CORPORATE SERVICES: ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS
2023/2024 FINANCIAL YEAR**

Project name	Name of Service provider	Contract Period	Completion date	Contract Amount	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 - Average 4 - Good 5 - Excellent	Assessment Comments
					2023/2024	
Provision of an Integrated Municipal Document Management System	TOTAL GEO-SPATIAL INFORMATION SOLUTIONS (TGIS)	Month to Month till a New Service Provider is appointment	Month to Month till a New Service Provider is appointment	R617 777,52	The Service Provider has been rendering a satisfactory service to the municipality and therefore the rating can be at 4 for the period under review.	The Service Provider provide good support on the maintenance of the system and attend to all enquiries and call out timeously.
Integrated Customer Care	Pantelecom Communication	Month to Month till a New Service Provider is appointment	Month to Month till a New Service Provider is appointment		The Service Provider has been rendering a satisfactory service to the municipality and therefore the rating can be at 4 for the period under review.	The Service Provider provide good support on the maintenance of the system and attend to all enquiries and call out timeously.
Supply and Delivery of Printers and Photocopy	Vysem Traders.CC	Month to Month till a New Service Provider is appointment	Month to Month till a New Service Provider is appointment	R15 Million	The Service Provider has been rendering an average service to the municipality and therefore the rating can be at 3 for the period under review.	The Service Provider has since the appointment never replaced problematic machines and as a result maintenance is late when breakdown happened.
Supply and Delivery Desktop, Laptops, Computers and Assoceries	Netpoint IT Solution	Three Year Contract		R396 000	The Service Provider has been rendering a satisfactory service to the municipality and therefore the rating can be at 4 for the period under review.	The contract is the supply and delivery as and when the municipality place an order based on the need and so far, the service provider render a satisfactory service on time.

**COMMUNITY SERVICES: ANNUAL PERFORMANCE ASSESMENT OF SERVICE PROVIDERS
2023/2024 FINANCIAL YEAR**

Project name	Name of Service provider	Contract Period	Completion date	Contract Amount	Assessment of service provider (Scale 1-5) 1 - Poor 2 - Fair 3 -Average 4 - Good 5 – Excellent	Assessment Comments
					2023/2024	
Security Services	Madiali Security and ProjectCC	3years	31/03/2024	R43 542 670,17	2023/24 (4 – Good)	
Cleaning Services	Phatsimisa Setshaba	As and when needed basis	As and when needed basis	R995 900.00	2023/24 (4 – Good)	
Cleaning Services	Seikaneng General Construction CC	As and when needed basis	As and when needed basis	R570 630.00	2023/24 (4 – Good)	

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024



Gamagara Local Municipality

Annual Financial Statements
for the year ended 30 June 2024

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

General Information

Mayoral committee

Executive Mayor

Councillors

Cllr. J.J.T. Roman
Cllr. S.S. Mines
Cllr. N.S. Magagane
Cllr. O.E. Hantise
Cllr. B.I. Sebegu
Cllr. T.M. Motsoare
Cllr. K.V. Dithupa
Cllr. M.L. Jafta
Cllr. E.T. Tiroyame
Cllr. G.M. Sekgopi
Cllr. H. du Plessis
Cllr. A.M. Caetano
Cllr. J.C. Makape
Cllr. N.M. Koikoi
Cllr. A.J. Morwe
Cllr. E. Dikolanyane (Resigned)
Cllr. B.P. Lekgadi (Resigned)

Grading of local authority

Grade 3

Chief Finance Officer (CFO)

A. Makoku

Accounting Officer

L. Seetile

Registered office

Civic Centre
Cnr Hendrik Van Eck & Frikkie Meyer Rd
Kathu
8446

Postal address

PO BOX 1001
Kathu
8446

Bankers

First National Bank
Standard Bank

Auditors

Auditor General South Africa

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Statement of Changes in Net Assets	8
Cash Flow Statement	9
Statement of Comparison of Budget and Actual Amounts	10 - 18
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CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
ARPC	Audit, Risk and Performance Committee
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2025 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 6.

The annual financial statements set out on pages 5 to 113, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2024 and were signed on its behalf by:



L. Seetile
Municipal Manager

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Audit Committee Report

We are pleased to present our report for the financial year ended 30 June 2024 as required in terms of section 168 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003, as amended) (MFMA), read with circular 65 published by National Treasury.

Audit, Risk and Performance committee (ARPC) members and attendance

The Audit, Risk and Performance (ARPC) committee has been appointed by the District Municipality John Taolo Gaetsewe. Service level agreement between the District and Gamagara, Ga-Segonyana and Joe Morolong Local Municipalities provide for a shared ARPC within the District.

The ARPC is governed by formal terms of reference, which are regularly reviewed and approved by council. The ARPC consist of the members listed hereunder and should meet four times per annum as per its approved terms of reference. During the current year, five meetings were held:

Name of member	Number of meetings attended
Snyders J. (Chairperson)	5
Nkoe K.	5
Mathibela B. (Appointed 1 April 2024)	2

Audit committee responsibility

The ARPC has complied with its responsibilities arising from section 168(2)(a) of the MFMA read with MFMA Circular 65, and reports that it has adopted appropriate formal terms of reference as per its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

Evaluation of annual financial statements

The audit committee has:

- Performed a desktop review and discussed the draft unaudited annual financial statements to be included in the annual report, with the Accounting Officer; for submission to Auditor-General of South Africa on 31 August 2024. The draft unaudited annual financial statement was a work in progress, however management committed to finalise and consider the review by Internal audit, Provincial Treasury and the ARPC. On the basis the ARPC support the submission to AGSA.
- reviewed the progress on the audit action plan.

The ARPC will review the Auditor-General of South Africa's audit report, management report and management response thereto, and organisation's compliance with legal and regulatory provisions in the next meeting in November 2024.

Internal audit

The ARPC is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits. The quality assurance improvement program and combined assurance will be implemented in the next financial year.

Auditor-General of South Africa

The audit committee has not met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Chairperson of the Audit Committee

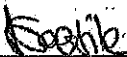
Date: _____

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Certification of Remuneration of Councillors

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



L SEETILE

MUNICIPAL MANAGER

31 August 2024.

The annual financial statements set out on page 5, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2024 and were signed on its behalf by:



L. Seetile

Municipal Manager

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Position as at 30 June 2024

Figures in Rand	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Inventories	3	1 078 262	783 789
Other trade receivables from exchange transactions	4	989 473	4 127 039
Statutory receivables from non-exchange transactions	5&6	135 055 563	104 492 599
Statutory receivables from exchange transactions	7	83 433 924	56 849 629
Receivables from exchange transactions	8	334 323 307	281 216 668
Other trade receivables from non-exchange transactions	11	662 370	2 415 221
Cash and cash equivalents	13	14 310 211	13 190 568
		569 853 110	463 075 513
Non-Current Assets			
Investment property	14	375 213 120	348 752 826
Property, plant and equipment	15	1 128 142 279	1 156 766 218
Intangible assets	16	170 461	226 053
Heritage assets	17	74 581	74 581
Other trade receivables from exchange transactions	9	5 606 193	3 299 867
Other trade receivables from non-exchange transactions	10	2 467 978	1 048 150
		1 511 674 612	1 510 167 495
Total Assets		2 081 527 722	1 973 243 008
Liabilities			
Current Liabilities			
Other financial liabilities	18	7 533 077	49 516 483
Payables from exchange transactions	19	346 555 131	614 918 170
Payables from non-exchange	20	46 612 907	42 583 490
Consumer deposits	21	8 295 011	7 526 411
Employee benefit obligation	22	3 517 000	2 637 000
Unspent conditional grants and receipts	23	11 821 532	1 458 871
Eskom Short-term debt	65	102 447 241	-
		526 781 899	716 638 425
Non-Current Liabilities			
Other financial liabilities	18	35 462 063	-
Employee benefit obligation	22	59 798 000	53 453 000
Provisions	24	84 000 255	70 316 371
Eskom Long-term debt	65	237 090 970	-
		416 351 288	123 769 371
Total Liabilities		943 133 187	842 407 796
Net Assets		1 138 394 535	1 130 835 212
Accumulated surplus		1 138 394 535	1 130 835 212
Total Net Assets		1 138 394 535	1 130 835 212

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	26	302 316 032	274 654 659
Rental of facilities and equipment	27	2 075 448	2 129 816
Interest received from exchange	28	41 547 514	35 582 419
Agency services	29	546 908	489 701
Discount received		2 234 314	-
Other income	31	4 458 705	4 458 446
Interest received - Investment	47	603 611	471 503
Total revenue from exchange transactions		353 780 530	317 786 544
Revenue from non-exchange transactions			
Taxation revenue			
Property rates	32	154 195 370	139 254 603
Availability charges	33	48 002 294	39 832 222
Licences and Permits (Non-exchange)		1 707 616	1 512 959
Interest received from non-exchange	28	14 610 866	12 608 971
Transfer revenue			
Government grants & subsidies	34	78 909 102	87 220 050
Public contributions and donations	35	137 167 183	850 000
Fines, Penalties and Forfeits	36	1 384 338	733 451
Total revenue from non-exchange transactions		435 966 769	282 012 256
Total revenue	25	789 747 299	599 798 800
Expenditure			
Employee related costs	37	(217 081 921)	(200 379 886)
Remuneration of councillors	38	(7 038 958)	(6 147 920)
Depreciation and amortisation	39	(54 257 649)	(54 238 075)
Impairment of assets	40	(9 085 918)	(1 515 661)
Finance costs	41	(71 372 841)	(51 404 709)
Lease rentals on operating lease	42	(3 990 998)	(4 481 467)
Debt Impairment	43	(20 412 332)	(19 504 021)
Bad debts written off		(11 438 239)	(30 589 575)
Repairs & Maintenance		(13 464 877)	(18 483 765)
Bulk purchases	44	(173 543 308)	(144 867 742)
Water inventory consumed		(2 359 794)	(2 432 387)
Interest discount allowed	66	(3 909 146)	(8 101 848)
General Expenses	45	(168 324 091)	(136 923 340)
Total expenditure		(756 280 072)	(677 030 396)
Operating surplus (deficit)		33 467 227	(77 231 596)
(Loss) gain on disposal of assets and liabilities		(4 309 510)	11 535
Fair value adjustments	48	4 289 494	2 354 130
Remeasurements- Employee benefits	22	143 668	11 864 751
Inventories losses/write-downs	55	(27 447 667)	(25 688 550)
		(27 324 015)	(11 458 134)
Surplus (deficit) for the year		6 143 212	(88 689 730)

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 July 2022 as restated*	1 219 524 942	1 219 524 942
Changes in net assets		
Deficit for the year	(88 689 730)	(88 689 730)
Total changes	(88 689 730)	(88 689 730)
Balance at 01 July 2023	1 132 251 323	1 132 251 323
Changes in net assets		
Deficit for the year	6 143 212	6 143 212
Correction of errors	-	-
Total changes	6 143 212	6 143 212
Balance at 30 June 2024	1 138 394 535	1 138 394 535

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Cash Flow Statement

Figures in Rand	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		414 427 957	373 904 046
Grants		89 273 764	77 422 897
Interest received		15 819 816	25 649 346
		<u>519 521 536</u>	<u>476 976 289</u>
Payments			
Employee costs		(210 454 511)	(198 165 510)
Suppliers		(280 040 333)	(205 634 080)
Finance costs		(16 633 253)	(32 540 226)
Remuneration of Councillors		(7 038 980)	(6 147 924)
		<u>(494 367 056)</u>	<u>(440 498 750)</u>
Net cash flows from operating activities	59	<u>25 154 480</u>	<u>36 479 539</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	15	(17 859 470)	(38 994 573)
Proceeds from sale of property, plant and equipment	15	345 977	356 519
Purchase of other intangible assets	16	-	(149 154)
Net cash flows from investing activities		<u>(17 513 494)</u>	<u>(38 787 208)</u>
Cash flows from financing activities			
Repayment of loans/borrowings (including finance leases)		(6 521 343)	(3 755 021)
Net increase/(decrease) in cash and cash equivalents		<u>1 119 643</u>	<u>(6 062 690)</u>
Cash and cash equivalents at the beginning of the year		13 190 568	19 253 258
Cash and cash equivalents at the end of the year	13	<u>14 310 211</u>	<u>13 190 568</u>

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Performance

Revenue

Revenue from exchange transactions

Service charges	396 618 974	-	396 618 974	302 316 032	(94 302 942)	1
Rental of facilities and equipment	1 909 456	-	1 909 456	2 075 448	165 992	
Interest received (trading)	28 959 371	-	28 959 371	41 547 514	12 588 143	2
Agency services	565 920	-	565 920	546 906	(19 014)	
Discount received	-	-	-	2 234 314	2 234 314	3
Other income - (rollup)	20 475 268	-	20 475 268	4 456 705	(16 018 563)	4
Interest received - investment	-	-	-	603 611	603 611	5
Total revenue from exchange transactions	448 528 989	-	448 528 989	353 780 530	(94 748 459)	

Revenue from non-exchange transactions

Taxation revenue

Property rates	169 259 977	-	169 259 977	154 195 370	(15 064 607)	45
Availability Charges	-	-	-	48 002 294	48 002 294	6
Licences and Permits (Non-exchange)	1 729 200	7 336	1 736 536	1 707 616	(28 920)	
Interest received from non-exchange	17 314 179	-	17 314 179	14 610 866	(2 703 313)	7

Transfer revenue

Government grants & subsidies	97 153 445	(896 336)	96 257 109	78 909 102	(17 348 007)	8
Public contributions and donations	-	-	-	137 157 183	137 157 183	9
Fines, Penalties and Forfeits	589 631	-	589 631	1 384 338	794 707	10

Total revenue from non-exchange transactions	286 046 432	(889 000)	285 157 432	435 966 769	150 809 337	
Total revenue	734 575 421	(889 000)	733 686 421	789 747 299	56 060 878	

Expenditure

Employee related costs	(326 719 529)	53 048 714	(273 670 815)	(217 081 921)	56 588 894	11
Remuneration of councillors	(6 097 620)	-	(6 097 620)	(7 038 958)	(941 338)	12
Depreciation and amortisation	(67 147 768)	-	(67 147 768)	(54 257 649)	12 890 119	13
Impairment loss/ Reversal of impairments	-	-	-	(9 085 918)	(9 085 918)	10
Finance costs	(12 895 900)	(33 500 000)	(46 395 900)	(71 372 841)	(24 976 941)	14
Lease rentals on operating lease	-	-	-	(3 990 998)	(3 990 998)	15
Debt Impairment	-	-	-	(20 412 332)	(20 412 332)	16
Bad debts written off	(19 081 503)	(4 300 000)	(23 381 503)	(11 438 239)	11 943 264	17
Repairs and maintenance	(16 806 987)	(10 577 642)	(27 384 629)	(13 464 877)	13 919 752	18
Bulk purchases	(180 030 730)	10 500 000	(169 530 730)	(173 543 308)	(4 012 578)	44
Water inventory consumed	(25 411 224)	94 816	(25 316 408)	(2 358 794)	22 956 614	19
Interest discount allowed	-	-	-	(3 909 146)	(3 909 146)	20
Transfers and subsidies	(420 000)	-	(420 000)	-	420 000	21
General Expenses	(143 237 925)	(20 040 431)	(163 278 356)	(168 324 091)	(5 045 735)	22

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Total expenditure	(797 849 186)	(4 774 543)	(802 623 729)	(756 280 072)	46 343 657	
Operating surplus	(63 273 765)	(5 663 543)	(68 937 308)	33 467 227	102 404 535	
Loss on disposal of assets and liabilities	-	-	-	(4 309 510)	(4 309 510)	23
Fair value adjustments	(1 600 000)	-	(1 600 000)	4 289 494	5 889 494	24
Actuarial gains/losses	-	-	-	143 668	143 668	19
Inventories losses/write-downs	-	-	-	(27 447 867)	(27 447 867)	10
	(1 600 000)	-	(1 600 000)	(27 324 016)	(25 724 016)	
Surplus before taxation	(64 873 765)	(5 663 543)	(70 537 308)	6 143 212	76 680 520	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(64 873 765)	(5 663 543)	(70 537 308)	6 143 212	76 680 520	
Reconciliation						
Transfers and subsidies - Capital	-	-	-	-	-	

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Position

Assets

Current Assets

Inventories	(2 461 386)	3 245 175	783 789	1 078 262	294 473	25
Other trade receivables from exchange transactions	4 238 878	(680 554)	3 558 324	989 473	(2 568 851)	26
Statutory receivables from non-exchange transactions	178 483 119	(96 737 325)	81 745 794	136 055 583	53 309 769	27
VAT receivable	28 671 651	28 249 671	56 921 322	83 433 924	26 512 602	28
Consumer debtors	485 449 169	(144 351 755)	341 097 414	334 323 307	(6 774 107)	33
Other trade receivables from non-exchange transactions	-	-	-	662 370	662 370	29
Cash and cash equivalents	(42 755 578)	(11 905 845)	(54 661 423)	14 310 211	68 971 634	30
	651 625 853	(222 180 633)	429 445 220	589 853 110	140 407 890	

Non-Current Assets

Investment property	379 088 093	(32 774 811)	346 311 282	375 213 120	28 901 838	31
Property, plant and equipment	1 067 126 769	59 109 282	1 126 236 051	1 128 142 279	1 906 228	32
Intangible assets	120 310	(264 320)	(144 010)	170 481	314 471	21
Heritage assets	74 581	-	74 581	74 581	-	
Long-term receivables	(9 999)	9 999	-	-	-	33
Other trade receivables from exchange transactions	-	-	-	5 606 193	5 606 193	34
Other trade receivables from non-exchange transactions	-	-	-	2 467 978	2 467 978	34
	1 446 397 754	26 080 150	1 472 477 904	1 511 674 612	39 196 708	

Total Assets

	2 098 023 607	(196 100 483)	1 901 923 124	2 081 527 722	179 604 598	
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Liabilities

Current Liabilities

Other financial liabilities	52 902 455	(8 871 544)	44 030 911	7 533 077	(36 497 834)	43
Payables from exchange transactions	814 030 382	(288 304 769)	525 725 613	346 555 124	(179 170 489)	35
Payables from non-exchange	72 390 458	(1 331 987)	71 058 491	46 612 907	(24 445 584)	36
Consumer deposits	8 820 890	460 160	9 281 050	8 285 011	(996 039)	37
Employee benefit obligation	-	-	-	3 517 000	3 517 000	38
Unspent conditional grants and receipts	-	-	-	11 821 532	11 821 532	39
Eskom Short-term debt	-	-	-	102 447 241	102 447 241	
	948 144 185	(298 048 120)	650 096 065	526 781 892	(123 314 173)	

Non-Current Liabilities

Other financial liabilities	-	5 485 568	5 485 568	35 462 063	29 976 495	40
Employee benefit obligation	44 725 054	(6 905 000)	37 820 054	59 798 000	21 977 946	41
Provisions	96 495 334	20 704 908	117 200 242	84 000 255	(33 199 987)	42
Eskom Long-term debt	-	-	-	237 090 970	237 090 970	
	141 220 388	19 285 476	160 505 864	416 351 288	255 845 424	

Total Liabilities

	1 089 364 573	(278 762 644)	810 601 929	943 133 180	132 531 251	
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Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis						
	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Net Assets	1 008 659 034	82 662 161	1 091 321 195	1 138 394 542	47 073 347	
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Reserves						
Accumulated surplus	1 008 659 034	82 662 161	1 091 321 195	1 138 394 541	47 073 346	

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

According to GRAP 24, an explanation is required for material variances. The Gamagara Local Municipality used a 10% variances as material.

1] The revenue for service charges is in the main adversely affected by the distribution losses, which come as a result of the following reasons amongst others tempering of meters and faulty meters.

2] The increase in outstanding debtors amount, which correlates with the increase in interest charged on outstanding debtors during the financial year. This is mainly due to a decline in consumer payment culture.

3] The municipality did not anticipate to receive any discount and hence had not budgeted for it. The municipality received a settlement discount from John Taolo District Municipality.

4] The process for sale of land as budgeted and expected was not concluded in the year under review

5] The municipality invested less on the call accounts, due to the reduction in grant allocation which led to a decrease in interest received on investment accounts.

6] Availability charges were not separately budgeted. This was budgeted as part of service charges.

7] The municipality overestimated the increase in interest from Non Exchange transactions.

8] This was a result of underbudgeting. The municipality only budgeted for equitable share and did not budget for revenue recognition on conditions met on conditional grants.

9] The actual value of the donation was higher than what was actually budgeted. The municipality received infrastructure donations and motor vehicles from Kumba and Khumani which were not expected.

10] This was a result of underbudgeting.

11] Not all budgeted vacancies were filled, there were terminations during the year.

12] There was an increase in salaries for Counsellors which was not budgeted for.

13] The municipality auctioned some of the vehicles during the financial year which led to the reduction of projected depreciation

14] The municipality paid most of the invoices timely in the current year. There was also reversal of interest by Eskom which was not expected.

15] Due to the misalignment between GRAP and mSCOA chart, the actuals for car rentals was split between lease rentals and car hire, however the total budget posted against hire are part of general expenses.

16] No provision made for debt impairment on the budget template, therefore the budget was omitted. The municipality expected to have less impairment balance for the current year on all services but it was more because of the increase in debtors balance at year end.

17] The balances on the accounts of the indigents that were registered were less which led to less write-offs.

18] The actual expenditure was lower than expected due to the municipality appointing a service provider to do most repairs through competitive bidding processes. In prior years there were a lot of repairs on deviation basis due to emergencies. The municipality had also budgeted for some items as repairs which were later found to be capital items which were subsequently reclassified to assets.

19] The budget for water inventory consumed included the budget for inventory losses. The municipality consolidated the budget for those two items.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
20]	Anglo American sold a lot of properties and paid accounts for those properties in full that resulted in significant discount being offered. The municipality had not expected such significant discounts.					
21]	This was a budgeting error.					
22]	The municipality had not taken into account the appointment of property valuers in the budgeting for general expenses.					
23]	The loss on disposal of assets was not budgeted for as this was not expected.					
24]	The fair value adjustment was higher than expected due to new properties that were identified through the verification process.					
25]	The municipality wrote off more consumables than was anticipated and therefore the closing stock was less than expected and budgeted.					
26]	The Treasury template for budgeting does not make a split between exchange & non-exchange trade receivables and also No current portion of the receivable. On preparation of AFS the amounts are split to exchange and non exchange and also current and Non Current portion.					
27]	The collection rate for statutory receivables was lower than expected, resulting in a higher balance.					
28]	The actual VAT Receivable is more than budget due to an increase in accounts payable which means higher VAT Input that has not yet been recovered from SARS as the municipality is on a cash basis.					
29]	The Treasury template for budgeting does not make a split between exchange & non-exchange trade receivables. This has resulted in the non exchange portion not having a separate budget.					
30]	The municipality anticipated to close off the financial year with a higher cash balance, however due to the reduction in grant allocations and reduction in debt collection during the year the municipality was unable to meet this target.					
30]	The municipality anticipated to close off the financial year with a higher cash balance, however due to the reduction in grant allocations and reduction in debt collection during the year the municipality was unable to meet this target.					
32]	The municipality received donated Assets which were not budgeted for.					
33]	The actual balance is lower than budget due to impairment which was not sufficiently taken into account during budgeting.					
34]	The Treasury template for budgeting does not make provision for the Non current portion of other receivables (arrangements). Therefore this was not budgeted for.					
35]	The municipality had planned to settle significant amounts of accounts payables during the year. This could not materialise due to cashflow constraints as a result of low debt collection rate.					
36]	There was a decrease in the unallocated deposits amount in the current financial year which led to the overall decrease in taxes and transfers					
36]	No provision made on the budget template for taxes and transfers payable, therefore the item was not budgeted for..					
37]	The increase in consumer deposits was lower than expected.					
38]	The treasury budget template does not make provision for separate disclosure of employee benefits, therefore provisions and employee benefits are budgeted as one amount. It is the reflection of the changes in market indicators					
39]	The municipality did not budget to have any unspent conditional grant, however due delays on projects there was a balance on conditional grants received.					

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

40] The non-current portion of the loan has been cleared as the loan was due to be settled by 30 June 2021

41] The treasury budget template does not make provision for separate disclosure of employee benefits, therefore provisions and employee benefits are budgeted as one amount. It is the reflection of the changes in market indicators

42] Provisions are split between current and non-current portion of provision on the budget, however as per the AFS the total provision was recognised on current provision.

43] In the current year the DBSA loan was restructured inline with a new payment arrangement. Consequently the municipality mostly paid the installments in time and inline with the payment arrangement resulting in significant decrease in the balance as at 30 June 2024, than had been budgeted for.

44] The difference was due to significant tariff increases from Eskom than expected

45] The municipality had anticipated a higher rate of development of vacant stands in the area which did not materialise. Moreover there were some objections on some property valuations.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

Figures in Rand	Note(s)	2024	2023
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1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables, loans and receivables

The municipality assesses its trade receivables, loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgement as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the condition assessment assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 24 - Provisions.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 22.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.4 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

In determining the fair value of investment property within the Gamagara Municipal area, the municipality applied a method that involved analysing each classified area independently to assess market movement.

Market research was conducted by reviewing all registered property transactions within the Gamagara municipal boundaries, dating back to the previous year. The data was carefully cleansed to exclude any anomalies, and a general sales average was calculated for each classification. This was compared to the average from the prior year to identify market trends, including any potential increase, decrease, or instances where no significant change was observed. The percentage change for each classified area was then applied to the properties within those categories. This approach allowed the municipality to derive the fair market value for the investment properties.

The determination of fair value was supported by available market evidence, and, where applicable, additional factors such as the nature of the property and a lack of comparable market data were considered in the analysis.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The municipality separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 14).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 15).

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.5 Property, plant and equipment (continued)

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings		
• Improvements	Straight-line	5-100 years
Electrical Infrastructure		
• Electricity	Straight-line	3-55 years
• Landfill asset	Straight-line	10-20 years
• Roads & Paving	Straight-line	3-100 years
• Sanitation	Straight-line	7-55 years
• Sewerage	Straight-line	7-100 years
• Water	Straight-line	5-100 years
Community		
• Community facilities	Straight-line	5-60 years
• Recreational facilities	Straight-line	10-60 years
Other property, plant and equipment		
• Bins & containers	Straight-line	5-15 years
• Computer equipment	Straight-line	3-10 years
• Emergency equipment	Straight-line	3-10 years
• Furniture & fittings	Straight-line	3-15 years
• Motor vehicles	Straight-line	4-15 years
• Office equipment	Straight-line	3-15 years
• Plant and equipment	Straight-line	2-15 years
• Specialised vehicles	Straight-line	10-20 years
• Other assets	Straight-line	25-30 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.5 Property, plant and equipment (continued)

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 15).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 15).

1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.6 Intangible assets (continued)

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	3-5 years

1.7 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The municipality assesses at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.8 Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Trade receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Other financial liabilities	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost
Employee benefit obligation	Financial liability measured at amortised cost

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.8 Financial instruments (continued)

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

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1.8 Financial instruments (continued)

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

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1.8 Financial Instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognises either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognises the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Gamagara Local Municipality

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Accounting Policies

1.8 Financial Instruments (continued)

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.9 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The municipality recognises statutory receivables as follows:

- If the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- If the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- If the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

Gamagara Local Municipality

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Accounting Policies

1.9 Statutory receivables (continued)

The municipality initially measures statutory receivables at their transaction amount.

Subsequent measurement

The municipality measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Derecognition

The municipality derecognises a statutory receivable, or a part thereof, when:

- the rights to the cash flows from the receivable are settled, expire or are waived;
- the municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
 - derecognise the receivable; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Gamagara Local Municipality

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Accounting Policies

1.10 Leases (continued)

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.11 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Gamagara Local Municipality

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Criteria for Distinguishing Non-Cash-Generating and Cash-Generating Assets

1. Definition and Classification.

Cash generating assets: Assets primarily held with the objective of generating a commercial return. These assets are part of revenue generating activities where the inflow of funds or economic benefits can be reasonably expected through charges, fees, or other direct revenue mechanisms.

Non-cash generating assets: Assets primarily used to provide services or public goods without the intent of generating a commercial return. The primary goal is service delivery rather than revenue generation, even if incidental revenue arises from asset use.

2. Key Criteria for Classification

Purpose of the Asset:

Cash-Generating: Assets held with primary purpose of income generation through commercial activity, where service fees are structured to cover operational costs and potentially generate profit.

Non-Cash-Generating: Assets held to provide essential public services, with no intent to recover cost or earn a surplus. Such assets support broader social and public welfare goals.

Revenue Generation Potential

Cash-generating: Assets with a reasonable expectation of generating consistent revenue, often through customer charges, as seen with utility services (e.g. Electricity, Water and Sanitation).

Non-cash-generating: Assets that generate little to no direct revenue or only recover a portion of the cost. For instance, road infrastructure facilities transportation without directly charging for its use.

Commercial Return

Cash-generating: Assets expected to achieve a commercial return based on the income derived from their use, where "commercial return" reflects the ability to cover operational costs, maintenance, and possibly generate profit.

Non-cash-generating: Assets not expected to yield a commercial return but rather support indirect economic benefits or public service delivery.

3. Judgement Considerations

The classification of assets may involve judgement, particularly in cases where the revenue-generation purpose is ambiguous. Factors which are considered include:

Revenue dependency: If an asset's operational viability relies primarily on direct income, it is more likely to be classified as cash-generating.

Public Good Aspect: Assets primarily supporting social, economic, and community welfare are generally classified as non-cash-generating.

Cost Recovery vs. Profit: If user fees only recover a portion of the asset's cost with nonexpectation of profit, the asset may be deemed non-cash-generating, despite some revenue generation.

3.1 Example Judgements

Electricity Water and Sanitation Assets: These assets, such as water treatment plants, pumps and distribution networks, are classified as cash-generating because they generate revenue from user charges. The primary intent behind these assets include recovering operating costs and achieving a commercial return by ensuring consistent revenue through customer billing.

Road Infrastructure Assets: Roads and related infrastructure are generally classified as non-cash-generating because they serve as public goods, facilitating free movement and access rather than directly generating income. While some incidental income may arise (e.g. tolls on specific roads), the primary is service delivery to the public rather than commercial return.

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Accounting Policies

1.12 Impairment of cash-generating assets (continued)

Key Assumptions Used in Determining Recoverable Service Amounts

In accordance with GRAP 21 (Impairment of Non-cash-generating Assets) and GRAP 26 (Cash-generating Assets), the entity assesses assets for impairment whenever there is an indication that an asset may be impaired, if such indications are identified the entity assess whether the recoverable service amount is less than the carrying amount. Recoverable service amount is higher of the fair value less costs to sell and the value in use of the asset.

During the physical review, each asset is evaluated for significant changes in condition. If an asset's condition has visibly deteriorated compared to the prior year's assessment, it is flagged for further review. When there are indications of an abnormal decline, the condition rating is adjusted to accurately reflect the asset's service potential. The following key assumptions and methodologies were applied in determining the recoverable service amounts of assets that posed a significant risk of causing a material adjustment to the carrying amounts during the period.

1. Condition-Based Rating:

The recoverable service amount is determined using a condition rating system. Assets are rated based on their physical state and expected service potential, with the following condition categories and corresponding percentage rating

Condition	Description	Rating
1	Very Good	95%
2	Good	70%
3	Fair	45%
4	Poor	25%
5	Very Poor	10%
6	Broken	0%

These ratings are multiplied by the cost of the asset to estimate the recoverable service amount

2. Impairment Calculation:

In line with GRAP 21 and 23 paragraph. 19 the impairment loss is calculated as the difference between the carrying value of the asset and its recoverable service amount. Where the recoverable service amount is lower than the carrying value, the difference is recognised as an impairment loss in the Statement of Financial Performance.

3. Risk of Material Adjustment

Assets with lower condition ratings (Poor, Very Poor and Broken) pose a higher risk of material adjustments to their carrying amounts due to the potential for significant impairment losses. These ratings indicate reduced service potential leading to adjustments that reflect the diminished capacity of the asset to generate future service benefits.

4. Frequency of Assessment:

The condition rating and impairment assessment are performed annually, or when any other indicators are listed in GRAP 21 and 23 paragraph 23 is met. The assessment covers both infrastructure and movable assets and considers factors such as wear and tear, physical damage, and obsolescence.

1.13 Employee benefits

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Gamagara Local Municipality

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Accounting Policies

1.13 Employee benefits (continued)

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised remeasurements (actuarial gain or loss) exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Remeasurements within the corridor are not recognised.

Remeasurement on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amounts recognised in the statement of financial performance include the service cost (current service cost and settlement), the net interest expense (interest cost) and remeasurements (actuarial gains and losses).

The amount recognised in the statement of financial position represents the net present value of the defined benefit obligation (i.e. present value of the defined benefit obligation less the fair value of plan assets plus liabilities as a result of minimum funding requirements) as adjusted for any effect of the asset ceiling.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and refundable contributions to the plan.

Other post retirement obligations

The entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

1.14 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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Accounting Policies

1.14 Provisions and contingencies (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of an activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 57.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and

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Accounting Policies

1.14 Provisions and contingencies (continued)

- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.15 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. These commitments relate to the acquisition of property, plant and equipment and intangible assets. [Grap 17 par 86 (b) and Grap 31 par 123 (d)].

Disclosures are required in respect of unrecognised contractual commitments. The municipality determines the commitments amount by calculating the project value and deduct any capital expenditure and retention. The project value is the contractor's contract value and professional fees, excluding VAT and any contingencies. The capital expenditure for the project is the payments made to the contractor (including retention) and the consultant.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for construction of property, plant and equipment); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.17 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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1.17 Revenue from non-exchange transactions (continued)

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Levies

Levies are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the amount of the revenue can be measured reliably.

Levies are based on declarations completed by levy payers. The estimate of levies revenue when a levy payer has not submitted a declaration are based on the following factors:

- the extent and success of procedures to investigate the non-submission of a declaration by defaulting levy payers;
- internal records maintained of historical comparisons of estimated levies with actual levies received from individual levy payers;
- historical information on declarations previously submitted by defaulting levy payers; and
- the accuracy of the database of levy payers as well as the frequency by which it is updated for changes.

Changes to estimates made when more reliable information becomes available are processed as an adjustment to levies revenue.

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1.17 Revenue from non-exchange transactions (continued)

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

1.18 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.19 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the Irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.21 Irregular expenditure (continued)

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.22 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.23 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same entity);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

Measurement

The amount of each segment item reported is the measure reported to management for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing the entity's financial statements and allocations of revenues and expenses are included in determining reported segment surplus or deficit only if they are included in the measure of the segment's surplus or deficit that is used by management. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by management are reported for that segment. If amounts are allocated to reported segment surplus or deficit, assets or liabilities, those amounts are allocated on a reasonable basis.

If management uses only one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities in assessing segment performance and deciding how to allocate resources, segment surplus or deficit, assets and liabilities are reported in terms of that measure. If management uses more than one measure of a segment's surplus or deficit, the segment's assets or the segment's liabilities, the reported measures are those that management believes are determined in accordance with the measurement principles most consistent with those used in measuring the corresponding amounts in the entity's financial statements.

1.24 Budget Information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.24 Budget Information (continued)

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2020/07/01 to 2021/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.25 Related parties

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Management is regarded as a related party and comprises the councillors, executive mayor, mayoral committee members, municipal manager, executive directors and all other managers reporting directly to the municipal manager or as designated by the municipal manager.

1.26 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.27 Consumer deposits

Consumer deposits refer to amounts collected from consumers, generally in relation to municipal services provided, such as electricity, water and other utilities. These deposits are intended as security against default on the consumer's account. The municipality recognises consumer deposits when they are received from customers. Consumer deposits are measured at the amount received as stipulated on the tariff schedules.

When services are terminated, consumer deposits are refunded to the consumer, subject to the settlement of any outstanding amounts on the consumer's account.

The municipality discloses consumer deposits as part of current liabilities in the statement of financial position and notes to the financial statements to show the split between services.

1.28 Principal-agent arrangement

A principal-agent relationship is an arrangement where one person, the principal, relies on another person, the agent, to act on the principal's behalf.

The municipality as the agent acting on behalf of the principal recognises revenue based on the net amount retained (the amount billed to a customer less the amount paid to the supplier).

An entity that is the agent in a principal-agent arrangement shall disclose the following in the notes to the financial statements:

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Annual Financial Statements for the year ended 30 June 2024

Accounting Policies

1.28 Principal-agent arrangement (continued)

a description of any resources (including the carrying value and description of any assets recognised) that are held on behalf of a principal, but recognised in the agent's own financial statements. Such disclosure shall include:

the remittance of any resources during the period, as well as the expected timing of remittance of any remaining resources to the principal; and

risks that are transferred from the principal to the agent (if any), including risks flowing to the entity as a result of its custodianship over the resources held on behalf of a principal;

the aggregate amount of revenue that the entity recognises as compensation for the transactions carried out on behalf of the principal; and

a description of any liabilities incurred on behalf of a principal that have been recognised by the entity, as well as any corresponding rights of reimbursement that have been recognised as assets

1.29 Contingent Liabilities - Accounting Policy

The municipality's policy is not to recognise contingent liabilities in the annual financial statements, but to disclose them in the notes. A contingent liability is defined as a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or A present obligation that arises from past events but is not recognised because; 1) It is not probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation, or 2) The amount of the obligation can not be measured with sufficient reliability.

The municipality acknowledges that contingent liabilities can have a significant financial and economic impact to the municipality – by conferring certain rights or obligations that may be expected in the future. If the impact is not known, this could allow for financial difficulties for the municipality. Therefore ways are sought as much as possible to put measures in place to limit the impact of contingent liabilities – should these materialise.

In estimating the probable financial implications of contingent liabilities, where applicable the following is taken into account;

1. Maximum potential loss - This method values contingent liabilities at full face value.
2. Expected loss - This method tries to estimate the probability that the contingency will occur – and can be used when reliable data is available.
3. Use of market information if available
4. Opinion of experts such as legal practitioners

Gamagara Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2024 or later periods:

GRAP 103 (as revised): Heritage Assets

Background

The Accounting Standards Board (the Board) completed its post-implementation review of the Standard of GRAP on Heritage Assets (GRAP 103) (hereafter to as "the review") in 2020. Based on the feedback received as part of the review, the Board agreed to reconsider certain principles in GRAP 103.

The objective of the project was to revise and clarify principles in GRAP 103 following feedback received from the review and actions agreed by the Board.

Key amendments to GRAP 103

The board agreed that the definition of a heritage asset in GRAP 103 should be reconsidered to better align it with the legislative explanation of a heritage resource in the National Heritage Resources Act, 1999, and the classification by the South African Heritage Resources Agency.

The proposed definition focuses on assets that have cultural significance" and defines a heritage assets as "an asset that has cultural significance, and is held indefinitely for the benefit of present and future generations". "Cultural significance" has also been defined and described in GRAP 103 based on legislation.

The characteristics displayed by heritage assets, and the range of assets that could be heritage assets, have also been defined legislation.

The amendments further relate to the Classification of dual purpose heritage assets, Determining a reliable value for a heritage asset, Protective rights imposed on heritage assets, Re-assessing if a reliable value becomes available subsequently, Aggregation of individually insignificant heritage assets, impairment of heritage assets, Mandatory disclosures of heritage assets borrowed or on loan.

The effective date of these revisions have not yet been set.

The effective date of the standards is for years beginning on or after 01 April 2023.

The municipality has adopted the standard for the first time in the 2023/2024 unaudited annual financial statements, it is unlikely that the standard will have a material impact on the municipality's unaudited annual financial statements.

GRAP 104 (as revised): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board amended its existing Standards to deal with these issues. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standards affect:

1. Financial guarantee contracts issued
2. Loan commitments issued
3. Classification of financial assets
4. Amortised cost of financial assets
5. Impairment of financial assets
6. Disclosures

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The effective date of the revisions is not yet set by the Minister of Finance

The municipality expects to adopt the revisions for the time when the Minister sets effective date for the revisions.

It is unlikely that the standard will have a material impact on the municipality's unaudited annual financial statements.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
3. Inventories		
Consumable stores		481 276 173 717
Water		157 909 132 228
Fuel (Diesel, Petrol)		439 077 477 844
		1 078 262 783 789
Inventories recognised as an expense during the year		5 610 608 5 900 306
The cost of water production for the year amounted to R7.15 per kilolitre (2022: R5.84 per kilolitre). Raw water purchased from Sishen Iron Ore amounts to R0.06 per kilolitre.		
No inventories have been pledged as collateral for Liabilities of the municipality.		
4. Other trade receivables from exchange transactions		
Creditors with debit balances		73 413 -
Arrangements		916 060 4 127 039
		989 473 4 127 039
Arrangements		
Less than 1 year		916 060 4 127 039
5. Statutory receivables from non-exchange transactions		
Other receivables from non-exchange revenue		1 839 701 1 014 676
Consumer debtors - Rates	6	133 215 862 103 477 923
		135 055 563 104 492 599
6. Consumer debtors disclosure		
Gross balances		
Consumer debtors - Rates		163 703 153 128 292 319
Less: Allowance for Impairment		
Consumer debtors - Rates		(30 487 291) (24 814 396)
Net balance		
Consumer debtors - Rates		133 215 862 103 477 923
Statutory receivables included in consumer debtors above are as follows:		
Consumer debtors - Rates		133 215 862 101 664 468

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
6. Consumer debtors disclosure (continued)		
Financial asset receivables included in consumer debtors above	-	-
Total consumer debtors	133 215 862	103 477 923
Property rates		
Current (0 -30 days)	24 584 396	21 866 489
31 - 60 days	9 506 439	2 870 530
61 - 90 days	3 487 150	2 351 946
91 - 120 days	3 668 624	2 805 153
121 - 365 days	24 339 788	17 570 282
> 365 days	67 649 465	56 013 523
	133 215 862	103 477 923
Summary of debtors by customer classification		
Consumers and Other		
Current (0 -30 days)	10 216 129	18 046 581
31 - 60 days	8 992 384	2 391 237
61 - 90 days	2 368 659	1 894 040
91 - 120 days	2 391 180	2 301 554
121 - 365 days	13 273 618	14 318 525
> 365 days	52 895 801	46 873 088
	90 137 751	83 825 025
Less: Allowance for impairment	(18 310 056)	(15 892 388)
	71 827 695	67 932 637
Industrial/ commercial		
Current (0 -30 days)	14 143 274	5 594 673
31 - 60 days	3 071 444	1 322 930
61 - 90 days	1 964 552	1 151 730
91 - 120 days	2 171 795	1 337 703
121 - 365 days	15 719 261	8 517 991
> 365 days	30 225 397	25 916 123
	67 295 723	43 841 150
Less: Allowance for impairment	(12 177 235)	(8 974 862)
	55 118 489	34 866 288
National and provincial government		
Current (0 -30 days)	224 992	225 235
31 - 60 days	110 582	27 925
61 - 90 days	106 990	20 892
91 - 120 days	135 264	19 879
121 - 365 days	2 177 841	92 549
> 365 days	3 514 009	292 518
	6 269 678	678 997

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
6. Consumer debtors disclosure (continued)		
Total		
Current (0 -30 days)	24 584 396	21 866 489
31 - 60 days	12 174 410	3 742 091
61 - 90 days	4 440 201	3 066 662
91 - 120 days	4 698 219	3 659 136
121 - 365 days	31 170 720	22 929 066
> 365 days	86 635 206	73 081 729
	<u>183 703 153</u>	<u>128 345 172</u>
Less: Allowance for impairment	(30 487 291)	(24 867 250)
	<u>133 215 862</u>	<u>103 477 922</u>
Less: Allowance for impairment		
31 - 60 days	2 763 825	871 561
61 - 90 days	992 739	714 716
91 - 120 days	1 045 374	863 983
121 - 365 days	6 642 273	5 356 784
> 365 days	19 043 080	17 015 354
	<u>30 487 291</u>	<u>24 814 396</u>
Reconciliation of allowance for impairment		
Balance at beginning of the year	(24 814 396)	(26 168 132)
Contributions to allowance	(5 672 894)	1 353 736
	<u>(30 487 291)</u>	<u>(24 814 396)</u>
<p>The Provision for Impairment was calculated after grouping all the financial assets of similar nature and risk ratings and assessing the recoverability.</p> <p>In determining the recoverability of a Rates Assessment Debtor and Receivables from Non-exchange Transactions, the municipality considers any change in the credit quality of the Rates Assessment Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.</p> <p>Furthermore, no Provision for Impairment was calculated on Receivables other than Assessment Rates Debtors as the management is of the opinion that all Receivables are recoverable within normal credit terms.</p>		
7. Statutory receivables from exchange transactions		
Vat receivable	83 433 924	56 849 629
8. Receivables from exchange transactions		
Gross balances		
Electricity	173 873 927	130 564 852
Water	79 291 984	78 403 345
Waste water	62 093 252	54 023 350
Refuse	95 472 109	79 300 987
Other (specify)	5 960 788	6 553 450
	<u>416 692 060</u>	<u>348 845 984</u>

Gamagara Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
8. Receivables from exchange transactions (continued)		
Less: Allowance for impairment		
Electricity	(32 575 022)	(22 001 145)
Water	(17 358 220)	(16 200 708)
Waste water	(11 957 807)	(10 877 754)
Refuse	(19 216 669)	(17 124 422)
Other (specify)	(1 281 035)	(1 425 287)
	(82 388 753)	(67 629 316)
Net balance		
Electricity	141 298 905	108 583 707
Water	61 933 764	62 202 637
Waste water	50 135 445	43 145 596
Refuse	76 255 440	62 176 565
Other (specify)	4 699 753	5 128 163
	334 323 307	281 216 668
Electricity		
Current (0 -30 days)	25 228 493	36 204 704
31 - 60 days	3 382 631	9 175 493
61 - 90 days	9 102 363	19 512 310
91 - 120 days	2 862 384	1 234 823
121 - 365 days	37 824 241	12 950 055
> 365 days	62 898 901	29 486 322
	141 298 905	108 583 707
Water		
Current (0 -30 days)	83 437	8 920 545
31 - 60 days	1 476 755	2 297 613
61 - 90 days	1 443 313	1 065 543
91 - 120 days	1 260 055	1 117 497
121 - 365 days	11 066 725	8 485 019
> 365 days	46 603 479	40 316 420
	61 933 764	62 202 637
Waste water		
Current (0 -30 days)	7 527 722	7 370 032
31 - 60 days	2 012 035	1 453 657
61 - 90 days	1 487 121	1 248 801
91 - 120 days	1 779 203	1 583 038
121 - 365 days	10 057 018	11 269 899
> 365 days	27 272 346	20 220 168
	50 135 445	43 145 596
Refuse		
Current (0 -30 days)	7 783 141	5 856 493
31 - 60 days	1 759 834	1 208 170
61 - 90 days	1 550 111	1 074 469
91 - 120 days	1 873 609	1 269 141
121 - 365 days	10 074 261	8 422 896
> 365 days	53 214 484	44 345 395
	76 255 440	62 176 565

Gamagara Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand

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8. Receivables from exchange transactions (continued)

Other (specify)

Current (0 -30 days)

208 468

440 575

31 - 60 days

86 375

80 795

61 - 90 days

105 472

61 858

91 - 120 days

101 108

72 205

121 - 365 days

449 451

682 187

> 365 days

3 750 882

3 790 545

4 699 753

5 128 164

Gamagara Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand

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2023

8. Receivables from exchange transactions (continued)

Summary of debtors by customer classification

Consumers and Other

Current (0 -30 days)	21 689 813	51 983 142
31 - 60 days	7 119 908	15 489 489
61 - 90 days	10 089 960	27 456 392
91 - 120 days	6 101 781	3 833 077
121 - 365 days	34 429 460	30 383 797
	180 814 553	99 613 807
	260 245 474	228 739 704
	(53 976 984)	(41 350 918)
	206 268 491	187 388 786

Less: Allowance for impairment

Industrial/ commercial

Current (0 -30 days)	17 925 023	6 613 588
31 - 60 days	3 686 828	3 039 965
61 - 90 days	3 030 273	2 463 781
91 - 120 days	3 546 580	3 020 480
121 - 365 days	52 447 150	23 993 536
> 365 days	62 768 898	80 006 184
	143 404 752	119 137 533
	(28 391 769)	(28 324 162)
	115 012 983	92 813 371

Less: Allowance for impairment

National and provincial government

Current (0 -30 days)	1 214 423	195 620
31 - 60 days	357 380	28 644
61 - 90 days	4 409 783	24 825
91 - 120 days	438 486	27 555
121 - 365 days	2 092 235	145 298
> 365 days	4 529 568	592 569
	13 041 835	1 014 512

Total

Current (0 -30 days)	40 829 260	58 792 350
31 - 60 days	11 164 095	18 538 098
61 - 90 days	17 529 996	29 944 998
91 - 120 days	10 086 847	6 881 112
121 - 365 days	88 968 845	54 522 630
> 365 days	248 113 019	180 161 661
	416 692 061	348 840 850
	(82 368 753)	(67 675 080)
	334 323 308	281 165 770

Less: Allowance for impairment

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
8. Receivables from exchange transactions (continued)		
Less: Allowance for impairment		
31 - 60 days	(2 445 194)	(4 330 153)
61 - 90 days	(2 988 660)	(6 999 608)
91 - 120 days	(2 183 094)	(1 603 340)
121 - 365 days	(19 857 204)	(12 721 183)
> 365 days	(55 114 801)	(41 975 032)
	(82 368 753)	(67 629 316)
Reconciliation of allowance for impairment		
Balance at beginning of the year	(67 629 316)	(71 318 792)
Contributions to allowance	(14 739 437)	3 689 476
	(82 368 753)	(67 629 316)
9. Other trade receivables from exchange transactions		
Arrangements		
Less than 1 year	2 534 988	-
Between 1 year and 2 years	919 838	1 442 640
Between 2 year and 5 years	1 095 242	1 857 941
Over 5 years	156 126	(714)
	5 606 193	3 299 867
10. Other trade receivables from non-exchange transactions		
Arrangements		
Less than 1 year	1 028 489	-
Between 1 year and 2 years	335 575	858 190
Between 2 year and 5 years	946 774	190 120
Over 5 years	157 140	(181)
	2 467 978	1 048 149
11. Other trade receivables from non-exchange transactions		
Arrangements		
Less than 1 year	662 370	2 416 221
12. Interest receivable		
Interest receivable - Non-exchange transactions	40 043 033	27 641 920
Interest receivable - Exchange transactions	104 394 095	75 853 032
	144 437 128	103 494 952
13. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	14 020 559	12 915 912
Short-term deposits	289 652	274 656
	14 310 211	13 190 568

Gamagara Local Municipality

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Notes to the Annual Financial Statements

13. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2024	30 June 2023	30 June 2022	30 June 2024	30 June 2023	30 June 2022
First National Bank Primary Account - Cheque - 536-8800-6069	14 020 559	12 534 916	16 120 249	14 020 559	12 534 916	16 512 685
First National Bank - Call Account - 613-6600-1025	63 088	63 088	2 563 436	63 088	63 088	2 563 436
First National Bank - Call Account - 620-1304-5861	2 209	2 209	2 209	2 209	2 209	2 209
First National Bank - Call Account - 623-8067-5193	80 095	74 979	71 256	80 095	74 979	71 256
First National Bank - Call Account - 623-3404-0748	57 436	54 633	52 861	57 436	54 633	52 861
First National Bank - Fixed Deposit - 710-2095-0327	86 823	79 746	75 126	86 823	79 746	75 126
Standard Bank - Current - 230-0456-8500	-	380 996	(24 316)	-	380 996	(24 316)
Total	14 310 210	13 190 567	18 860 821	14 310 210	13 190 567	19 253 257

Gamagara Local Municipality
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Notes to the Annual Financial Statements

14. Investment property

2024		2023	
Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation
375 213 120	-	375 213 120	348 752 626
			Accumulated depreciation and impairment
			348 752 626

Investment property

Reconciliation of investment property - 2024

Investment property

Reconciliation of investment property - 2023

Investment property

Opening balance	Additions	Fair value adjustments	Total
348 752 626	22 171 000	4 289 494	375 213 120

Opening balance	Disposals	Fair value adjustments	Total
346 398 496	-	2 354 130	348 752 626

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Maintenance of investment property

The municipality did not undertake any maintenance work to investment property.

Gamagara Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

15. Property, plant and equipment

	2024		2023	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Cost / Valuation	Accumulated depreciation and accumulated impairment
Land	97 798 360	-	97 798 360	97 908 360
Buildings	105 227 798	(60 966 629)	44 261 189	47 766 307
Plant and machinery	2 276 972	(1 432 810)	844 162	1 070 370
Furniture and fixtures	9 924 874	(8 820 040)	1 104 834	1 501 035
Motor vehicles	36 659 685	(17 070 438)	19 489 247	17 478 106
IT equipment	6 579 658	(4 001 936)	2 577 722	3 358 205
Electrical infrastructure	355 793 006	(162 008 014)	193 784 992	200 143 697
Community	155 760 525	(66 302 054)	90 458 471	95 364 028
Roads infrastructure	561 027 109	(334 758 249)	562 285 574	236 867 457
Sanitation infrastructure	418 143 793	(223 899 628)	194 244 165	207 489 708
Water supply infrastructure	502 700 193	(275 546 618)	227 153 575	218 479 121
Solid waste infrastructure	88 211 015	(58 044 293)	30 166 722	29 339 824
Total	2 340 002 988	(1 211 860 709)	1 128 142 279	1 156 766 218

Gamagara Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

15. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2023

Description	Land	Buildings	Plant and machinery	Furniture and fixtures	Motor Vehicles	IT Equipment	Electrical Infrastructure	Community Infrastructure	Roads Infrastructure	Sanitation Infrastructure	Water Supply Infrastructure	Solid Waste Infrastructure	Total
Carrying values at - 30 June 2022	97 908 360	51 351 251	1 358 166	1 685 852	20 163 852	3 096 529	196 539 311	99 353 304	242 287 025	207 151 579	223 375 866	26 546 924	1 170 798 040
Cost	97 908 360	105 337 088	2 768 391	10 028 931	32 464 882	5 663 999	345 338 212	198 770 466	557 484 716	416 168 470	481 491 918	76 321 178	2 289 876 333
- Completed assets	97 908 360	104 870 717	2 768 391	10 028 931	32 464 882	5 663 999	282 078 706	158 165 973	556 038 196	400 119 873	441 626 138	76 016 523	2 177 548 490
- Under construction	-	716 290	-	-	-	-	53 279 506	604 493	1 446 522	16 048 597	38 865 780	304 655	112 267 843
Accumulated impairment losses	-	(1 427 446)	(296)	(41 300)	(628 974)	(24 574)	(617 288)	(904 660)	(5 055 719)	(175 715)	(362 016)	-	(6 777 987)
Accumulated depreciation	-	(62 608 311)	(1 409 931)	(8 301 751)	(11 671 857)	(2 542 987)	(148 201 614)	(58 912 503)	(310 161 975)	(208 841 177)	(257 814 037)	(49 774 255)	(1 110 240 306)
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	385 382	107 884	1 118 185	-	950 000	313 137	75 599	486 542	-	3 368 381
- Under construction	-	-	32 642	-	-	-	10 974 995	-	4 573 184	10 684 982	5 544 703	-	31 757 862
Depreciation and impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
- Depreciation	-	(3 490 405)	(318 439)	(563 853)	(2 793 829)	(958 508)	(7 275 154)	(4 819 868)	(10 203 580)	(3 302 768)	(10 715 131)	(3 792 670)	(54 127 135)
- Impairment loss	-	(69 136)	(3 957)	(6 355)	-	-	(67 940)	(18 839)	(66 296)	(1 066 582)	(176 513)	-	(1 515 661)
Disposal/impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
- Cost	-	(14 734)	-	-	-	-	(41 113)	(104 633)	(85 466)	(103 069)	(173 336)	-	(522 351)
- Accumulated depreciation	-	9 330	-	-	-	-	33 602	104 166	64 201	42 667	123 955	-	377 921
- Accumulated impairment	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital under construction - Completed	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in discount factor	-	-	-	-	-	-	-	-	-	-	-	-	-
Carrying values at 30 June 2023	97 908 360	47 766 308	1 070 372	1 501 035	17 478 107	3 458 206	200 143 699	95 364 030	236 867 458	207 489 716	218 479 126	6 585 570	1 555 768 240
Cost	97 908 360	105 372 274	2 801 033	10 414 323	32 572 566	6 782 184	356 292 092	199 815 833	562 283 573	428 305 982	487 349 827	82 906 748	2 331 006 795
- Completed assets	97 908 360	104 655 984	2 801 033	10 414 323	32 572 566	6 782 184	292 037 593	158 911 340	556 263 868	400 092 403	441 939 344	82 602 093	2 186 981 090
- Under construction	-	716 290	-	-	-	-	64 254 499	604 493	6 021 706	26 713 579	46 410 483	304 655	144 025 705
Accumulated impairment losses	-	(1 516 582)	(4 292)	(47 654)	(628 974)	(24 574)	(705 228)	(523 499)	(5 115 761)	(1 214 988)	(465 491)	-	(10 251 044)
Accumulated depreciation	-	(56 089 366)	(1 726 370)	(8 865 634)	(14 465 485)	(3 399 405)	(155 443 165)	(63 028 305)	(320 296 355)	(218 101 279)	(268 405 212)	(53 586 925)	(1 163 969 521)

Pledged as security

The municipality did not pledge any of its assets as security.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
15. Property, plant and equipment (continued)		
Property, plant and equipment in the process of being constructed or developed		
Projects were identified where construction or development has been halted either during the current or previous reporting period(s). These projects relate to internal funded projects and was halted due to financial constraints. These projects were all considered for impairment and it was concluded that assets are not impaired at this point in time and the projects will be continued when funds are available as most of these projects only incurred professional fees on the planning phase.		
Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)		
Upgrading of municipal offices in Olifantshoek Only the professional fees paid, the project was supposed to be funded internally. The project will be implemented when funds become available in the future.	501 376	501 376
Upgrading of internal roads in Olifantshoek Only the professional fees paid, the project was supposed to be funded internally. The project will be implemented when funds become available in the future.	744 554	744 554
Kathu 1600 Mixed Typology Development Project taken over by COGHSTA, poor performance by contractor. Part of the project has been impaired.	2 420 123	9 680 492
Sesheng Engineering Civil Services Project halted, COGHSTA and HDA to implement the project, Contract terminated. The matter is still in Court. Litigation against HDA.	13 035 088	13 035 088
Electrical transmission Master Plan only, no contractor appointed. The project has been impaired.	-	112 195
Construction of Dibeng Landfill site Control Room and Fencing Only the professional fees paid, the project was supposed to be funded internally. The project will be implemented when funds become available in the future.	-	87 719
Construction of Control Room at Olifantshoek Landfill Site Only the professional fees paid, the project was supposed to be funded internally. The municipality will not continue with the project, the project has been impaired.	-	40 743
Construction of Control Room and Fencing at Kathu Transfer Station. Only the professional fees paid, the project was supposed to be funded internally. The municipality will not continue with the project, the project has been impaired.	-	108 823
Upgrading Bulk Electricity Supply - OFH The project to be implemented by Eskom, INEP funded project. Project halted due to no consensus between the municipality and Eskom on service account. Discussion still underway, project will still be implemented.	5 028 097	5 028 097
Kathu West 18ml reservoir and 3ml tower Halted due to lack of funding, only feasibility paid. Project to be implement when funds become available. Report received.	2 389 000	2 389 000
Construction of 7ml reservoir and 1.7 elevated tower at Sesheng Halted due to lack of funding, only feasibility paid. Project to be implemented when funds become available. IRS report in progress.	797 288	797 288
Parks Landscaping of isles & traffic No budget, project to be implemented once funds becomes available. Internally fund project. The project has been impaired.	-	58 840
Upgrading of electrical switchgear in Industrial substation	-	322 150

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
15. Property, plant and equipment (continued)		
The project will still be implemented, internally funded project. Only professional fee paid. No Contractor was appointed. The project has been impaired.		
Dibeng Cemeteries EPWP Project No budget, project to be implemented once funds becomes available. Internally fund project. The project has been impaired.	-	44 573
Development of Khai appel boreholes Phase 1 Phase 1A Completed by khumani Mine and transferred to the Asset register last financial year. Municipality paid professional fees only and will continue with the remainder once funds become available.	967 976	967 976
Electrification Kathu No budget, project to be implemented once funds becomes available. Internally fund project.	1 141 839	1 141 839
Construction of control room at Olifantshoek Only the professional fees paid, the project was supposed to be funded internally. The project will be implemented when funds become available in the future.	69 369	69 369
Construction of ablution facility & fencing Olifantshoek Only the professional fees paid, the project was supposed to be funded internally. The project will be implemented when funds become available in the future.	214 915	214 915
Refurbishing of existing 3ML Reservoir, fencing, replace AC bulk pipes, OFH In progress, The contractor to test the pipeline.	10 729 375	10 729 375
Upgrade of Parks Kathu_ Fencing No budget, project to be implemented once funds becomes available. Internally fund project	501 080	501 080
Electrification of 1265 stands in Mapoteng/Sesheng Construction has been halted on site due to ongoing court case between COGTA and the contractor.	37 622 746	37 622 746
EEDSM (Internal Energy Efficiency Project) Construction has been halted on site due to the contract being terminated due to non-compliance issue with the contractor..	12 700 128	12 700 128
Construction of new stormwater drainage in Welgelee The project will still be implemented, internal funded project. Currently there is no budget available to continue with the project. The project will be implemented when funds become available in the future.	5 277 152	5 277 152
	94 140 106	102 173 518

Reconciliation of Work-in-Progress 2024

	Included within Infrastructure	Included within Community	Included within Buildings	Included within Landfill assets	Total
Opening balance	142 400 267	604 493	716 290	304 655	144 025 705
Additions/capital expenditure	16 638 497	-	-	-	16 638 497
Project impaired	(7 694 715)	(103 413)	-	(235 288)	(8 033 414)
Transferred to completed items	(23 875 334)	-	-	-	(23 875 334)
	127 468 715	501 080	716 290	69 369	128 755 454

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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15. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2023

	Included within Infrastructure	Included within Community	Included within Buildings	Included within Landfill assets	Total
Opening balance	110 642 405	604 493	716 290	304 655	112 267 843
Additions/capital expenditure	31 757 862	-	-	-	31 757 862
	142 400 267	604 493	716 290	304 655	144 025 705

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

Buildings	310 606	1 695 036
Infrastructure	13 190 872	17 145 670
	13 501 478	18 840 706

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements**16. Intangible assets**

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1 586 076	(1 415 815)	170 461	1 700 853	(1 474 800)	226 053

Reconciliation of Intangible assets - 2024

	Opening balance	Disposals	Amortisation	Total
Computer software, other	226 053	(3 450)	(52 142)	170 461

Reconciliation of Intangible assets - 2023

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	430 995	149 153	(243 157)	(110 938)	226 053

17. Heritage assets

	2024			2023		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Heritage assets	74 581	-	74 581	74 581	-	74 581

Reconciliation of heritage assets 2024

	Opening balance	Total
Heritage assets	74 581	74 581

Reconciliation of heritage assets 2023

	Opening balance	Total
Heritage assets	74 581	74 581

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
18. Other financial liabilities		
At amortised cost		
Bank loan	35 462 063	-
Terms and conditions		
Annuity Loans - Current	7 533 077	49 516 483
	42 995 140	49 516 483
Total other financial liabilities	42 995 140	49 516 483

Annuity Loans are repaid over periods varying from 10 to 15 (2023: 10 to 15) years and at interest rates varying from 8.63% to 11.06% (2023: 8.63% to 11.06%) per annum. Annuity Loans are not secured.

Arrears interest is charged at 10.63% to 12.76% for unpaid instalment.

The fair value of Long-term liabilities was determined after considering the standard terms and conditions of agreements entered into between the municipality and the relevant financing institutions.

Refer to Appendix "A" for more detail on Long-term liabilities.

Non-current liabilities		
At amortised cost	35 462 063	-
Current liabilities		
At amortised cost	7 533 077	49 516 483

Contract number	Loan/Project number	Start date	Planned end-date	Loan term	Interest rate
61000367	101796/1	01-07-2008	30-06-2021	15	8,63 %
61006899	12007530	01-07-2011	30-06-2021	10	9,56 %
61006937	12007596	01-07-2011	30-06-2021	10	11,06 %
61008643	120009479	30-11-2023	31-12-2023	9	11,70 %

The municipality requested for the restructuring and repayment plan of the municipality debt to DBSA. This entailed consolidation of all the three loans, namely 61000367, 61006899 and 61006937 into one loan 61008643 on the 30th of November 2023. This was concluded in order to improve the municipality cashflows and build momentum on the repayments.

As at 30 June 2024					
Maturity analysis	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
DBSA	42 995 141	-	-	-	42 995 141
Subtotal	42 995 141	-	-	-	42 995 141
	42 995 141	-	-	-	42 995 141

Maturity analysis

As at 30 June 2023					
Maturity analysis	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
DBSA	49 516 483	-	-	-	49 516 483
Subtotal	49 516 483	-	-	-	49 516 483
	49 516 483	-	-	-	49 516 483

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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18. Other financial liabilities (continued)

Defaults and breaches

2024

	Loan	Total
	61008643	
Capital	42 972 106	42 972 106
Interest	23 035	23 035
	42 995 141	42 995 141

2023

	Loan	Loan	Loan	Total
	61000367	61006899	61006937	
Capital	11 386 777	6 313 088	7 735 491	25 435 356
Interest	9 318 761	4 929 576	9 832 790	24 081 127
	20 705 538	11 242 664	17 568 281	49 516 483

19. Payables from exchange transactions

Trade payables	241 729 493	524 530 433
Retentions payable	4 301 534	4 288 297
Accrued leave pay	29 727 108	26 497 582
Accrued bonus	6 248 729	5 584 682
Agency fees	49 703	49 703
Department of transport and Prodiba	28 589 841	29 573 737
Prepaid electricity and water	2 485 916	1 767 680
Payments received in advance	22 765 976	14 072 395
Employee Control account	10 656 831	9 583 701
	348 555 131	614 918 170

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA, except when the liability is disputed. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe.

The municipality had a payment arrangement in place with ESKOM at year end, this arrangement was not settled in full during July 2020.

The management of the municipality is of the opinion that the carrying value of Creditors approximates their fair values.

The fair value of Creditors was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

20. Payables from non-exchange

Payment Received in Advance	8 943 924	5 175 293
Unspent grant payable to National Treasury	20 748 922	19 292 050
Unallocated Deposits	16 920 061	18 116 147
	46 612 907	42 583 490

Staff leave and bonus accrues to the staff of the municipality on an annual basis, subject to certain conditions.

No credit period exists for payables from non-exchange transactions, neither has any credit period been arranged. No interest is charged on outstanding amounts.

The municipality did not default on the payment of its creditors. No terms for payment have been renegotiated by the municipality.

Gamagara Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

	2024	2023
Figures in Rand		

20. Payables from non-exchange (continued)

The fair value of creditors was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

21. Consumer deposits

	667	3 013
Cemetery	170 045	90 198
Sundry deposits - rentals	7 978 842	6 932 733
Electricity & water	145 457	500 487
Housing rental	8 295 011	7 626 411

22. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value	(48 216 000)	(41 092 000)
Net present value of the defined benefit obligation-wholly unfunded - Post Employment		
Medical Aid	(15 099 000)	(14 998 000)
Net present value of the defined benefit obligation-wholly unfunded - Long Service		
Awards	(63 315 000)	(56 090 000)
	(59 798 000)	(53 453 000)
Non-current liabilities	(3 517 000)	(2 637 000)
Current liabilities	(63 315 000)	(56 090 000)

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member is entitled to continue as a member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2024 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Long service award

The members of the long service award are made up as follows:

Eligible employees as at 30 June 2022	431	427
New Entries	26	22
Exits	(11)	(18)
	446	431

Movements in the present value of the defined benefit obligation are as follows:

Opening balance	14 998 000	15 509 000
Service cost	(1 074 746)	(1 104 347)
Net interest expense	1 591 000	1 569 000
Remeasurements	(415 254)	(975 653)
	15 099 000	14 998 000

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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22. Employee benefit obligations (continued)

The amounts recognised in the statement of financial performance

Service cost	(1 074 748)	(1 104 347)
Net interest expense	1 591 000	1 669 000
Remeasurements	(415 254)	(975 653)
	<u>101 000</u>	<u>(511 000)</u>

Movements in the present value of the defined benefit obligation were as follows:

Assumptions used at the reporting date:

Discount rates used	11,05	11,28 %
Average retirement age	62	62

Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
General earnings inflation rate	15 916 000	14 349 000
Discount rate	14 326 000	15 954 000

The history of experienced adjustments is as follows:

	2024 R	2023 R	2022 R	2021 R	2020 R
Defined benefit obligation	15 099 000	14 998 000	15 509 000	13 567 000	9 639 000
Surplus (deficit)	(15 099 000)	(14 998 000)	(15 509 000)	(13 567 000)	(9 639 000)
Experience adjustments on plan liabilities	(322 254)	(108 653)	822 767	3 880 077	(1 543 012)

Post employment medical aid subsidy

The members of the long service award are made up as follows:

In-service (employee) members	392	369
In-service (employee) non-members	54	62
Continuation (retiree and widow) members	16	14
	<u>462</u>	<u>445</u>

Unfunded liability

In-service (employee) members	36 163 000	30 514 000
In-service (employee) non-members	1 258 000	1 327 000
Continuation (retiree and widow) members	10 795 000	9 251 000
	<u>48 216 000</u>	<u>41 092 000</u>

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	41 092 000	44 471 000
Service cost	1 735 414	2 288 098
Net interest expense	5 117 000	5 222 000
Remeasurements	271 586	(10 889 098)
	<u>48 216 000</u>	<u>41 092 000</u>

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

22. Employee benefit obligations (continued)

Net expense recognised in the statement of financial performance

Service cost	1 735 414	2 288 098
Net interest expense	5 117 000	5 222 000
Remeasurements	271 586	(10 889 098)
	7 124 000	(3 379 000)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	12,35 %	12,58 %
Health care cost inflation rate	7,81 %	8,18 %
Average retirement age	82	82

Sensitivity analysis

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. A one percentage point change in assumed healthcare cost trends rates would have the following effects:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	56 385 000	41 600 000
Discount rate	41 892 000	56 106 000

The history of experienced adjustments is as follows:

	2024 R	2023 R	2022 R	2021 R	2020 R
Defined benefit obligation	48 216 000	41 092 000	44 471 000	40 945 000	33 718 000
Surplus (deficit)	(48 216 000)	(41 092 000)	(44 471 000)	(40 945 000)	(33 718 000)
Experience adjustments on plan liabilities	1 380 000	(3 923 000)	3 180 000	963 000	546 000

23. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Financial Management Grant (FMG)	-	1 456 872
Municipal Infrastructure Grant (MIG)	6 383 326	-
EPWP	(1)	(1)
Energy Efficiency and Demand Side Management Grant (EEDSM)	4 000 000	-
Water Service Infrastructure Grant (WSIG)	1 438 207	-
	11 821 532	1 456 871

Movement during the year

Balance at the beginning of the year	1 456 871	11 254 024
Additions during the year	28 870 000	30 196 898
Income recognition during the year	(17 048 466)	(33 505 094)
Rollover not approved transferred to Equitable Share	(1 456 874)	(6 488 957)
	11 821 532	1 456 871

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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23. Unspent conditional grants and receipts (continued)

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

See note for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

24. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Change in discount factor	Reduction due to re-measurement or settlement without cost to entity	Total
Rehabilitation of Landfill Sites - Olifantshoek	6 907 100	-	1 084 450	1 289 338	9 280 888
Rehabilitation of Landfill Sites - Deben	63 409 271	-	7 059 881	4 270 215	74 739 367
	70 316 371	-	8 144 331	5 539 553	84 000 255

Reconciliation of provisions - 2023

	Opening Balance	Additions	Change in discount factor	Reduction due to re-measurement or settlement without cost to entity	Total
Rehabilitation of Landfill Sites - Olifantshoek	5 477 637	-	779 121	650 342	6 907 100
Rehabilitation of Landfill Sites - Deben	51 674 252	-	5 799 792	5 935 227	63 409 271
	57 151 889	-	6 578 913	6 585 569	70 316 371

The municipality has an obligation to rehabilitate landfill sites.

The environmental rehabilitation provision represents the estimated costs to rehabilitate and close existing waste landfill sites. The provision is recognised at the present value of the expenditure expected to settle the obligation.

The future value of the rehabilitation of landfill sites obligation was calculated by inflating the non-current cost to an estimated future cost which is then discounted to present value. Interest rate used is 9.68% (6 years) and 12.43% (16 years).

The valuation of the landfill site provision was done by JPCE Specialist Consulting Engineers, a company which specialises in infrastructure maintenance and environmental consultancy services to municipalities and the professional valuator on the project was VV. Meyers (B. Eng.), with extensive experience and expertise relevant for this type of work.

Environmental rehabilitation provision

Council operates two disposal sites. In terms of the Environmental Conservation Act (Act No 73 of 1989), the municipality is responsible to perform a rehabilitation of the land upon closure of the landfill site.

Key assumptions

Description	Deben	Olifantshoek
Total Site Area	132 831m ²	28 357m ²
Estimated site closure date	2030	2040
Remaining site life (from 2024) (years)	6 years	16 years
Net present value calculations based on the Government Bond Yield Rates for 10-years and 20-years respectively as discount rates (as at 30 June 2023)	9,88%	12,43%

Gamagara Local Municipality

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Figures in Rand	2024	2023
25. Revenue		
Service charges	302 316 032	274 654 659
Rental of facilities and equipment	2 075 448	2 129 816
Interest received (trading)	41 547 514	35 582 419
Agency services	546 906	489 701
Discount received	2 234 314	-
Other income	4 456 705	4 458 446
Interest received - investment	603 611	471 503
Property rates	154 195 370	139 254 603
Availability Charges	48 002 294	39 832 222
Surcharges and Taxes	14 610 866	12 608 971
Government grants & subsidies	78 909 102	87 220 050
Public contributions and donations	137 157 183	850 000
Fines, Penalties and Forfeits	1 384 338	733 451
	788 039 683	598 285 841
 The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	302 316 032	274 654 659
Rental of facilities and equipment	2 075 448	2 129 816
Interest received (trading)	41 547 514	35 582 419
Agency services	546 906	489 701
Discount received	2 234 314	-
Other income	4 456 705	4 458 446
Interest received - investment	603 611	471 503
	363 780 530	317 786 544
 The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	154 195 370	139 254 603
Availability Charges	48 002 294	39 832 222
Licences or permits	1 707 616	1 512 959
Surcharges and Taxes	14 610 866	12 608 971
Transfer revenue		
Government grants & subsidies	78 909 102	87 220 050
Public contributions and donations	137 157 183	850 000
Fines, Penalties and Forfeits	1 384 338	733 451
	435 966 769	282 012 256
 26. Service charges		
Sale of electricity	201 978 288	164 116 593
Sale of water	28 779 321	43 036 186
Solid waste	45 670 594	42 417 670
Sewerage and sanitation charges	34 193 045	33 794 133
Less: Income forgone	(8 305 216)	(8 709 923)
	302 316 032	274 654 659
 27. Rental of facilities and equipment		
Premises		
Premises	2 075 448	2 127 523

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Figures in Rand	2024	2023
27. Rental of facilities and equipment (continued)		
Facilities and equipment		
Rental of facilities	-	2 293
	<u>2 075 448</u>	<u>2 129 816</u>
28. Interest		
Interest exchange	41 547 514	35 582 419
Interest non-exchange	14 610 866	12 608 971
	<u>56 158 380</u>	<u>48 191 390</u>
29. Agency services		
Department of Transport	546 906	489 701
30. Other revenue		
Discount received	2 234 314	-
Other income - (rollup)	4 456 705	4 458 446
	<u>6 691 019</u>	<u>4 458 446</u>
31. Other income		
Cemetery fees	56 708	45 883
Collection charges	1 318 924	1 268 191
Building plan approval	2 071 651	1 835 251
Photocopies	816	1 430
Drivers Licence - Testing Grounds	25 400	-
Insurance Refund	53 880	-
Reconnection fees	426 246	625 478
Land Use Inspections	503 080	660 945
Objections and Appeals	-	1 468
	<u>4 456 705</u>	<u>4 458 446</u>
32. Property rates		
Rates received		
Property rates Income	159 192 040	143 803 667
Less: Income forgone	(4 996 870)	(4 549 064)
	<u>154 195 370</u>	<u>139 254 603</u>

Gamagara Local Municipality

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Figures in Rand	2024	2023
32. Property rates (continued)		
Valuations		
Residential	6 832 940 855	6 760 483 575
State owned	84 437 020	85 077 020
Municipal farms	86 266 000	88 006 000
Small holdings	97 480 000	97 480 000
Industrial	245 630 500	187 431 500
Business	1 377 371 112	1 332 110 112
Agriculture	1 358 334 000	1 358 143 000
Public service infrastructure	19 788 222	17 049 006
Public benefit organisation	16 255 004	11 706 700
Church	87 129 548	87 129 548
Education	311 274 000	363 233 000
Vacant stands	6 458 080	11 495 384
Mining	406 683 440	405 676 100
Existing farms without dwellings	161 927 000	161 927 000
Municipal	666 727 355	566 682 181
	11 657 702 136	11 535 632 136

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2019. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A fixed rate is applied to property valuations according to different categories as per the tariff schedules to determine assessment rates. Rebates of R15 000 on the property valuation are granted to residential property owners.

33. Availability charges

Electricity	15 158 825	14 782 092
Water	25 902 440	13 366 278
Sanitation	6 941 029	11 683 852
	48 002 294	39 832 222

Availability charges are billed on vacant stands which are serviced by the municipality. The municipality supply electrical, sewerage and water infrastructure to service the vacant stands and the owner is then billed for the availability of the infrastructure network supplied. Availability charges were only implemented from July 2021.

Gamagara Local Municipality

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Figures in Rand	2024	2023
34. Government grants and subsidies		
Operating grants		
Equitable share	61 684 000	53 714 955
National: Financial Management Grant	2 100 000	843 128
Provincial: Department of Public Works: EPWP Programme	950 000	1 073 000
Provincial: Library	1 043 000	3 210 000
Municipal Disaster Relief Grant	-	511 297
Education, Training and Development Practices- SETA	176 636	355 898
	65 953 636	59 608 278
Capital grants		
National: Municipal Infrastructure Grant (MIG)	3 012 674	9 458 000
National: Department of Minerals & Energy (INEP)	-	6 000 000
Energy Efficiency Demand Side Management Grant	-	4 000 000
Municipal Disaster Relief Grant	-	4 253 772
Water Service Infrastructure Grant (WSIG)	9 942 792	4 000 000
	12 955 466	27 711 772
	78 909 102	87 220 050

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents receive a monthly subsidy of R994.53 - (2023: R938.74 -), which is funded from the grant.

National: Financial Management Grant (FMG)

Balance unspent at beginning of year	1 456 872	-
Current-year receipts	2 100 000	2 100 000
Conditions met - transferred to revenue	(2 100 000)	(843 128)
Rollover not approved	(1 456 872)	-
	-	1 456 872

The Financial Management Grant (FMG) was allocated to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

National: Municipal Infrastructure Grant (MIG)

Balance unspent at beginning of year	-	4 750 124
Current-year receipts	9 398 000	9 458 000
Conditions met - transferred to revenue	(3 012 674)	(9 457 999)
Rollover not approved- Transfer to Equitable share	-	(4 750 125)
	6 383 326	-

The Municipal Infrastructure Grant (MIG) was allocated to provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

National: Department of Mineral & Energy (INEP)

Current-year receipts	-	6 000 000
Conditions met - transferred to revenue	-	(6 000 000)
	-	-

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

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Figures in Rand	2024	2023
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34. Government grants and subsidies (continued)

The grant was allocated to implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure.

Provincial: Department of Public Works: EPWP Programme

Balance unspent at beginning of year	(1)	-
Current-year receipts	950 000	1 073 000
Conditions met - transferred to revenue	(950 000)	(1 073 001)
	(1)	(1)

The Expanded Public Works Programme was allocated to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings; low traffic roads and rural roads; basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure); other economic and social infrastructure; tourism and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; community safety programmes.

Provincial: Library

Current-year receipts	1 043 000	3 210 000
Conditions met - transferred to revenue	(1 043 000)	(3 210 000)
	-	-

Conditions still to be met - remain liabilities (see note 23).

The Provincial Library Grant was allocated to transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.

Energy Efficiency and Demand Side Management (EEDSM)

Balance unspent at beginning of year	-	159 181
Current-year receipts	4 000 000	4 000 000
Conditions met - transferred to revenue	-	(4 000 000)
Rollover not approved-transferred to payables	-	(159 181)
	4 000 000	-

The Energy Efficiency and Demand Side Management grant was allocated to provide subsidies to municipalities to implement efficiency and demand side management initiatives with in municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.

Gamagara Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
34. Government grants and subsidies (continued)		
Education, Training and Development Practices- SETA		
Current-year receipts	176 636	355 898
Conditions met - transferred to revenue	(176 636)	(355 898)
	-	-

In terms of Skills Levy Act of 1999, LGSETA pays a mandatory grant which is 20% of 1% the municipality pays to the South African Revenue Service for Skill Development.

Municipal Disaster Relief Grant

Balance unspent at beginning of year	-	6 283 711
Conditions met - transferred to revenue	-	(4 765 069)
Rollover not approved-transferred to payables	-	(1 518 642)
	-	-

Conditions still to be met - remain liabilities (see note 23).

Water Service Infrastructure Grant (WSIG)

Balance unspent at beginning of year	-	61 008
Current-year receipts	11 381 000	4 000 000
Conditions met - transferred to revenue	(9 942 793)	(4 000 000)
Rollover not approved- Transfer to Equitable share	-	(61 008)
	1 438 207	-

Conditions still to be met - remain liabilities (see note 23).

The Water Service Infrastructure Grant was allocated to facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance to sustainability of services especially in rural municipalities; provide basic and intermittent water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development; support municipalities in implementing water conservation and water demand management projects; support the close-out of the existing Bucket Eradication Programme intervention in formal residential areas; support drought relief projects in effected municipalities.

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act ... of 20X2), no significant changes in the level of government grant funding are expected over the forthcoming three (3) financial years.

Gamagara Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
35. Public contributions and donations		
Property, plant and equipment	15 867 249	850 000
Revenue in-kind	99 098 934	-
Investment property	22 171 000	-
	137 157 183	850 000

Property, plant and equipment

Donation of Infrastructure Assets

The municipality received several donations of property plant and equipment classified as Sanitation and Water Infrastructure. The donations were recognised at their fair value (R9 954 421).

Donation of Transport Assets

In the financial year 2024, the municipality received several donations of property, plant and equipment classified as Transport Assets from various entities in order to enhance the transport capabilities. These donations were recognised in the financial statements at their fair values (R5 981 087).

Revenue in kind

Eskom interest benefit relating to the Municipal Debt Relief by the National Treasury.

Investment property

This relates to a donation of vacant land from Sishen Iron Ore Company Pty Ltd. The donated land, classified as investment property due to its vacant status, has been recognised in the financial statements at a fair value of R22 171 000. This donation has been recorded as an increase in the municipality's investment property portfolio and contributes to the municipality's long-term asset base.

36. Fines, Penalties and Forfeits

Other Fines	431 638	356 801
Law Enforcement Fines	10 000	-
Court Traffic Fines	942 700	376 650
	1 384 338	733 451

Gamagara Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
37. Employee related costs		
Basic	123 462 430	111 351 046
Contributions to Bargaining Council	59 665	53 471
Medical aid - company contributions	13 791 113	12 260 782
UIF	900 575	851 004
SDL	1 740 116	1 640 135
Leave pay provision charge	5 412 756	3 937 015
Service costs - Employee benefits	660 688	1 183 751
Defined contribution plans	20 089 303	18 283 329
Travel, motor car, accommodation, subsistence and other allowances	13 215 508	12 269 363
Overtime payments	14 595 270	17 653 892
Long-service awards	2 119 705	2 462 926
13th Cheques	10 335 753	9 378 709
Acting allowances	4 291 306	3 332 352
Housing benefits and allowances	2 003 624	1 783 374
Standby Allowance	3 478 146	3 288 101
Group life insurance	238 636	256 152
Cellular and Telephone	697 345	394 484
	217 081 921	200 379 886
Remuneration of Municipal Manager (Contract ended) - KP Leserwane		
Annual Remuneration	-	398 112
Travel Allowance	-	192 054
Cellphone Allowance	-	6 400
Other	-	166 405
	-	762 971
Mr K.P. Leserwane's contract ended in October 2022.		
Remuneration of Chief Finance Officer - A Makoku		
Annual Remuneration	722 251	550 581
Travel Allowance	395 658	362 240
Cellphone Allowance	21 800	24 000
Other	3 252	13 968
	1 142 960	950 769
Remuneration of Municipal Manager- L. Seetile		
Annual Remuneration	799 808	637 695
Performance Bonuses	-	89 787
Travel Allowance	463 781	375 015
Cellphone Allowance	23 600	19 200
Acting Allowance	47 987	269 146
	1 335 176	1 390 843
Remuneration of the Director: Infrastructure - KN Ositang		
Annual Remuneration	738 787	616 416
Travel Allowance	368 719	360 829
Cellphone Allowance	21 400	19 200
Other	203 424	7 288
	1 332 330	1 003 733
Contract terminated in April 2024.		

Gamagara Local Municipality

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Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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37. Employee related costs (continued)

Remuneration of the Director: Development and Town Planning - TP Rapelang

Annual Remuneration	690 149	616 416
Travel Allowance	368 719	360 829
Cellphone Allowance	21 400	19 200
Other	10 423	10 062
	<u>1 090 690</u>	<u>1 006 507</u>

Remuneration of the Acting Director: Community Services - GN Loeto

Annual Remuneration	697 356	955 682
Travel Allowance	135 720	193 150
Cellphone Allowance	9 933	9 990
Acting Allowance	77 484	101 082
Other	55 712	130 077
	<u>976 205</u>	<u>1 389 981</u>

Mr G.N Loeto was appointed the Acting Director from May 2018 until February 2024.

Remuneration of Acting Director: Corporate Services - CM Phuti

Annual Remuneration	697 356	147 028
Travel Allowance	135 720	32 192
Cellphone Allowance	9 933	1 665
Acting Allowance	77 484	18 379
Other	138 162	2 024
	<u>1 058 654</u>	<u>201 288</u>

Mr C.M. Phuti was appointed the Acting Director from the May 2023 until February 2024.

Remuneration of Acting Director: Corporate Services - KM Apple

Annual Remuneration	244 508	-
Travel Allowance	42 067	-
Cellphone Allowance	3 400	-
Acting Allowance	30 583	-
Other	4 266	-
	<u>324 804</u>	<u>-</u>

Mr KM Apple was appointed Acting Director in March 2024.

Remuneration of Acting Director: Community Services -DC Manamela

Annual Remuneration	212 080	-
Travel Allowance	42 067	-
Cellphone Allowance	3 400	-
Acting Allowance	26 510	-
Other	3 494	-
	<u>287 551</u>	<u>-</u>

Mr DC Manamela was appointed Acting Director in March 2024.

Remuneration of Acting Director: Infrastructure - GD Kannemeyer

Gamagara Local Municipality

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Figures in Rand	2024	2023
37. Employee related costs (continued)		
Annual Remuneration	329 630	-
Travel Allowance	62 292	-
Cellphone Allowance	5 950	-
Acting Allowance	35 318	-
Other	60 180	-
	493 370	-

Mr GD Kannemeyer was appointed Acting Director in December 2023.

38. Remuneration of councillors

Councillors	4 890 004	4 074 742
Other Allowances (Cellular Phones, Housing, Transport, etc.)	2 085 952	2 023 904
SDL	63 002	49 274
	7 038 958	6 147 920

In-kind benefits

The Councillor occupying the position of the Mayor of the municipality serve in a full-time capacity. He is provided with office, accommodation and secretarial support at the expense of the municipality in order to enable him to perform his official duties.

The Mayor has use of a Council owned vehicle for official duties.

39. Depreciation and amortisation

Property, plant and equipment	54 205 607	54 127 137
Intangible assets	52 142	110 938
	54 257 649	54 238 075

40. Impairment of assets

Impairments		
Property, plant and equipment	9 085 918	1 515 661

The main classes of assets affected by impairment losses are:

Infrastructure

Furniture and office equipment

Assets under construction

The main classes of assets affected by reversals of impairment losses are:

Infrastructure

The main events and circumstances that led to the recognition of these impairment losses are as follows:

Condition assessment of assets

The main events and circumstances that led to the reversals of these impairment losses are as follows:

Disposal of assets

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Figures in Rand	2024	2023
41. Finance costs		
Non-current borrowings	4 782 229	5 485 570
Trade and other payables	51 738 282	32 649 228
Net interest expense - Employee benefits	6 708 000	6 791 000
Landfill site	8 144 330	6 678 913
	71 372 841	51 404 709
42. Lease rentals on operating lease		
Equipment		
Contractual amounts	3 990 998	4 481 467
43. Debt impairment		
Contributions to debt impairment provision	20 412 332	19 504 021
44. Bulk purchases		
Electricity - Eskom	173 543 308	144 867 742
45. General expenses		
Advertising	273 557	100 956
Auditors remuneration	7 776 939	4 441 504
Bank charges	1 238 347	1 268 047
Cleaning	10 416 213	9 496 153
Computer expenses	491 291	713 800
Consulting and professional fees	39 254 311	36 105 121
Consumables	2 519 225	2 490 761
Legal expenses	4 193 860	3 388 853
Hire	32 432 236	18 450 390
Insurance	2 927 532	2 745 950
IT expenses	100 839	100 823
Motor vehicle expenses	4 158 154	3 068 071
Fuel and oil	6 502 064	5 899 498
Printing and stationery	1 055 189	1 121 791
Gardening services	-	36 360
Protective clothing	1 854 802	464 260
Security (Guarding of municipal property)	17 120 278	14 062 689
Software expenses	7 258 517	5 128 203
Subscriptions and membership fees	2 623 591	2 174 321
Telephone and communication	3 589 221	8 065 654
Training	1 134 043	1 702 394
Subsistence and Travelling	2 365 722	2 446 148
Catering services	139 834	198 768
Commission paid: Prepaid Water and Electricity	11 932 601	7 046 285
Meter management services	3 539 760	2 162 899
Sundries	3 428 165	4 957 661
	168 324 091	138 923 340
46. Fair value adjustments		
Investment property (Fair value model)	4 289 484	2 354 130

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Figures in Rand	2024	2023
47. Investment revenue		
Interest revenue		
Bank	603 611	471 503
48. Auditors' remuneration		
Fees	7 778 939	4 441 504

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Figures in Rand	2024	2023
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49. Related parties

Relationships	Ward	Surname	Initials
Mayor		Roman	J.J.T
Councillor	1	Hantise	O.E
Councillor	2	Dithupa	K.V
Councillor	3	Jaffa	M.L
Councillor	4	Motsoare	T.M
Councillor	5	Magagane	N.S
Councillor	6	Caetano	A.M
Councillor	7	Tironyane	E.T
Councillor	8	du Plessis	H
Councillor	Proportional	Sebego	B.I
Councillor	Proportional	Sekgobi	G.M
Councillor	Proportional	Kolkoi	N.M
Councillor	Proportional	Morwe	A.J
Councillor	Proportional	Mines	S.S
Councillor	Proportional	Makape	J.C
Councillor	Resigned	Dikolanyane	E
Councillor	Resigned	Lekgadi	B.P
Director:			
Municipal Manager		Seetile	L
Chief Financial Officer		Makoku	A
Director: Technical Services		Ositang	KN
Acting Director: Technical Services		Kannemeyer	GD
Acting Director: Community Services		Loeto	G
Director: Development and Town Planning		Rapelang	TP
Municipal Manager	Contract ended	Leserwane	KP
Acting Director: Corporate Services	Acting ended	Phuti	CM
Acting Director: Community Services		Manamela	DC
Acting Director: Corporate Services		Apple	KM

Cllr E. Dikolanyane was replaced by Cllr J.C. Makape and Cllr B.P. Lekgadi was replaced by Cllr S.S. Mines.

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties
Saphire Dawn

(11 000)

The municipality rendered municipal services and rates to Related parties charged at approved tariffs that were advertised to the public. No Bad debts were written off or recognised in respect of amounts owed by the Related Parties. All transactions with the Related Parties were at arms length. Furthermore, there were no commitments between the municipality and the Related parties in accordance with MFMA

The municipality does not provide any benefits; Post-employment benefits or any other long-term benefits to any class of management except for termination benefits (gratuity cheque) paid to councillors at the end of their term

Amounts Included in Trade receivable (Trade Payable) regarding related parties
John Taolo Gaetsewe NC District Municipality

(3 156 977) (5 040 789)

Gamagara Local Municipality

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49. Related parties (continued)

The municipality has an arrangement with John Taolo Gaetsewe NC District Municipality on the provision of shared services on the Internal Audit Unit, Audit Committee and Risk Management. This is in line with the John Taolo Gaetsewe NC District Municipality and local municipalities charter and mandate for internal audit, audit committee and risk management function. The municipality contributes to the shared services a percentage of the total actual expenditure or budget amount. The balance relates to the outstanding contributions, including interest, by the municipality.

Awards to close family members of person(s) in service of the State.

Contracted Supplier	Name of Spouse/Relative	Organ of State	Position held	2024	2023
Sapphire Dawn	Chris Engelbrecht	Gamagara Local Municipality	Millwright	77 064	62 699
Keosego Holdings	Josephine Nampa	Gamagara Local Municipality	SCM Manager	-	104 262
Phatsimisa Setshaba	Jeanette Dipuo Masiane	Department of Education (Maremane Primary School)	School Principal	10 471 164	10 536 783
Setlatlapi Business Enterprise	Patheka, C harmaine Lerefofo	Eskom	Assistant	437 736	1 106 540
Inzalo EMS	N.T Mazibuko	Department: Arts & Culture KZN		-	256 669
				10 985 964	12 066 853

Services rendered to related parties

	Rates charges	Service charges	Sundry charges	Outstanding balances	Provision for Debt Impairment
Year ended 30 June 2024					
Councillors	17 298	69 223	46 985	133 506	-
Section 57 Personnel	7 091	18 384	(183)	25 312	-
	24 389	87 607	46 822	158 818	-

	Rates charges	Service charges	Sundry charges	Outstanding balances	Provision for Debt Impairment
Councillors					
Cllr. O.E. Hantise	-	12 542	9 376	21 918	-
Cllr. N.S. Magagane	-	-	-	-	-
Cllr. H. du Plessis	1 966	774	-	2 740	-
Cllr. B.P. Lekgadi	-	-	-	-	-
Cllr. B.I. Sebego	-	-	-	-	-
Cllr. T.M. Motsoare	-	-	-	-	-
Cllr. K.V. Dithupa	-	-	-	-	-
Cllr. M.L. Jaffa	-	-	-	-	-
Cllr. E.T. Tiroyame	264	1 280	147	1 691	-
Cllr. G.M. Sekgopi	-	-	-	-	-
Cllr. J.J.T. Roman	9 164	774	11 860	21 797	-
Cllr. A.M. Caetano	807	-	-	807	-
Cllr. E. Dikolanyane	-	-	-	-	-
Cllr. A.J. Morwe	5 098	53 853	25 602	84 553	-
	17 298	69 223	46 985	133 506	-

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49. Related parties (continued)

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

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49. Related parties (continued)

	Rates charges	Service charges	Sundry charges	Outstanding balances	Provision for Debt Impairment
Section 57 Personnel					
Municipal Manager: L. Seetile	363	2 083	(178)	2 268	-
Chief Financial Officer: A. Makoku	-	3 199	-	3 199	-
Acting Director Corporate Services: C.M. Phuti	-	-	-	-	-
Director Infrastructure: K.N. Ositang	-	-	-	-	-
Director Development and Town Planning: T.P. Rapelang	1 554	2 857	-	4 412	-
Acting Director: Community Services: G.N. Loto	2 766	8 324	-	11 090	-
Acting Director: Community Services: DC Manamela	732	1 548	15	2 295	-
Acting Director: Corporate Services:KM Appie	842	-	-	842	-
Director: Technical Services: G Kannemeyer	834	372	-	1 206	-
	7 091	18 384	(163)	25 312	-

Services rendered to related parties

Year ended 30 June 2023

	Rates charges	Service charges	Sundry charges	Outstanding balances	Provision for Debt Impairment
Councillors	18 382	20 276	19 390	56 029	7 213
Section 57 Personnel	8 774	28 194	7 420	44 387	18 814
	25 136	48 470	26 810	100 416	26 027

	Rates charges	Service charges	Sundry charges	Outstanding balances	Provision for Debt Impairment
Councillors					
Cllr. O.E. Hantise	-	12 974	7 484	20 458	5 158
Cllr. N.S. Magagane	-	-	-	-	-
Cllr. H. du Plessis	1 867	735	-	2 602	373
Cllr. B.P. Lekgadi	-	-	-	-	-
Cllr. B.I. Sebegu	-	-	-	-	-
Cllr. T.M. Motsoare	-	-	-	-	-
Cllr. K.V. Dithupa	-	-	-	-	-
Cllr. M.L. Jaffa	-	-	-	-	-
Cllr. E.T. Tiroyame	256	1 241	147	1 644	12
Cllr. G.M. Sekgopi	-	-	-	-	-
Cllr. J.J.T. Roman	11 867	1 585	11 728	25 160	1 651
Cllr. A.M. Caetano	2 372	2 211	31	4 615	19
Cllr. SS Mines	-	1 550	-	1 550	-
	18 382	20 276	19 390	56 029	7 213

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

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49. Related parties (continued)

	Rates charges	Service charges	Sundry charges	Outstanding balances	Provision for Debt Impairment
Section 57 Personnel					
Municipal Manager: L. Seetle	344	2 510	-	2 855	29
Chief Financial Officer: A. Makoku	-	310	4 832	5 142	26
Acting Director Corporate Services: C.M. Phuti	20	-	-	20	-
Director Infrastructure: K.N. Ositang	1 767	735	-	2 502	12
Director Development and Town Planning: T.P. Rapelang	1 476	2 084	583	4 123	19
Acting Director: Community Services: G.N. Loto	5 167	6 028	75	11 270	252
Municipal Manager (Contract ended): K.P. Leserwane	-	16 527	1 950	18 476	18 476
	8 774	28 194	7 420	44 388	18 814

Remuneration of management

Councillors/Mayoral committee members

2024

Name	Basic salary	Other short-term employee benefits	Total
Cllr. O.E. Hantise	358 853	167 205	526 058
Cllr. N.S. Magagane	310 723	148 913	459 637
Cllr. H. du Plessis	450 552	167 438	617 989
Cllr. B.I. Sebego	242 937	116 773	359 710
Cllr. T.M. Motsoare	242 937	125 711	368 648
Cllr. K.V. Dithupa	263 866	129 754	393 620
Cllr. M.L. Jafia	242 937	117 909	360 845
Cllr. E.T. Tiroyame	320 010	165 619	485 629
Cllr. G.M. Sekgopi	502 748	206 984	709 732
Cllr. J.J.T. Roman	604 843	238 419	843 262
Cllr. A.M. Caetano	242 937	116 773	359 710
Cllr. N.M. Kolkoi	242 937	132 315	375 251
Cllr. A.J. Morwe	242 937	116 773	359 710
Cllr. J.C. Makape	242 937	116 773	359 710
Cllr. S.S. Mines	377 852	134 951	512 803
	4 890 004	2 202 312	7 092 314

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand 2024 2023

49. Related parties (continued)

2023

Name	Basic salary	Other short-term employee benefits	Total
Cllr O.E. Hantise	614 353	249 184	863 537
Cllr. N.S. Magagana	262 214	131 805	394 019
Cllr. H. du Plessis	301 436	152 665	454 101
Cllr. B.P. Lekgadi	129 129	54 143	183 272
Cllr. B.I. Sebego	204 323	112 508	316 831
Cllr. T.M. Motsoare	204 323	112 508	316 831
Cllr. K.V. Dithupa	270 144	139 345	409 489
Cllr. M.L. Jafta	204 323	112 508	316 831
Cllr. E.T. Tiroyame	270 145	140 979	411 124
Cllr. G.M. Sekgopi	204 323	112 508	316 831
Cllr. J.J.T. Roman	204 323	112 508	316 831
Cllr. A.M. Caetano	204 323	112 508	316 831
Cllr. E. Dikolanyane	4 128	1 705	5 833
Cllr. N.M. Koikoi	204 323	112 508	316 831
Cllr. A.J. Morwe	204 323	112 508	316 831
Cllr. J.C. Makape	153 242	84 381	237 623
Cllr. S.S. Mines	435 372	223 539	658 911
	4 074 747	2 077 810	6 152 557

Additional information

The salaries, allowances and benefits of councillors are within the upper limits of the framework envisaged in section 219 of the Constitution of South Africa.

Management class: Executive management

2024

Name	Basic salary	Other short-term employee benefits	Acting allowances	Total
A Makoku	722 251	420 710	-	1 142 960
L Seetile	799 808	535 389	-	1 335 176
KN Ositang	738 787	593 543	-	1 332 330
TP Rapelang	690 149	400 842	-	1 090 990
G Loeto	697 356	201 385	77 484	976 205
CM Phuti	697 356	283 814	77 484	1 058 654
KM Appie	244 508	49 733	30 563	324 804
DC Manamela	212 080	48 961	26 510	287 551
GN Kannemeyer	329 630	128 421	35 318	493 369
	5 131 924	2 662 457	247 359	8 041 739

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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49. Related parties (continued)

2023

Name	Basic salary	Other short-term employee benefits	Acting allowances	Total
KP Leserwane	398 112	364 859	-	762 971
A Makoku	550 561	400 208	-	950 769
L Seetile	637 695	484 002	269 146	1 390 843
KN Ositang	616 416	387 316	-	1 003 732
TP Rapelang	616 416	390 090	-	1 006 506
G Loeto	955 682	333 218	101 082	1 389 982
CM Phuti	147 028	35 680	18 379	201 287
	3 921 910	2 395 573	388 607	6 706 090

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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50. Prior period errors

Statement of Financial Position

Figures in Rand	Note(s)	Previously reported	Adjustment	Re-classification	Restated	Reference
Assets						
Current Assets						
Inventories	3	783 789	-	-	783 789	
Other trade receivables from exchange transactions	4&6	4 127 039	-	-	4 127 039	
Statutory receivables from non-exchange transactions	5&6	102 679 144	1 813 455	-	104 492 599	[1]
Statutory receivables from exchange transactions	7	56 921 319	(71 690)	-	56 849 629	[2]
Receivables from exchange transactions	8	285 342 549	(4 125 881)	-	281 216 668	[3]
Other trade receivables from non-exchange transactions	11	2 415 221	-	-	2 415 221	
Cash and cash equivalents	13	13 190 568	-	-	13 190 568	
		465 459 829	(2 384 116)	-	463 075 613	
Non-Current Assets						
Investment property	14	346 311 284	2 441 342	-	348 752 626	[4]
Property, plant and equipment	15	1 156 053 736	712 482	-	1 156 766 218	[5]
Intangible assets	16	226 053	-	-	226 053	
Heritage assets	17	74 581	-	-	74 581	
Other trade receivables from exchange transactions	9	3 299 867	-	-	3 299 867	
Other trade receivables from non-exchange transactions	10	1 048 150	-	-	1 048 150	
		1 507 013 671	3 153 824	-	1 510 167 495	
Total Assets		1 972 473 300	769 708	-	1 973 243 008	

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

50. Prior period errors (continued)

Statement of Financial Position

Figures in Rand	Note(s)	Previously reported	Adjustment	Re-classification	Restated	Reference
Liabilities						
Current Liabilities						
Other financial liabilities	18	49 516 483	-	-	49 516 483	
Payables from exchange transactions	19	613 934 903	983 267	-	614 918 170	[6]
Payables from non-exchange	20	42 163 953	419 537	-	42 583 490	[18]
Consumer deposits	21	7 526 411	-	-	7 526 411	
Employee benefit obligation	22	2 637 000	-	-	2 637 000	
Unspent conditional grants and receipts	23	1 456 871	-	-	1 456 871	
Provisions	24	-	-	-	-	
		717 235 621	1 402 804	-	718 638 425	
Non-Current Liabilities						
Employee benefit obligation	22	53 453 000	-	-	53 453 000	
Provisions	24	67 648 074	2 468 297	-	70 316 371	
		121 301 074	2 468 297	-	123 769 371	
Total Liabilities		838 536 695	3 871 101	-	842 407 796	
Net Assets		1 133 936 605	(3 101 393)	-	1 130 835 212	
Accumulated surplus		1 133 936 605	(3 101 393)	-	1 130 835 212	

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

50. Prior period errors (continued)

Statement of Financial Performance

Figures in Rand	Note(s)	Previously reported	Adjustment	Re-classification	Restated	Reference
Revenue						
Revenue from exchange transactions						
Service charges	26	274 318 351	336 308	-	274 654 659	[7]
Rental of facilities and equipment	27	2 129 816	-	-	2 129 816	
Interest received (trading)		35 582 419	-	-	35 582 419	
Agency services		489 701	-	-	489 701	
Other income	31	4 458 446	-	-	4 458 446	
Interest received - investment	47	471 503	-	-	471 503	
Total revenue from exchange transactions		317 450 236	336 308	-	317 786 544	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	32	140 699 377	(1 444 774)	-	139 254 603	[8]
Availability charges		40 723 022	(890 800)	-	39 832 222	[9]
Licences and Permits (Non-exchange)		1 512 959	-	-	1 512 959	
Interest		12 608 971	-	-	12 608 971	
Transfer revenue						
Government grants & subsidies	34	87 220 050	-	-	87 220 050	
Public contributions and donations	35	850 000	-	-	850 000	
Fines, Penalties and Forfeits		733 451	-	-	733 451	
Total revenue from non-exchange transactions		284 347 830	(2 335 574)	-	282 012 256	
Total revenue	25	601 798 066	(1 999 266)	-	599 798 800	
Expenditure						
Employee related costs	37	(200 429 159)	49 273	-	(200 379 886)	[10]
Remuneration of councillors	38	(6 098 646)	(49 274)	-	(6 147 920)	[11]
Depreciation and amortisation	39	(53 201 668)	(1 036 407)	-	(54 238 075)	[12]
Impairment loss/ Reversal of impairments	40	(1 515 661)	-	-	(1 515 661)	
Finance costs	41	(47 695 760)	(3 708 949)	-	(51 404 709)	[13]
Lease rentals on operating lease		(4 481 467)	-	-	(4 481 467)	
Debt impairment	43	(24 547 233)	5 043 212	-	(19 504 021)	[19]
Bad debts written off	43	(30 569 575)	-	-	(30 569 575)	
Repairs and maintenance		(18 463 765)	-	-	(18 463 765)	
Bulk purchases	44	(144 867 742)	-	-	(144 867 742)	
Water inventory consumed		(2 818 803)	386 416	-	(2 432 387)	[14]
Interest discount allowed	66	(4 932 996)	(1 168 852)	-	(6 101 848)	[15]
General Expenses	45	(136 339 848)	(583 492)	-	(136 923 340)	[16]
Total expenditure		(675 962 323)	(1 068 073)	-	(677 030 396)	
Operating deficit		(74 164 257)	(3 067 339)	-	(77 231 596)	
Gain on disposal of assets and liabilities		11 535	-	-	11 535	
Fair value adjustments	46	2 355 917	(1 787)	-	2 354 130	[17]
Actuarial gains/losses	22	11 864 751	-	-	11 864 751	
Inventories losses/write-downs		(25 688 550)	-	-	(25 688 550)	
		(11 456 347)	(1 787)	-	(11 458 134)	
Deficit for the year		(85 620 604)	(3 069 126)	-	(88 689 730)	

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
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50. Prior period errors (continued)

[1] This relates to the overpayments of bulk services which was then credited to the accounts by splitting credits between the service types.

[2] This adjustment relates to the correction of billing errors.

[3] An adjustment of R 4 125 881 was processed to correct billing errors on receivables from exchange transactions.

[4] During the current financial year, a prior year adjustment was made to the opening balances of Land. This adjustment pertains to the first-time recognition of Land identified with the Deeds registry comparison made during the reporting period, which had not been previously recorded on the Fixed Asset Register (FAR). The adjustment on cost is R2 478 862. Disposals amounted to R37 520,89.

[5] During the current financial year, a prior year adjustment was made to the opening balances of Infrastructure and Building related assets. This adjustment pertains to the first-time recognition of assets identified throughout the verification period, which had not been previously recorded on the Fixed Asset Register (FAR). As a result of this recognition:

The cost of Infrastructure and Buildings increased by R1 100 027.

The accumulated depreciation associated with these assets increased by R421 314.

Consequently, the net book value of Infrastructure and Buildings increased by R678 712.

Recognise Donated Fire Station

During the current financial year, a prior year adjustment was made to the opening balances of Other assets. This adjustment pertains to the recognition of a Fire Station donated on 1 July 2020 by Rural Metro Emergency Management Services. The related assets were recorded at fair value on the Fixed Asset Register (FAR). As a result of this recognition:

The cost of Other assets increased by R4 121 405.

The accumulated depreciation associated with these assets increased by R751 426.

Consequently, the net book value of Other assets increased by R3 369 979.

Land First Time Recognitions

During the current financial year, a prior year adjustment was made to the opening balances of Land. This adjustment pertains to the first-time recognition of Land identified with the Deeds registry comparison made during the reporting period, which had not been previously recorded on the Fixed Asset Register (FAR). As a result of this recognition:

The cost of Land increased by R1 037 372.

Consequently, the net book value of Land increased by R1 037 372..

[6] An adjustment R9 778 262 to correct invoices overstated or understated including the Eskom Interest reversal of R10 761 527 as a result of the Eskom Debt Relief programme.

[7] An adjustment of R336 308 to correct the misposting of 30 Junes prepaid sales in the current year.

[8] An adjustment of R 1 444 774 was processed to correct billing errors.

[9] An adjustment of R890 800 to correct overpayment for bulk services for Siyathemba.

[10] Reclassification of SDL for Councillors from Employee Related Cost.

[11] Reclassification of SDL for Councillors from Employee Related Cost.

[12] An adjustment of R614 485 to recognise the movement in depreciation due to restatements of non-current assets.

[13] Reversal for interest by Eskom resulting from Municipality having agreed with Eskom on Payment Plan, hence no interest was supposed to be charged. The reversal was done for the periods March 2023 to June 2023 (2023 F/Y) and July to December 2024 (2024 F/Y).

John Taolo Interest adjustment of R25 991.06

[14] An adjustment of R386 416 to correct expenses recorded in the incorrect period.

[15] An adjustment of R 1 168 852 to correct the interest discount granted on the settlement of accounts.

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
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50. Prior period errors (continued)

[16] An adjustment of R583 492 to correct expenses recognised in the incorrect period.

[17] An adjustment of R1 787 to correct the fair value due to restatement of investment property.

[18] An adjustment of R419 537 to recognise the movement in advance payments due to receivables restatement.

[19] An adjustment of R5 043 212 to recognise the change in debtors impairment due to receivables restatement.

51. Going concern

Management considered the following matters relating to the Going Concern:

Non-compliance (30 days) - The municipality is currently not paying all their creditors within the accepted 30 days. This also resulted in fruitless and wasteful expenditure due to interest on overdue creditors account.

During 2020 the Council adopted the 2020/2021 to 2023/24 Budget. This three-year Medium Term Revenue and Expenditure Framework (MTREF) to support the ongoing delivery of municipal services to residents reflected that the Budget was cash-backed over the three-year period.

The municipality's Budget is subjected to a very rigorous independent assessment process to assess its cash backed status before it is ultimately approved by Council.

Strict daily cash management processes are embedded in the municipality's operations to manage and monitor all actual cash inflows and cash outflows in terms of the cash-flow forecast supporting the Budget. The cash management processes is complemented by monthly and quarterly reporting, highlighting the actual cash position, including the associated risks and remedial actions to be instituted.

As the municipality has the power to levy fees, tariffs and charges, this will result in an ongoing inflow of revenue to support the ongoing delivery of municipal services. Certain key financial ratios, such as liquidity, cost coverage, debtors' collection rates and creditors' payment terms are closely monitored and the necessary corrective actions instituted.

The following indicators have a negative outlook on the going concern of the municipality:

- Current liabilities exceed current assets by R 43 071 211

- Creditors days in 2024 are (167) and in 2023 are (332)

- Debtors days in 2024 are 345 and in 2023 are 323

The municipality owes Eskom R561 390 384 and Sedibeng Water R3 485 979 at year end.

These events may cast doubt on the municipality's ability to continue as a going concern.

Despite the above negative indicators, the municipality is a going concern because of the following:

It is a state entity set up by the Constitution of the Republic of South Africa to provide basic services to the community and is also funded by the state for that purpose. Failure to provide these services will prompt National Government intervention to ensure it stays functional and able to deliver basic services and consequently compliance with the Constitution

Under the DORA Act (Division of Revenue Bill - Bill Published In Government Gazette No. 43025 of 17 February 2020) the municipality has been allocated the following funds for the years 2022/23 to 2025/26.

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand

51. Going concern (continued)

	2022/2023	2023/2024	2024/2025	2025/2026	Total
Finance Management Grant (FMG)	2 100 000	2 100 000	2 100 000	2 200 000	8 500 000
Expanded Public Works Program (EPWP)	1 073 000	950 000	-	-	2 023 000
Municipal Infrastructure Grant (MIG)	12 908 000	13 285 000	13 687 000	14 106 000	53 986 000
Energy Efficiency and Demand Side Management	4 000 000	4 000 000	-	-	8 000 000
Integrated National Electrification Programme Grant (INEP)	18 500 000	-	20 000 000	15 000 000	53 500 000
Water Service Infrastructure Grant (WSIG)	5 000 000	14 225 000	25 210 000	26 334 000	70 769 000
Regional Bulk Infrastructure Grant (RBIG)	-	-	40 000 000	-	40 000 000
Equitable Share	53 715 000	61 684 000	70 300 000	80 646 000	266 345 000
	97 296 000	98 244 000	171 287 000	138 286 000	505 123 000

There is no indication of a possibility of default by the government in paying grants under the act. This is also corroborated by experience where National Treasury has met its obligations year on year and has therefore created a constructive obligation.

In addition, the municipality collects revenue for services rendered and this will augment their cash flows in subsequent years. The municipality has also received their grants (Equitable share) and they will continue to receive grants in the foreseeable future.

Taking the aforementioned into account, management has prepared the Annual Financial Statements on the Going Concern Basis.

52. Unauthorised expenditure

Opening balance as previously reported	763 656 863	745 683 603
Correction of prior period error	23 358 772	-
Opening balance as restated	787 015 635	745 683 603
Add: Unauthorised Expenditure - current year	28 618 444	17 973 260
Closing balance	815 634 079	763 656 863

The over expenditure incurred by municipal departments during the year included the following non-cash items:

Non-cash	19 583 759	4 456 345
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Analysed as follows: non-cash

Depreciation, impairment and amortisation	9 085 918	4 456 345
Debt Impairment	6 588 696	-
Interest discount allowed	3 909 145	-
	19 583 759	4 456 345

The over expenditure incurred by municipal departments during the year included the following cash items:

Cash	9 034 685	13 516 915
Analysed as follows: cash		
Suppliers	9 034 685	13 516 915
	9 034 685	13 516 915

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
53. Fruitless and wasteful expenditure			
Opening balance as previously reported		38 036 743	77 701 191
Correction of prior period error		(10 735 537)	-
Opening balance as restated		27 301 206	77 701 191
Add: Fruitless and Wasteful Expenditure - current year		16 579 119	38 036 743
Less: Amounts recoverable - prior period		-	(77 701 191)
Closing balance		43 880 326	38 036 743

The Fruitless and wasteful expenditure is mainly made up of interest for late payment of Eskom bulk account, Development Bank of Southern Africa and the South African Revenue Services.

This is due to non-payments and penalties charged.

* See Note 50

Gamagara Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
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53. Fruitless and wasteful expenditure (continued)

Expenditure identified in the current year include those listed below:

Incidents/cases identified in the current year include those listed below

Interest on overdue account	11 796 890	32 532 581
Penalties	-	18 596
Arrears year interest	4 782 229	5 485 570
	16 579 119	38 036 747

No criminal or disciplinary action was taken against any individual or official of the municipality for fruitless and wasteful expenditure incurred in the current financial year

* See Note 50

Gamagara Local Municipality
Annual Financial Statements for the year ended 30 June 2024
Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
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53. Fruitless and wasteful expenditure (continued)

Amounts written-off

2016/2017	-	3 640 723	
2017/2018	-	6 713 553	
2018/2019	-	21 785 648	
2019/2020	-	24 790 029	
2021/2022	-	20 771 237	
	-	77 701 190	

54. Irregular expenditure

Opening balance as previously reported

Correction of prior period error

Opening balance as restated

Add: Irregular Expenditure - current year

Less: Amount written off by council - prior years

Closing balance

394 261 792	428 545 526
234 087	1 178 115
394 495 879	429 723 641
123 266 403	141 736 640
-	(177 198 489)
517 762 282	394 261 792

Irregular expenditure is always calculated inclusive of VAT, while the 2021 amounts and the opening balance disclosed in the comparative figures have been presented in the annual financial statement exclusive of VAT.

Incidents/cases identified in the current year include those listed below:

Competitive bidding not invited
Non-compliance with legislation on
contracts/Non-compliance with procurement
processes

90 611 939	79 536 509
32 654 464	62 200 131
123 266 403	141 736 640

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
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54. Irregular expenditure (continued)

Particulars of irregular expenditure written off

No criminal or disciplinary action was taken against any individual or official of the municipality for irregular expenditure incurred in the current financial year. The process to investigate the irregular expenditure incurred in the current year has not commenced.

Administrative errors/omissions	-	5 109 172
Internal control deficiencies	-	48 148 663
Failure to comply with laws and regulations	-	117 844 067
Inadequate design of tender documents	-	8 098 587
	-	<u>177 198 489</u>

* See Note 50

Gamagara Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
54. Irregular expenditure (continued)			
Cases under investigations			
There are no cases under investigation since irregular expenditure was not investigated in both current and prior financial years.			
55. Additional disclosure in terms of Municipal Finance Management Act			
Contributions to organised local government - SALGA			
Current year subscription / fee		2 335 327	1 957 254
Audit fees			
Opening balance		(17 067)	815 889
Current year subscription / fee		6 227 344	4 456 344
Amount paid - current year		(6 222 300)	(5 289 300)
		(12 023)	(17 067)
PAYE and UIF			
Opening balance		2 747 025	2 530 447
Current year subscription / fee		37 582 860	35 361 959
Amount paid - current year		(37 152 234)	(35 145 381)
		3 177 450	2 747 025
Pension and Medical Aid Deductions			
Opening balance		4 470 621	4 205 177
Current year subscription / fee		58 422 927	52 489 810
Amount paid - current year		(57 871 307)	(52 224 366)
		5 022 242	4 470 621

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 Restated*
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55. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

VAT receivable		83 433 924	56 849 629
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Bulk Electricity and Water Losses in terms of Section 125 (2)(d)(i) of the MFMA

Electricity

		Lost Units	Value
30 June 2024	Unaccounted Electricity Losses	11 467 407	21 475 028
30 June 2023	Unaccounted Electricity Losses	13 445 728	21 908 882

Electricity Losses occur due to technical and non-technical losses (Technical losses - inherent resistance of conductors, transformers and other electrical equipment; Non-technical losses - the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal electricity connections).

The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters are replaced as soon as they are reported.

Volumes in kWh/year:

System Input Volume	(92 848 792)	89 132 655
Billed Consumption	81 379 385	(75 688 927)
Distribution Loss	(11 467 407)	13 445 728

Percentage Distribution Loss	12,35 %	15,09 %
------------------------------	---------	---------

Loss (R):	21 475 028	21 908 882
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Water

		Lost Units	Value
30 June 2024	Unaccounted Water Losses	3 838 937	27 447 667
30 June 2023	Unaccounted Water Losses	4 395 546	25 688 550

Water Losses occur due to leakages, the tampering of meters, faulty meters and illegal water connections.

The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. Faulty meters and leakages are replaced/repared as soon as they are reported.

Opening Balance Water Stock	36 051	32 554
System Input Volume	5 496 154	6 004 355
Billed Consumption	(1 660 578)	(1 605 312)
Closing Balance Water Stock	(32 691)	(36 051)
Distribution Loss	3 838 937	4 395 546

Percentage Distribution Loss	69,85 %	73,00 %
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Loss	27 447 667	25 688 550
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* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Statement of Financial Performance

Figures in Rand

Note(s)

2024

2023
Restated*

55. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2024:

30 June 2024	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Cllr. O.E. Hantise	1 453	20 485	21 918
Cllr. H. du Plessis	2 740	-	2 740
Cllr. E.T. Tiroyame	1 691	-	1 691
Cllr. J.J.T. Roman	4 375	17 422	21 797
Cllr. A.M. Caetano	807	-	807
Cllr. A.J. Morwe	4 821	79 732	84 553
	15 887	117 619	133 506

30 June 2023	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Cllr. O.E. Hantise	20 458	-	20 458
Cllr. H. du Plessis	2 602	-	2 602
Cllr. E.T. Tiroyame	1 644	-	1 644
Cllr. J.J.T. Roman	5 552	19 608	25 160
Cllr. A.M. Caetano	4 615	-	4 615
Cllr S.S Mines	1 550	-	1 550
	36 421	19 608	56 029

* See Note 50

Gamagara Local Municipality
Annual Financial Statements for the year ended 30 June 2024
Notes to the Annual Financial Statements

55. Deviation from supply chain management regulations

Paragraph 12(1)(a)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Supplier Name	Contract or Service Rendered	Responsible Person	Order Number/ GRN	External Payment Reference	Description of Incident	Deviation Date	Amount Excl VAT	Amount Incl VAT	Category of Regulation
AGISA	Professional Services to address olifantshoek bulk water supply challenge	Mr T. W Jood	R0004618	20894,00	Professional Services to address olifantshoek bulk water supply challenge	20240304	111 500,00	128 225,00	Reg 36 (i)
ALL ROUNDER CONSOLIDATED	Cleaning Services	Mr A Makoku	R0003077	19225,00	Cleaning and rehabilitation of sewage	20230731	790 000,00	908 500,00	Reg 36 (i)
AQUATICO ANALYTICAL	Samples and Specimens	Mr W. Jood	R0003110	19263,00	Chemical Water Analysis	20230919	9 883,65	11 366,20	Reg 36 (i)
AQUATICO ANALYTICAL	Samples and Specimens	Mr W. Jood	R0003215	19399,00	Chemical Water Analysis	20231006	16 859,55	19 388,48	Reg 36 (i)
AQUATICO ANALYTICAL	Samples and Specimens	Mr W. Jood	R0003262	19430,00	Chemical Water Analysis	20231011	24 608,55	28 299,83	Reg 36 (i)
AQUATICO ANALYTICAL	Samples and Specimens	Mr W. Jood	R0003493	19660,00	Chemical, bacteriological and chemical sewerage water analysis	20231116	27 042,60	31 098,99	Reg 36 (i)
AQUATICO ANALYTICAL	Samples and Specimens	Mr W. Jood	R0003673	20028,00	Chemical Water Analysis	20231212	27 042,60	31 098,99	Reg 36 (i)
AQUATICO ANALYTICAL	Samples and Specimens	Mr W. Jood	R0003934	20111,00	Chemical Water Analysis	20240129	27 042,60	31 098,99	Reg 36 (i)

* See Note 50

Annual Financial Statements for the year ended 30 June 2024

56. Deviation from supply chain management regulations (continued)									
AQUATICO ANALYTICAL	Samples and Specimens	Mr W. Jood	R0004161	20346,00	Chemical Water Analysis	20240229	27 042,60	31 098,99	Reg 36 (f)
AQUATICO ANALYTICAL	Samples and Specimens	Mr W. Jood	R0004247	20464,00	Chemical Water Analysis	20230712	27 042,99	31 099,44	Reg 36 (f)
AQUATICO ANALYTICAL	Water Analysis	Mr W. Jood	R0004438	20595,00	Water Analysis	20230712	27 042,60	31 098,99	Reg 36 (f)
AQUATICO ANALYTICAL	Water Analysis	Mr W. Jood	R0004580	20858,00	Water Analysis	20230712	27 042,60	31 098,99	Reg 36 (f)
AQUATICO ANALYTICAL	Water Analysis	Mr W. Jood	R0004534	20727,00	Water Analysis	20240620	27 042,60	31 098,99	Reg 36 (f)
AUNT PATS CATERING	Catering Services	Mr A Makoku	R0003009	19211,00	Catering Services	20230731	23 600,00	23 600,00	Reg 36 (f)
AWRILL RHUDINESHEA MOORCROFT	Funeral palour	Mr. Seetile	R0003039	18992,00	Municipal support:Indigent funeral	20230721	3 000,00	3 000,00	Reg 36 (f)
RHUDINESHEA MOORCROFT	Funeral palour	Mr. Seetile	R0003685	19870,00	Municipal support:Indigent funeral	20231221	900,00	900,00	Reg 36 (f)
AWRILL RHUDINESHEA MOORCROFT	Funeral palour	Mr. Seetile	R0004007	20136,00	Municipal support:Indigent funeral	20240229	3 000,00	3 000,00	Reg 36 (f)
BIZ CORNER HUB	Printing of Marketing Material	Mr. Seetile	R0004683	20890	Printing of Marketing Material	20240313	61 775,00	61 775,00	Reg 36 (f)
BOITSWELELO	Sewer sucking services	Mr T. W Jood	JNL 7211	JNL 7211	Sewer sucking services	20240626	242 500,00	242 500,00	Reg 36 (f)
BOTHABO TRADING	Sucking and disposing of Deben Household drainages	Mr Z.Koikoi	R0004328	20555,00	Sucking and disposing of Deben Household drainages	20230403	140 000,00	161 000,00	Reg 36 (f)
DMTG ENTERPRISE	Supply and delivery of vertical water tankers	Mr W. Jood	G0000709	20303,00	Supply and delivery of vertical water tankers	20240222	135 000,00	135 000,00	Reg 36 (f)

Annual Financial Statements for the year ended 30 June 2024

[illegible]

Annual Financial Statements for the year ended 30 June 2024

56. Deviation from supply chain management regulations (continued)

* See Note 50

Annual Financial Statements for the year ended 30 June 2024

[illegible]

Gamagara Local Municipality
Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

56. Deviation from supply chain management regulations (continued)									
SUPA VOLT TECH Diesel	Mr A Makoku	G0000180	19331,00	Supply and Delivery of fuel on an emergency basis	20230919	416 000,00	416 000,00	Reg 36 (i)	
SUSAN BEZUIDENHOUT	Ms T. De Koker	R0004358	20619,00	Coach and industrial psychologist	20240505	10 401,71	11 961,97	Reg 36 (i)	
TRUVELO AFRICA ELECTRONICS DIVISION WORKSHOP ELECTRONICS	Mr P. Moolman	G0000785	20637,00	Machines Calibration	20240307	17 420,35	20 033,40	Reg 36 (i)	
	Mr P. Moolman	G0000820	20666,00	Calibrate equipment and update of VTS Software	20240312	46 580,64	53 567,74	Reg 36 (i)	
						4 231 153,17	4 718 042,24		

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
57. Contingencies		
Contingent liabilities incurred relating to interests in other entities		
Curro Holdings [1]	-	120 000
Resilient Properties [2]	500 000	500 000
Imatu obo Muzaza [3]	550 000	550 000
Samwu obo Dorfling [4]	120 000	120 000
Dorfling CH & A [5]	475 000	475 000
Case No: 2667/18 Amadwala Constuction Trading 363 CC [6]	1 100 000	1 100 000
De Almeida [7]	150 000	200 000
Minister of Water and Sanitation [8]	808 389	808 389
Unlawful Occupiers Erf 1424 (Next to Engen) [9]	100 000	100 000
Unlawful Occupiers Erf 1425 & 1336 (Landfill Site) [10]	100 000	100 000
Unlawful Occupiers Erf 3036 [11]	100 000	100 000
Unlawful Occupiers- Olifantshoek- Erf 1264 [12]	-	100 000
Unlawful Occupiers - Khoisan Eviction [13]	-	100 000
Rosma Beleggings [14]	-	300 000
Motsemme [15]	1 150 000	1 150 000
Ras E [16]	-	47 751
Ntlangani Group of Companies [17]	4 000 000	4 000 000
Sishen Iron Ore Company [18]	15 750 000	15 750 000
Ikageng Solutions CC [19]	-	100 000
JH Vorster t/a Kathu Diereklíniek [20]	-	150 000
Engen Petroleum and Others [21]	300 000	-
Kathu Reinigings Dienste [22]	150 000	-
Belaz [23]	150 000	-
Bertie Smith and Others [24]	150 000	-
Nikalie Mining [25]	150 000	-
Kathu Engineering and Others [26]	150 000	-
Gabriel Basson and Others [27]	150 000	-
Alliance Fleet [28]	1 150 000	-
	27 253 389	25 871 140

[1] Curro Holdings - Finalised.

[2] Resilient Properties (Pty) Ltd - Urgent application to seek relief seeking a declaratory order and mandamus. The application was opposed and argued in the Gauteng High Court, Johannesburg. In this matter, no financial claims or settlements will be expected against the municipality except for legal costs on defending the matter and possible award cost. The applicant has not prosecuted the matter which entails that the matter has been dormant since 2020. The municipality is of the view that it has a moderate chance to succeed.

[3] Imatu obo Muzaza - Claim for retrospective increase. The matter is a result of appointment of Olifantshoek electricians being appointed on a higher grading/notch. Hence the electricians based in Kathu instituted legal proceedings against the municipality. The municipality's decision to appoint the Olifantshoek electricians on a higher notch was based on the differences in the work and duties performed between the two teams. The matter set down in Cape Town Labour Court. The municipality intended to appoint and/or upgrade the position of Imatu member however the applicant contends that the said offer is less favourable to them. The settlement is not that of a cash offer but that if they agree with the municipality's averment that the work was different, that there is no disparity between the two teams and it is not an equal work for equal pay matter, then that would subsequently finalise the matter. Imatu legal representatives indicated that the municipality need to furnish them with documents such as jobcards to finalise settlements. The municipality stands a good chance to win the case.

[4] SAMWU obo Dorfling - This a labour court application matter in relation to the averments of demotion of the applicant. The applicant has failed to submit their heads of argument for this case which was brought to court on 27 June 2023. The applicant has not prosecuted the matter which is indication that the plaintiff does not have a strong case. The municipality has a good prospect of success on this matter.

* See Note 50

Gamagara Local Municipality

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Notes to the Annual Financial Statements

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57. Contingencies (continued)

[5] Dorfling CH & A - Enrichment claim of R1 100 000. The matter has been partly completed and ruled in favour of the municipality. Although the outcome of this case is uncertain, it is the view of the attorneys that based on their experience with dealing with similar matters, the municipality has a good chance of success on this matter. The first part of the matter was to force the municipality to sell their property which was rented to the plaintiff, which the court dismissed. The enrichment part which relates to property improvements, of a luxurious nature, made by the plaintiff unilaterally without informing the municipality is still pending. The plaintiff has not prosecuted the matter for more than 4 years which can be an indication that this aspect of the matter has been abandoned.

[6] Claim for services rendered by the plaintiff in the sum of R3 400 000. Matter is defended and exchange of pleadings has closed. The plaintiff is claiming for services rendered outside the scope of the agreement and which were not approved by the municipality. The plaintiff has not prosecuted the matter after the submission of the municipality's answering affidavit on 17 September 2019. After the considerations of the merits of the case and experience with similar cases, the municipality has good chance of defending the matter.

[7] De Almeida - An application was launched to interdict the Municipality from disconnecting the electricity supply pending the review of the Municipality's decision. The matter is still pending, awaiting date to be heard in court. The municipality has good prospects of success after ascertaining that there was encroachment on the municipality's property.

[8] Minister of Water & Sanitation- The minister has a claim of approximately R2 433 556 in respect of water use charges. The case relates to municipality's alleged failure to pay for water use charges under National Water Act, as well as for water research levies. This matter is pending litigation and it has been standing still for a substantial time. The parties are busy with the IOF act to exchange documents to determine whether the municipality has any accountability in the matter. The plaintiff has not responded to the answering affidavits including the emails and no action has been taken by the plaintiff since the submission of the pla in 2020. The municipality stands a good chance to win this matter based on the assessment of the shortcomings of the plaintiff's evidence.

[9] Unlawful Occupiers Erf 1424 (Next to Engen) - Eviction for unlawful occupation of land, various occupiers invaded land which belongs to the Municipality. The land in question is registered in municipal name and respondents have invaded the land. The municipality launched an application to evict the illegal occupants and the municipality expects to be granted the order in its favour. The matter is not expected to create any financial obligations on the municipality.

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

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57. Contingencies (continued)

[10] Unlawful Occupiers Erf 1425 & 1336 (Landfill Site) - Eviction for unlawful occupation of land, various occupiers invaded land which belongs to the Municipality. The landfill site is registered in municipal name and respondents have invaded the land. The municipality launched an application to evict the illegal occupants and an order was granted by the court. Process for executing eviction is underway.

[11] Unlawful Occupiers Erf 3036 - Eviction for unlawful occupation of land, various occupiers invaded land which belongs to the Municipality. The respondents have invaded land which is registered in the name of the municipality. The municipality launched an application to evict the illegal occupants and the order was granted by the court. Due processes are being followed by the municipality to execute the order.

[12] Unlawful Occupiers- Olfantshoek- Erf 1424 - Finalised

[13] Unlawful Occupiers - Kholsan Eviction - Finalised

[14] Rosma Beleggings - Finalised.

[15] Motsemme - Claim in the amount of R1 700 000,00 for damages, past and future medical expenses and past and future loss of earnings due to accident. Motsemme claims damages due to a tree that fell over in a storm. The matter is pending and after considerations of the merits of the case, municipality has a medium chance of succeed.

[16] Ras E - Municipality settled the matter with E Ras.

[17] Ntlangani Group of Companies - Applicant refer a claim to the Arbitration Foundation of Southern Africa claiming an amount in excess of R14 million relating to the provision of a pre-paid electricity vendor system. The municipality filed a plea raising various points including the fact that the matter is brought in the incorrect jurisdiction. The claim is unfounded and the municipality will also institute a claim against plaintiff as the municipality as a strong case backed with calculations. Hence the municipality has a good chance to succeed.

[18] Sishen Iron Ore Company - Claim in the amount of R61 million. The R61 million claim was a billing issue which was being challenged by the plaintiff. The municipality subsequently reversed the billing.. The matter needs to be taken off the roll through engagements by both parties. The municipality has a good chance to succeed.

[19] Ikageng Solutions CC - Finalised.

[20] JH Vorster t/a Kathu Dierekliniek - Finalised.

[21] Engine Petroleum and Others - Interdict and Review application launched by Applicants to set aside Municipality's decision to issue zoning certificate for erf7319. The matter is set to be heard in court in August 2025. It is the view of the municipality that the action is unfounded as it is the duty and decision of council to approve business licences based on the bylaws and policies. The claim does not create any financial obligation on the municipality except for legal costs to defend the matter and possible award costs. The municipality has a medium chance to succeed.

[22] Kathu Reinigings Dienste-Eviction and Demolition application launched by Municipality against Respondent, for unlawful extension of property onto Municipal owned land in industrial area. The matter is pending. The municipality stands a good chance to succeed, as the land in question belongs to the municipality. The matter is not expected to create any financial obligations on the municipality except the legal cost and possible award costs

[23] Belaz-Eviction and Demolition application launched by Municipality against Respondent, for unlawful extension of property onto Municipal owned land in industrial area.

Continued

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand

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57. Contingencies (continued)

[24] Bertie Smith and Others-Eviction and Demolition application launched by Municipality against Respondent, for unlawful extension of property onto Municipal owned land in industrial area.

[25] Nikalie Mining-Eviction and Demolition application launched by Municipality against Respondent, for unlawful extension of property onto Municipal owned land in industrial area.

[26] Kathu Engineering and Others-Eviction and Demolition Application launched by Municipality against Respondent, for unlawful extension of property onto Municipal owned land in industrial area.

[27] Gabriel Basson and Others-Eviction and Demolition Application launched by Municipality against Respondent, for unlawful extension of property onto Municipal owned land in industrial area. The matter is still pending. The parties are in settlement discussions. The municipality stands a good chance to win the case. The matter is not expected to create any financial obligations on the municipality except the legal cost and the possible award costs.

[28] Alliance Fleet-Plaintiff has a claim for an amount of R1.8m regarding fleet. The municipality filed its plea, and the parties are busy with discover stage of the proceedings. After considering the merits of the case, the municipality has a medium chance of success.

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures In Rand	2024	2023
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58. Accounting by principals and agents

Entity as agent

Revenue received for agency activities

Agency Service - third party	546 906	489 701
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Reconciliation of movement of funds between principal and agent

2024	Total principal-agent arrangements funds transferred	Expenditure incurred against funds	Resources (assets and liabilities) under custodianship of agent	Fees paid to agent
Department of Transport	4 649 186	-	-	546 906

2023	Total principal-agent arrangements funds transferred	Expenditure incurred against funds	Resources (assets and liabilities) under custodianship of agent	Fees paid to agent
Department of Transport	4 245 514	-	-	489 701

The municipality is a party to a principal-agent arrangement. Judgement is applied in assessing whether the municipality is the principal or agent. The agreement requires the municipality to perform all the registering and testing function on behalf of the Northern Cape Department of Transport which consist of motor vehicle registration and licensing, driving license test center functions and vehicle test station functions. The municipality is an agent to the agreement as they are only entitled to commission amount and deposits all the net amount received for services rendered to the provincial department. The total agency compensation received is reflected as agency services revenue on the face of the statement of financial performance. There has not been any significant changes to the arrangement during the current financial year

There was no remittance of any resources during the period as the municipality does not have custodianship of resources held on behalf of the Department of Transport

There are no risks that are transferred from the Department of Transport to the Municipality as the municipality does not have custodianship over the resources held on behalf of the principal (Department of Transport).

There are no liabilities incurred on behalf of the Department of Transport that have been recognised by the entity, as well as any corresponding rights of reimbursement that have been recognised as assets

Carrying value of resources held on behalf of the Principal

Cash and cash equivalents held on behalf of the Department of transport and Prodiba	28 589 841	29 573 737
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Entity as principal

Resources (including assets and liabilities) of the municipality under the custodianship of the agent

Opening balance Cash held by Agent (Ntlangani)	62 441 648	35 086 768
Cash received by Agent	-	120 299 854
Cash Paid by Agent	-	(92 944 974)
	62 441 648	62 441 648

* See Note 50

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

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58. Accounting by principals and agents (continued)

Fee paid

Commission paid as compensation to the agent - 6 859 469

The municipality was a party to a principal-agent arrangement. Judgement was applied in assessing whether the municipality is the principal or agent. The Municipality was a principal to an agreement with Ntlangani Group of Companies (Pty) Ltd (NGC) to sell prepaid water and electricity to customers on behalf of the municipality. NGC ensured that sale proceeds are deposited to the Municipality's nominated bank account not later than 24 hour, and in the event that the next day is a weekend or public holiday, the deposit should be processed on the next business day. The total commission paid was reflected as commission paid-prepaid water and electricity in the face of the statement of financial performance. The arrangement with NGC came to an end on the 30th of June 2023 and new service provider was appointed in the current financial year.

Risks to the municipality if the principal-agent arrangement is terminated

There is a risk transferred to the municipality in this arrangement as Ntlangani has custody of the municipality's funds after collecting. In the event that the service is terminated, there is a risk of failure to collect the cash held by Ntlangani, if Ntlangani does not promptly pay this cash held after termination.

Resources (including assets and liabilities) of the municipality under the custodianship of the agent

Cash received by Agent	139 025 395	-
Cash Paid by Agent	(122 447 289)	-
Invoices set-off (Fees paid)	(16 578 108)	-
	-	-

Fee paid

Commission paid as compensation to the agent	13 341 050	-
Once-off system setup and implementation	2 511 770	-
TID Rollover charges	725 286	-

The municipality is a party to a principal-agent arrangement. Judgement is applied in assessing whether the municipality is the principal or agent. The Municipality is a principal to an agreement with Spectrum Utility Management (Pty) Ltd (SUM) to sell prepaid water and electricity to customers on behalf of the municipality. The arrangement commenced on the 1st of July 2023 and shall remain in force for 18 months until 31 December 2024. SUM and the municipality reconcile twice a week between fees and amounts collected on behalf of the municipality. The net payable amount, to the municipality, is deposited to the municipality's nominated bank account on a Tuesday of every week reconciled at 24h00 on the Monday and on a Friday every week reconciled at 24h00 on the Thursday. In the event that the next day is a weekend or public holiday, the deposit should be processed on the next business day. The total commission paid was reflected as commission paid-prepaid water and electricity in the face of the statement of financial performance. There has not been any significant changes to the arrangement during the current financial year.

* See Note 60

Gamagara Local Municipality

Annual Financial Statements for the year ended 30 June 2024

Notes to the Annual Financial Statements

Figures in Rand	2024	2023
59. Cash generated from operations		
Surplus (deficit)	6 143 212	(88 689 730)
Adjustments for:		
Depreciation and amortisation	54 257 648	54 238 074
Gain (loss) on sale of assets and liabilities	4 309 510	(11 535)
Fair value adjustments	(4 289 494)	(2 354 130)
Impairment deficit	9 085 918	1 515 861
Debt impairment	20 412 332	19 504 021
Bad debts written off	11 438 239	30 569 575
Movements in operating lease assets and accruals	-	2 336
Movements in retirement benefit assets and liabilities	7 225 000	(3 890 000)
Movements in provisions	13 683 884	13 164 482
Movement in other financial liabilities	-	5 485 570
Other non-cash items		
Change in provision obligation	(5 539 553)	(6 585 570)
Donated assets	(38 058 242)	(850 000)
Revenue in kind	(99 098 934)	-
Receivables	1 416 104	112 950
Changes in working capital:		
Inventories	(294 473)	175 759
Other trade receivables from exchange transactions	(29 398 702)	(1 776 869)
Consumer debtors	(84 957 208)	(78 597 119)
Payables from exchange transactions	(169 297 355)	129 771 443
VAT	(26 584 295)	(25 814 810)
Taxes and transfers payable (non-exchange)	343 587 829	(687 123)
Unspent conditional grants and receipts	10 364 661	(9 787 153)
Consumer deposits	768 600	993 707
	25 154 480	36 479 539

60. Financial instruments disclosure

Categories of financial instruments

2024

Financial assets

	At amortised cost	Total
Other trade receivables from exchange transactions	989 473	989 473
Receivables from non-exchange transactions	135 055 563	135 055 563
Receivables from exchange transactions	334 323 307	334 323 307
Cash and cash equivalents	14 310 211	14 310 211
Other trade receivables from non-exchange transactions	662 370	662 370
Other trade receivables from exchange transactions	5 606 193	5 606 193
Other trade receivables from non-exchange transactions	2 467 978	2 467 978
	493 415 095	493 415 095

Financial liabilities

	At amortised cost	At cost	Total
Other financial liabilities	7 533 077	-	7 533 077
Payables from exchange transactions	310 579 294	-	310 579 294
Payables from non-exchange	-	46 612 907	46 612 907
Eskom Debt	339 538 211	-	339 538 211
Consumer deposits	-	8 295 011	8 295 011

* See Note 50

Gamagara Local Municipality

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Notes to the Annual Financial Statements

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60. Financial Instruments disclosure (continued)

657 650 582 54 907 918 712 558 500

The municipality has a repayment agreement that contains an element of concessionary loan (Eskom Debt) that emanates from the approval of the municipality application to benefit from the National Treasury's Municipal Debt Relief Programme. This programme has terms and conditions, stipulated on MFMA Circular 124, that the municipality must abide to and they are as follows:

1. The municipality should demonstrate to the National Treasury that it met all the conditions for a consecutive period of 12 months, National Treasury will request Eskom to write off a municipality's arrear debt.

2. The municipality must maintain the Eskom bulk current account. Supporting documents of the payment must be submitted to National Treasury and Eskom.

The municipality must table and adopt a funded Medium Term Revenue and Expenditure Framework (MTREF) aligning to the National Treasury's Budget Funding Guidelines. If MTREF is not funded, the municipality must table and adopt a credible Budget Funding Plan as part of the MTREF budget (MFMA Budget Circular 122)

3. The municipality must include its completed tariff tool as part of the municipality's annual tabled and adopted MTREF submissions with effect the tabling of the 2023/24 MTREF.

4. The municipality should demonstrate, through its by-laws and budget related policies that the municipality is enforcing its credit control and debt collection policy in order to achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2024 during any quarter and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter..

5. The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll and/or any subsequent supplementary GVR and demonstrate the steps taken to correct the variances identified.

6. The municipal council and senior management team must closely monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant.

7. The municipality should be monitored in terms of these conditions by the provincial treasury and be issued with compliance certificate.

8. The municipality is not allowed to borrow for a period of 3 consecutive municipal years from the date of initial benefit in terms of the municipal debt support programme.

9. Municipality to ensure proper management of resources. The municipality must monthly first apply the revenue in the sub-account to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose

10. The municipality must fully account for and correctly report on the write-off of its Eskom arrear debt as per the written instruction of the National Treasury.

In case, the municipality default or fail to meet set conditions, the benefits will immediately cease. This entails Eskom will be obliged to implement its credit control and debt management policy on the defaulting municipality and the municipality must immediately start repaying its Eskom arrears, interest and penalties. Eskom, in addition, may resume legal proceedings against the municipality, including attaching the municipal bank account.

2023

Financial assets

* See Note 50

Gamagara Local Municipality

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60. Financial instruments disclosure (continued)

	At amortised cost	Total
Other trade receivables from exchange transactions	4 127 039	4 127 039
Receivables from non-exchange transactions	104 492 599	104 492 599
Receivables from exchange transactions	281 216 688	281 216 688
Cash and cash equivalents	13 190 588	13 190 588
Other trade receivables from non-exchange transactions	2 415 221	2 415 221
Other trade receivables from exchange transactions	3 299 867	3 299 867
Other trade receivables from non-exchange transactions	1 048 150	1 048 150
	409 790 112	409 790 112

Financial liabilities

	At amortised cost	At cost	Total
Other financial liabilities	49 516 483	-	49 516 483
Payables from exchange transactions	583 835 948	-	583 835 948
Payables from non-exchange	-	42 583 490	42 583 490
Consumer deposits	-	7 526 411	7 526 411
	633 352 429	50 109 901	683 462 330

61. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Infrastructure

8 685 371 27 076 450

Total capital commitments

Already contracted for but not provided for

8 685 371 27 076 450

Authorised operational expenditure

This committed expenditure relates to infrastructure projects and are grant funded.

The commitments are exclusive of VAT.

* See Note 50

Gamagara Local Municipality

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62. Risk management		
Liquidity risk		
Liquidity Risk is the risk that the municipality will encounter difficulty in meeting the obligations associated with its Financial Liabilities that are settled by delivering cash or another financial asset. The municipality's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the municipality's reputation.		
Liquidity Risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.		
At 30 June 2024	Less than 1 year	Greater than 1 year
Payables from exchange transactions	346 555 131	-
Payables from non-exchange transactions	46 612 907	-
Other financial liabilities	7 533 077	-
Consumer deposits	8 295 011	-
Employee benefit obligation	3 517 000	59 798 000
Unspent conditional grants	11 821 532	-
At 30 June 2023	Less than 1 year	Greater than 1 year
Payables from exchange transactions	614 918 170	-
Payables from non-exchange transactions	42 583 490	-
Other financial liabilities	49 516 483	-
Consumer deposits	7 526 411	-
Employee benefit obligation	2 637 000	53 453 000
Unspent conditional grants	1 456 871	-
Credit risk		
Credit risk consists mainly of cash deposits, cash equivalents, and accounts receivable. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to these customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the group of customers, taking into account their financial position, past experience and other factors.		
Credit risk arises from cash deposits, cash equivalents, and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.		
Financial assets exposed to credit risk at year end were as follows:		
Financial instrument	2024	2023
Receivables from exchange	416 692 080	348 845 984
Impairment on receivables from exchange transactions	(82 368 753)	(67 629 316)
Receivables from non-exchange transactions	183 703 153	128 292 319
Impairment on receivables from non-exchange transactions	(30 487 291)	(24 814 396)
Cash and cash equivalents	14 310 211	13 190 568
Market risk		

* See Note 50

Gamagara Local Municipality

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62. Risk management (continued)

Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the municipality to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

The municipality analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the municipality calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

The municipality does not have any financial assets and financial liabilities on a variable interest rate and therefore there is currently no exposure to the interest rate risk.

63. Segment information

General information

Identification of segments

The segments were organised based on the type and nature of service delivered by the Municipality. These services are delivered in various municipal departments, which for reporting purposes are allocated to a standardised functional area (guided by mSCOA regulations). Budgets are prepared for each functional area and the budget versus actual amounts are reported on a monthly basis. Information reported about these segments is used by management as a basis for evaluating the segments' performances and for making decisions about the allocation of resources. The disclosure of information about these segments is also considered appropriate for external reporting purposes.

Types of goods and/or services by segment

The Municipality has several departments/functional areas and accordingly the segments were aggregated for reporting purposes as set out below:

Reportable segment	Goods and/or services
Energy sources	This segment consists of all services for energy supply to the community
Environmental protection	This segment consists of environmental services such as planning & development, environmental protection and roads & storm water
Executive and council	This segment consists of services such as executive services, support services to the executive and finance & administration services
Finance and administration	Provision of financial and administrative services to other segments of the municipality
Planning and development	Provision of planning and development including policy and procedures. Co-ordination work relating to the preparation of the Annual Development Programme and its review
Road transport	Construction and maintenance of roads and infrastructure owned by the municipality
Sport and recreation	Provision of advancement of participation in sport and recreation, Fast-tracking the revival of sport, Talent identification and optimization of talent, Empowerment programmes
Waste water management	This segment consists of services for the management of waste water in the municipal area.
Waste management	This segment consists of services for the management of refuse in the municipal area.
Water management	This segment consists of services for the management of water, refuse in the municipal area.

* See Note 60

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63. Segment information (continued)

Segment surplus or deficit, assets and liabilities

2024

	Community and social services	Energy sources	Environmental protection	Executive and council administration	Finance and Planning and development	Road transport	Sport and recreation	Waste water management	Waste management	Water management	Total
Revenue											
Revenue from non-exchange transactions											
Property rates	-	-	-	- 154 195 370	-	- 950 000	-	-	-	- 154 195 370	
Government grants and subsidies	1 043 000	-	-	- 61 684 000	- 2 276 636	-	-	-	- 12 955 467	- 78 909 103	
Licences and permits	-	-	4 841	-	-	- 1 702 775	-	-	-	- 1 707 616	
Interest received from non-exchange transactions	-	-	-	-	- 14 610 866	-	-	-	-	- 14 610 866	
Public contributions and donations	-	-	-	-	- 22 171 000	- 15 935 509	-	-	-	- 38 106 509	
Fines, penalties and forfeits	1 210	193 938	-	-	- 236 490	942 700	-	-	10 000	1 384 338	
Availability charges	-	15 158 825	-	-	-	-	- 6 941 029	-	- 25 902 440	48 002 294	
Revenue from exchange transactions											
Renting of services	- 201 973 165	-	-	-	-	-	-	- 30 831 765	42 024 781	27 486 320	302 316 032
Rental of facilities and equipment	-	-	-	- 1 053 344	- 1 022 104	-	-	-	-	-	- 2 075 448
Interest received	- 19 903 318	-	-	-	15 269	-	-	- 4 635 238	9 812 084	7 181 455	41 547 514
Agency fees	-	-	-	-	-	546 906	-	-	-	-	546 906
Interest received - investment	-	-	-	-	- 603 611	-	-	-	-	-	- 603 611
Other income	57 524	623 064	-	- 2 234 314	502 059	25 400	-	40 106	-	773 016	6 691 020
Total segment revenue	1 101 734 237 852 310	4 841	54 971 659 195 396 915	2 672 177	20 103 290	-	42 448 139	51 836 866	74 308 698	690 696 627	

* See Note 50

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	Community and social services	Energy sources	Environment protection	Executive and council administration	Finance and Planning and development	Road transport	Sport and recreation	Waste water management	Water management	Total		
53. Segment information (continued)												
Expenditure												
Employee costs	(19 245 841)	(13 920 112)	-	(11 951 728)	(74 474 840)	(19 259 331)	(18 497 215)	(29 991 378)	(13 079 096)	(15 379 149)	(1 283 233)	217 081 921
Remuneration of councillors	-	-	-	(7 038 958)	-	-	-	-	-	-	-	(7 038 958)
Depreciation, amortisation and impairment	84 598	(9 056 702)	-	-	(17 264 112)	-	(8 217 620)	(4 806 220)	(8 724 672)	(4 352 972)	(10 882 187)	(63 219 886)
Finance costs	-	(16 232 444)	-	-	(7 054 875)	-	-	-	-	(3 396 323)	-	(26 683 443)
Bulk purchases	-	(173 543 308)	-	-	-	-	-	-	-	-	-	(173 543 308)
Repairs and maintenance	-	(3 152 523)	-	-	(2 145 907)	-	(64 001)	(55 928)	(4 001 360)	-	(4 045 158)	(13 464 877)
Bad debts written off	-	(109 401)	-	-	(4 834 206)	-	-	-	(1 710 114)	(2 607 475)	(2 177 043)	(11 438 239)
General expenses	(32 963 700)	(913 249)	-	(8 166 660)	(95 145 930)	(499 229)	(1 361 791)	(354 789)	(473 815)	(44 709)	(28 400 220)	168 324 090
Lease rentals on operating lease	-	-	-	-	(3 990 998)	-	-	-	-	-	-	(3 990 998)
Interest discount	-	-	-	-	(3 909 146)	-	-	-	-	-	-	(3 909 146)
Loss on disposal of assets and liabilities	-	-	-	-	(4 309 510)	-	-	-	-	-	-	(4 309 510)
Fair value adjustments	-	-	-	-	6 236 213	-	-	-	-	-	-	6 236 213
Actuarial gains/losses	-	-	-	-	143 668	-	-	-	-	-	-	143 668
Debt impairment	-	(10 573 877)	-	-	(6 588 666)	-	-	-	-	(2 092 247)	(1 157 512)	(20 412 332)
Water inventory consumed	-	-	-	-	-	-	-	-	-	-	(2 359 794)	(2 359 794)
Inventory losses/write down	-	-	-	-	-	-	-	-	-	-	(27 447 667)	(27 447 667)
Total segment expenditure	(52 124 943)	227 501 616	-	(27 157 346)	213 338 139	(19 758 560)	(28 140 627)	(35 208 314)	(27 989 056)	(27 872 874)	(77 752 813)	736 844 288
Surplus for the year												
	(51 023 209)	10 350 694	4 841	37 814 312	(17 941 223)	(17 086 383)	(8 037 337)	(35 208 314)	14 459 083	23 963 992	(3 444 115)	(46 147 660)

* See Note 50.

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63. Segment information (continued)

2023

	Community and social services	Energy sources	Environment protection	Executive and council administration	Finance and Planning and administration	Road transport	Sport and recreation	Waste water management	Waste management	Water management	Water management	Total
Revenue												
Revenue from non- exchange transactions												
Property rates					139 254 603							139 254 603
Government grants and subsidies	3 210 000	10 000 000		53 714 955	999 026		5 838 069			13 458 000		87 220 050
Licences and permits			1 086				1 511 874					1 512 959
Interest received from non- exchange transactions					12 608 971							12 608 971
Public contributions and donations							850 000					850 000
Fines, penalties and forfeits	889	285 086				70 827	376 650					733 451
Availability charges												
Revenue from exchange transactions		14 782 092						11 683 852		13 366 278		39 832 222
Renting of services		184 111 695							30 296 297	38 567 797	41 678 870	274 654 659
Rental of facilities and equipment				886 519	1 242 997							2 129 516
Interest received				35 582 419								35 582 419
Agency fees							489 701					489 701
Interest received - investment					471 503							471 503
Other income	47 113	679 388			362 881	2 454 958			258 958	855 149		4 458 446
Total segment revenue	3 258 001	189 853 261	1 086	90 184 193	154 939 981	2 525 785	9 066 294	42 239 107	38 567 797	69 158 297		599 798 800

* See Note 50

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63. Segment information (continued)

	Community and social services	Energy sources	Environmental protection	Executive and council	Finance and administration	Planning and development	Road transport	Sports and recreation	Waste water management	Waste management	Water management	Total
Expenditure												
Employee costs	(21 384 957)	(12 175 890)	-	(9 408 417)	(61 963 561)	(18 668 483)	(15 180 281)	(31 249 071)	(11 321 246)	(16 782 328)	(1 245 652)	(200 379 886)
Remuneration of councillors	-	-	-	(6 147 920)	-	-	-	-	-	-	-	(6 147 920)
Depreciation, amortisation and impairment	-	(7 275 154)	-	-	(9 559 758)	-	(10 200 581)	(4 820 047)	(9 302 768)	(3 464 957)	(10 708 549)	(55 331 813)
Finance costs	-	(27 217 327)	-	-	(6 846 942)	-	-	-	-	(2 888 013)	-	(36 932 282)
Bulk purchases	-	(144 867 742)	-	-	-	-	-	-	-	-	-	(144 867 742)
Repairs and maintenance	(13 500)	(7 833 959)	-	-	(4 943 753)	-	(1 737 111)	(40 117)	(526 201)	-	(3 369 124)	(18 463 765)
Bad debts written off	-	(282 510)	-	-	(13 283 746)	-	-	-	(4 121 765)	(7 355 226)	(5 566 328)	(30 569 575)
General expenses	(23 371 751)	(334 010)	-	(7 053 036)	(84 190 588)	(588 126)	(1 180 057)	(235 750)	(1 498 164)	(80 977)	(18 390 900)	(136 923 339)
Lease rentals on operating lease	-	-	-	-	(4 481 467)	-	-	-	-	-	-	(4 481 467)
Loss on disposal of assets and liabilities	-	-	-	-	11 535	-	-	-	-	-	-	11 535
Fair value adjustments	-	-	-	-	2 354 130	-	-	-	-	-	-	2 354 130
Actual gains/losses	-	-	-	-	11 864 751	-	-	-	-	-	-	11 864 751
Debt impairment	-	(8 748 353)	-	-	(7 725 252)	-	-	-	-	(2 397 987)	(632 429)	(19 504 021)
Interest discount	-	-	-	-	(6 101 846)	-	-	-	-	-	-	(6 101 846)
Water inventory consumed	-	-	-	-	-	-	-	-	-	-	(2 432 387)	(2 432 387)
Inventory losses/write down	-	-	-	-	-	-	-	-	-	-	(25 688 550)	(25 688 550)
Total segment expenditure	(44 770 208)	(208 734 946)	-	(22 608 373)	(184 825 475)	(19 256 609)	(29 298 030)	(36 344 985)	(26 770 144)	(32 949 489)	(68 033 920)	(673 594 179)
(Deficit)/Surplus for the year	(41 512 207)	(18 876 685)	1 086	67 574 820	(29 886 494)	(16 730 824)	(20 231 736)	(36 344 985)	15 468 962	5 618 308	1 124 377	(73 795 378)

Measurement of segment surplus or deficit, assets and liabilities

The Municipality has assessed that assets and liabilities associated with each segment is not used by management for decision making purposes, and neither is it being reported on. Assets and liabilities are utilised by management to assess

* See Note 50

Gamagara Local Municipality

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63. Segment information (continued)

key financial indicators for the Municipality as a whole. Accordingly, the assets and liabilities per segment is not required to be disclosed

The nature and effect of any asymmetrical allocations to reportable segments

The accounting policies of the respective segments are the same as those prescribed in the summary of significant accounting policies.

The Municipality had no changes to the structure of its internal organisation in a manner that caused the composition of its reportable segments to change from the prior year.

Information about geographical areas

Although the Municipality operates in a number of geographical areas (i.e. wards), the geographical information is not considered relevant to management for decision-making. The goods and services provided to the community throughout the entire municipal area are based on similar tariffs and service standards. Therefore, the Municipality has assessed that it operates in a single geographical area

64. Events after the reporting date

The municipality, after assessments, has concluded that a non-adjusting event exist which relate to the non-compliance with electricity tariff increment application procedures. The municipality is non-compliant with the provision which entail that tariff applications and the Nersa (regulatory authority) approvals must be in line with the cost of supply in determining electricity tariffs. The Afriforum has lodged a legal case against Nersa for approving the electricity tariffs for the financial year 2024/2025 without cost of supply. Although Nersa has appealed to the Supreme Court, the High Court judgement found that municipalities are prohibited from charging electricity tariffs where Nersa did not approve the municipality's tariff application based on a cost of supply study. The implications of the legal proceedings is that this might affect the revenue of the municipality. The estimated adjustment to revenue in the financial year 2024/2025 is at R18 355 809,93.

65. Eskom Long-term debt

This relates to change of the Eskom debt to a repayment arrangement due to the Municipal Debt Relief programme by the National Treasury.

66. Interest discount allowed

Interest discount

Cash discount

3 909 146 6 101 848

The municipality give customers a cash discount on full settlement of the outstanding debt. The municipality started in July 2022 to allow these discounts.

67. Change in estimate

Property, plant and equipment

* See Note 50

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67. Change in estimate (continued)

Remaining Useful Life Adjustment

During the review of the remaining useful lives (RUL) of assets, 3 666 assets were identified for adjustment. These assets were identified at the beginning of the reporting period and are either in use with zero RUL or are expected to depreciate to zero within the next 24 months.

The assets meeting this criterion were adjusted to reflect their condition rating as of year-end.

Adjusting the RUL of an asset is considered a subsequent measurement (as it constitutes a change in estimate). In accordance with GRAP 3, paragraph 38-40, a change in accounting estimate may affect only the current period's surplus or deficit or the surplus or deficit of both the current period and future periods.

The table below illustrates the depreciation effect per asset class resulting from the adjustments conducted for the 2023/24 financial year.

Asset Class	Asset Count	Depreciation 23/24 (Before Adjustment)	Current year Depreciation and future prospected depreciation based on revised remaining useful life
Intangible assets	2 -	7 445	- 2 492
Property, Plant and Equipment	3 664 -	2 622 722	- 862 943
Infrastructure assets	1 539 -	1 706 386	- 438 882
Land and Buildings	45 -	242 253	- 63 801
Other Assets	2 080 -	674 084	- 360 259
Grand Total	3 666 -	2 630 167	- 865 434

* See Note 50

CHAPTER 7: AUDIT REPORT

Report of the auditor-general to the Northern Cape Provincial Legislature and the council on Gamagara Local municipality

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gagamara Local Municipality set out on pages X to X, which comprise the statement of financial position as at 30 June 2024, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual amount for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gamagara Local Municipality as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practise (Standards of GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 5 of 2023 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in note 50 to the financial statements, the corresponding figures for 30 June 2023 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2024.

Going concern

8. I draw attention to note 51 in the financial statements, which deals with the possible effects of the future implications of the negative key financial ratios, challenges in settling debt as they fall due, ineffective cash management and significant debt owed to the bulk electricity provider. Management has also outlined their plans to address these challenges and conditions.

Material losses - electricity

9. As disclosed in note 55 to the financial statements, material electricity losses of R21 475 028 (2023-2024: R21 908 882) was incurred, which represents 12.35% (2023: 15.09%) of total electricity purchased.

Material losses - water

10. As disclosed in note 55 to the financial statements, material water losses of R27 447 667 (2023: R25 688 550) was incurred, which represents 69.85% (2023: 73%) of total water purchased.

Debt impairments

11. As disclosed in note 43 to the financial statements, material losses of R20 412 332 (2023: R19 504 021) were incurred as a result of significant impairment of debtors due to poor collection practices.

Bad debts written off

12. As disclosed in the financial statements, material losses of R11 438 239 were incurred as a result of result of outstanding indigent balances that were written off.

Other matter

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

Unaudited disclosure notes

14. 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.

Responsibilities of the accounting officer for the financial statements

15. 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.
16. 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.

Responsibilities of the auditor-general for the audit of the financial statements

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

Report on the annual performance report

19. 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 information against predetermined objectives for the selected development priority presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
20. I selected the following development priority related to Basic services and Infrastructure Investment presented in the annual performance report for the year ended 30 June 2024. I selected those indicators that measure the municipality's performance on its primary mandated functions and that are of significant national, community or public interest.
 - Number of LED streetlights retrofitted in all wards by 30th June 2024.
 - Number of boreholes linked to bulk water pipeline in Olifantshoek by 31st Dec 2023
 - % of work done on construction of bulk water augmentation equipping of 3 boreholes in Dibeng by 30 June 2024.
 - Number of water and electrical meters audits conducted by 30 June 2024.
 - Number of Reservoir Pump station refurbished at Mapoteng by 30th June 2024.
 - Percentage of Construction work done for Internal sewer network for 797 households in Dibeng (Phase4) by 30 June 2024.
 - Percentage Construction work done for internal sewer network to 529 households in Dibeng (Phase 5) by 30th June 2024.

- Percentage of work done in Constructing gravity flow Sewer network to Mapoteng pump station by 30th June 2024.
- Number of kilometres of internal roads resurfaced in Kathu by 30th June 2024.

21. I evaluated the reported performance information for the selected development priority against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the municipality's planning and delivery on its mandate and objectives.

22. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the municipality's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the municipality's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information presented in the annual performance report in the prescribed manner
- there is adequate supporting evidence for the achievements reported and for measures taken to improve performance.

23. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

24. I did not identify any material findings on the reported performance information for the selected indicators.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. The annual performance report includes information on reported achievements against planned targets and provides measures taken to improve performance.

27. The table that follow provides information on the achievement of planned targets and lists the key Performance Indicators that were not achieved as reported in the annual performance report. The measures taken to improve performance are included in the annual performance report on pages X to X.

Basic Services and Infrastructure Investment

<i>Targets achieved: 75%</i> <i>Budget spent: 45.46%</i>		
Key Performance Indicator not achieved	Planned target	Reported achievement
Number of LED streetlights retrofitted in all wards by the 30th June 2024	700	0
Percentage Construction work done for internal sewer network to 529 households in Dibeng (Phase 5) by 30th June 2024	15%	10%
Number of boreholes linked to bulk water pipeline in Olifantshoek by 31st Dec 2023	4	3

Material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information Basic Services and Infrastructure Investment. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

Report on compliance with legislation

29. 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.
30. 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.
31. 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.
32. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statement and annual report

33. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, non-current liabilities, revenue from non-exchange transactions and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.
34. The council failed to adopt an oversight report containing the council's comments on the 2022/23 annual report, as required by section 129(1) of the MFMA.

Consequence management

35. 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.
36. Irregular, and fruitless and wasteful expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Procurement and Contract Management

37. Some of the goods and services within the prescribed transaction values for formal written price quotations were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c)

Expenditure management

38. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
39. Reasonable steps were not taken to prevent irregular expenditure amounting to R123 266 403 as disclosed in note 54 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the irregular expenditure was caused by not correct procurement and contract management process.
40. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R16 579 119, as disclosed in note 53 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest charged on overdue accounts.
41. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R28 618 444, as disclosed in note 52 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by over expenditure incurred by municipal departments.

Human resource management

42. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA and regulation 31 of Municipal Staff Regulations.

Other information in the annual report

43. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected development priority presented in the annual performance report that have been specifically reported on in this auditor's report.
44. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
45. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected development priority presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
46. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

47. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
48. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion, the material adjustments on the annual performance report and the material findings on compliance with legislation included in this report.
49. Leadership did not exercise oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls.
50. Leadership did not implement effective human resource management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.

51. Leadership did not establish and communicate policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities.
52. Leadership did not develop and monitor the implementation of action plans to address internal control deficiencies.
53. Management did not establish an IT governance framework that supports and enables the business, delivers value and improves performance.
54. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
55. Management did not review and monitor compliance with applicable legislation.

Material irregularities

56. 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.

Material irregularities identified during the audit

The material irregularities identified are as follows:

Internal capacity not developed to prepare annual financial statements resulting in over reliance on consultants

57. Section 62(1)(a) of the MFMA states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.
58. In addition, the municipal cost containment regulation 5(5) requires that when consultants are appointed, an accounting officer must -
- (d) Ensure the transfer of skills by consultants to the relevant officials of a municipality or municipal entity;
 - (e) Develop consultancy reduction plans to reduce the reliance on consultants.
59. Contrary to the above requirement, no transfer of skills took place during the period that consultants were appointed and the municipality only developed a draft consultancy reduction plan, during the 2022/23 financial year, to reduce reliance on consultants.
60. Furthermore, insufficient steps are being taken to fill vacancies that are critical to AFS preparation. There is no internal capacity to prepare AFS at the municipality and there is a history of steps not being taken to develop such capacity as indicated in the municipal cost containment regulations. This has resulted in dependence on consultants and excessive

amounts being paid to consultants for services that could have been performed internally at a lower cost should the finance unit have been capacitated.

61. On 18 September 2024, the accounting officer's response on the actions taken and that will be taken to address the matter was received. The municipality has addressed the critical finding made on the non-compliances identified regarding the council approved consultancy reduction plan.
62. I will continue to monitor the remedial actions taken regarding the internal capacity not developed to prepare annual financial statements resulting that in over reliance on consultants.

Auditor General

Kimberley

30 November 2024



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

Auditor-general's responsibility for the audit

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 development priorities and on the municipality's compliance with selected requirements in key legislation.

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.

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.

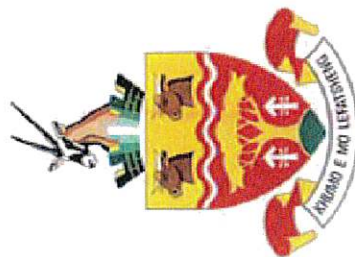
Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Municipal Finance Management Act 56 of 2003	Sections: 1, 11(1), 13(2), 14(1), 14(2)(a), 14(2)(b), 15, 24(2)(c)(iv), 28(1), 29(1), 29(2)(b), 32(2), 32(2)(a), 32(2)(a)(i), 32(2)(a)(ii), Sections: 32(2)(b), 32(6)(a), 32(7), 53(1)(c)(ii), 54(1)(c), 62(1)(d), 63(2)(a), 63(2)(c), 64(2)(b), 64(2)(c), 64(2)(e), 64(2)(f), Sections: 64(2)(g), 65(2)(a), 65(2)(b), 65(2)(e), 72(1)(a)(ii), 112(1)(j), 116(2)(b), 116(2)(c)(ii), 117, 122(1), 122(2), 126(1)(a), Sections: 126(1)(b), 127(2), 127(5)(a)(i), 127(5)(a)(ii), 129(1), 129(3), 133(1)(a), 133(1)(c)(i), 133(1)(c)(ii), 170, 171(4)(a), 171(4)(b)
MFMA: Municipal budget and reporting regulations, 2009	Regulations: 71(1)(a), 71(1)(a)(b), 71(2)(a), 71(2)(b), 71(2)(d), 72(a), 72(b), 72(c)
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), 16(a), 17(1)(a), 17(1)(b), 17(1)(c), 19(a), 21(b), 22(1)(b)(i), 22(2), 27(2)(a), 27(2)(e), Regulations: 28(1)(a)(i), 29(1)(a), 29(1)(b), 29(5)(a)(ii), 29(5)(b)(ii), 32, 36(1), 36(1)(a), 38(1)(c), 38(1)(d)(ii), 38(1)(e), 38(1)(g)(i), Regulations: 38(1)(g)(ii), 38(1)(g)(iii), 43, 44, 46(2)(e), 46(2)(f)
Construction Industry Development Board Act 38 of 2000	Section: 18(1)
Construction Industry Development Board Regulations, 2004	Regulations: 17, 25(7A)
Division of Revenue Act	Sections: 11(6)(b), 12(5), 16(1); 16(3)
Municipal Property Rates Act 6 of 2004	Section: 3(1)
Municipal Systems Act 32 of 2000	Sections: 25(1), 26(a), 26(c), 26(h), 26(i), 29(1)(b)(ii), 34(a), 34(b), 38(a), 41(1)(a), 41(1)(b), 41(1)(c)(ii), 42, 43(2), Sections: 54A(1)(a), 56(1)(a), 57(2)(a), 57(6)(a), 66(1)(a), 66(1)(b), 67(1)(d), 74(1), 96(b)
MSA: Disciplinary Regulations for Senior Managers, 2011	Regulations: 5(2), 5(3), 5(6), 8(4)

Legislation	Sections or regulations
MSA: Municipal Planning and Performance Management Regulations, 2001	Regulations: 2(1)(e), 2(3)(a), 3(3), 3(4)(b), 7(1), 8, 9(1)(a), 10(a), 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: Municipal Staff Regulations	Regulations: 7(1), 31
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section: 34(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), 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)

GAMAGARA LOCAL MUNICIPALITY



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TO WHOM IT MAY CONCERN

RE: TABLING OF 2023/2024 FINAL ANNUAL REPORT

This letter serves as Council Resolution number (20250124/4.6) for tabling of 2023/2024 final annual report.

PURPOSE

To request council to approve the final Annual Report 2023/24. The purpose of the annual report is to provide a record of the activities for that year, to report on performance against the budget of the Gamagara local Municipality for the financial year reported on, and to promote accountability to the local community for the decisions made throughout the year.

BACKGROUND

Whereas section 155 of the Constitution, 1996 (Constitution of the Republic of South Africa, Act no 108 of 1996) recognises categorising of municipalities, it further entrusts the provincial government to provide for the monitoring and support of local government in terms of creating an enabling environment to govern. Subsection 7 of the section 155 of the Constitution entrust provincial government with executive mandate to regulate performance of local government in its province. Section 160 of the Constitution entrust the municipal Council with the authority to exercise all the powers and performance of the municipality. Performance of the Municipality is the responsibility of Council.

In terms of section 195 (f) public administration must be accountable read with section 160 of the Constitution, municipal councils are responsible for the annual review of the performance of the municipality against the objectives it had set for itself as determined by section 19 (e) of the Municipal Structures Act, 1998 (Act no 117 of 1998). This function of monitoring performance is reiterated by section 46 of the Municipal Systems Act, 2000 (Act



no. 32 of 2000) which requires municipalities to prepare annual performance report for every financial year.

Section 39 of the Municipal Systems Act, empowers council or Committee of Council to delegate the development and management of the Performance Management System to the Municipal Manager who shall submit the proposal of such system for approval/ adoption by Council. Section 121 of the Municipal Finance Management Act, 2003 (Act no 56 of 2003) prescribes the content and the purpose of the annual report and reinforces accountability by assigning the responsibility of ensuring diligence by providing for oversight of performance.

ADMINISTRATIVE IMPLICATIONS

According to the MFMA, this Report should include:

- a. The annual financial statements of the Municipality, and consolidated annual financial statements, submitted to the Auditor-General for audit in terms of section 126 (1) of the MFMA;
- b. The Auditor-General's audit report in terms of section 126 (3) of the MFMA and in accordance with s45 (b) of the MSA; on the financial statements in (a) above;
- c. The annual performance report of the Municipality as prepared by the Gamagara Municipality in terms of section 45(b) of the Local Government: Municipal Systems Act 32 of 2000 (MSA);
- d. An assessment of the arrears on municipal taxes and service charges;
- e. An assessment of the Municipality's performance against the measurable performance objectives referred to in Section 17 (3)(b) of the MFMA for revenue collection from each revenue source and for each vote in the Municipality's approved budget for the financial year;
- f. Corrective action taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d); and
- g. Recommendations of the Municipality's Audit Committee.

1. LEGAL IMPLICATIONS

In terms of section 127. (1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). The accounting officer of a municipal entity must, within six months after the end of a financial year, or on such earlier date as may be agreed between the entity and its parent municipality, submit the entity's annual report for that financial year to

the municipal manager of the entity's parent municipality.

(2) The mayor of a municipality must, within seven months after the end of financial year, table in the municipal council the annual report of the municipality of a municipal entity under the municipality's sole or shared control.

MFMA section 121(2) Further stipulates the purpose of the annual report. That is:

- (a) to provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
- (b) to provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
- (c) to promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

FINANCIAL IMPLICATIONS

- a) Contents of the final annual report are used to improve organisational effectiveness and service delivery
- b) Financial attachment will also be from the vote of advertising, printing and delivering of the document to the respective stakeholders as per legislation.

COMMUNITY BENEFITS

The availability of the 2023/24 final Annual report has been advertised on a local Newspaper to enhance the accountability and transparency of Gamagara Local municipality. Stakeholders and residents are encouraged to study this document as it will give them a better understanding of the workings of the organization.

CONCLUSION

The Annual Report content will assist Council oversight institutions and other users of Annual Reports with information and progress made on service delivery and any other issues. It must align with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in-year reports. The contents will also assist with the annual audits.

COUNCIL RESOLUTIONS:

- a) That Council take cognizance of the tabling of the 2023/24 audited Annual Report in

terms of the Municipal Finance Management Act (No 56 of 2003), as amended Chapter 12 Section 127.

- b) That Council take cognizance that the 2023/24 draft unaudited Annual Report was tabled in Council on 31 August 2024 in terms of MFMA Circular no 63 of 2012.
- c) That the 2023/24 audited Annual Report be made public in terms of section 127 (5) (a) of the Municipal Finance Management Act, (No 56 of 2003), as amended
- d) That the 2023/24 audited Annual Report be submitted to the Auditor-General, National Treasury, Provincial Treasury, the Department of Local Government in the Province.
- e) That the Municipal Public Accounts Committee consider and evaluate the content of the 2023/24 audited Annual Report.
- f) That the Municipal Public Accounts Committee submit their oversight report on the 2023/24 audited Annual Report, within two months from the date on which the Annual Report was tabled (24 January 2025).
- g) That the Annual Report and Oversight Report be submitted to the Provincial Legislator within seven days after the Municipal Council has adopted the Oversight Report in terms of Section 129(1) subject to adoption of the report

Yours faithfully



MR. LEOGANG SEETILE
MUNICIPAL MANAGER

